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**Executive Branch**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	9,410,218,100	10,996,205,300	11,629,874,100	9,687,138,900	9,894,570,000
Surplus Expenditure Plan	25,600,900				
Current Year Appropriation	40,826,400				
Continuing Approp.-General Fund	133,777,900	98,294,200	98,294,200	98,294,200	98,294,200
Mandated Allotments	40,949,300				
Other	-126,059,800	-8,060,000	-8,280,000		
Current Receipts			5,381,000		
<b>Total General Fund</b>	<b>9,525,312,800</b>	<b>11,086,439,500</b>	<b>11,725,269,300</b>	<b>9,785,433,100</b>	<b>9,992,864,200</b>
<b>Tobacco Settlement - Phase I</b>					
Tobacco Settlement - Phase I	93,093,500	78,278,000	78,326,100	101,879,500	74,579,500
Continuing Approp.-Tobacco Settlement	46,011,900	23,775,700	14,999,100	450,500	2,505,300
Budget Reduction-General Fund Tobacco	-45,371,300				
<b>Total Tobacco Settlement - Phase I</b>	<b>93,734,100</b>	<b>102,053,700</b>	<b>93,325,200</b>	<b>102,330,000</b>	<b>77,084,800</b>
<b>Restricted Funds</b>					
Balance Forward	652,037,800	378,372,695	338,930,195	384,006,500	277,995,100
Current Receipts	6,085,576,400	6,341,974,400	6,548,599,800	6,310,651,800	6,515,609,800
Non-Revenue Receipts	2,027,973,400	800,243,300	801,754,900	1,131,109,900	960,487,600
Fund Transfers	-78,022,800	-4,152,900	-4,153,700	-135,752,900	-107,753,700
<b>Total Restricted Funds</b>	<b>8,687,564,800</b>	<b>7,516,437,495</b>	<b>7,685,131,195</b>	<b>7,690,015,300</b>	<b>7,646,338,800</b>
<b>Federal Funds</b>					
Balance Forward	186,962,100	24,139,800	18,706,400	24,362,300	20,931,400
Current Receipts	9,833,233,800	11,012,328,800	11,330,197,100	10,901,024,800	11,198,210,000
Non-Revenue Receipts	-11,071,300	-2,068,700	3,054,100	-2,068,700	3,054,100
ARRA Receipts	3,322,700				
<b>Total Federal Funds</b>	<b>10,012,447,300</b>	<b>11,034,399,900</b>	<b>11,351,957,600</b>	<b>10,923,318,400</b>	<b>11,222,195,500</b>
<b>Road Fund</b>					
Regular Appropriation	1,557,664,700	1,634,142,200	1,641,937,000	1,627,713,400	1,616,567,600
Surplus Expenditure Plan	17,718,000				
Other	-397,700				
<b>Total Road Fund</b>	<b>1,574,985,000</b>	<b>1,634,142,200</b>	<b>1,641,937,000</b>	<b>1,627,713,400</b>	<b>1,616,567,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>29,894,044,000</b>	<b>31,373,472,795</b>	<b>32,497,620,295</b>	<b>30,128,810,200</b>	<b>30,555,050,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	6,147,079,900	6,677,743,646	6,918,542,546	6,336,697,051	6,480,875,199
Operating Expenses	2,998,392,300	3,169,185,154	3,240,162,354	3,096,386,464	3,183,274,951
Grants Loans Benefits	16,553,219,000	18,590,458,600	19,268,872,700	17,614,282,585	17,978,468,950
Debt Service	1,049,297,900	1,107,436,900	1,295,593,100	1,090,536,700	1,200,582,900
Capital Outlay	166,943,200	229,575,500	224,486,700	183,868,300	178,399,500
Construction	2,365,063,100	1,110,411,100	1,109,575,700	1,382,151,200	1,178,178,700
<b>TOTAL EXPENDITURES</b>	<b>29,279,995,400</b>	<b>30,884,810,900</b>	<b>32,057,233,100</b>	<b>29,703,922,300</b>	<b>30,199,780,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	9,348,322,300	10,975,852,300	11,614,687,200	9,667,632,300	9,875,209,000
Tobacco Settlement - Phase I	90,990,100	85,096,300	85,344,600	97,645,200	74,900,700
Restricted Funds	8,303,558,300	7,177,507,300	7,380,171,000	7,412,020,200	7,431,285,300
Federal Funds	9,988,085,000	11,015,693,500	11,338,679,400	10,902,387,000	11,205,293,400
Road Fund	1,549,039,700	1,630,666,400	1,638,461,200	1,624,237,600	1,613,091,800
<b>TOTAL EXPENDITURES</b>	<b>29,279,995,400</b>	<b>30,884,815,800</b>	<b>32,057,343,400</b>	<b>29,703,922,300</b>	<b>30,199,780,200</b>
<b>EXPENDITURES BY UNIT</b>					
General Government	1,148,905,900	1,600,656,600	1,660,047,800	1,079,044,300	1,069,035,800
Economic Development	26,873,900	25,668,600	32,714,800	21,944,400	43,499,800
Department of Education	4,773,512,800	5,172,330,700	5,450,054,900	4,957,557,400	5,024,652,900

Education and Workforce Development	1,266,569,000	1,313,094,300	1,318,324,700	1,279,027,200	1,281,922,900
Energy and Environment	251,902,900	265,229,000	270,612,600	250,019,600	252,720,700
Finance and Administration	792,320,500	901,093,700	948,249,500	839,375,900	848,089,600
Health and Family Services	9,268,376,700	10,580,129,200	10,971,834,900	10,300,046,500	10,603,884,700
Justice and Public Safety	928,562,000	1,052,665,100	1,094,093,500	931,724,900	943,080,000
Labor	212,534,200	234,531,300	235,412,000	234,944,700	227,360,200
Personnel	61,343,500	65,257,900	67,620,100	63,473,300	64,800,700
Postsecondary Education	6,645,924,000	6,913,169,300	7,215,553,600	6,796,519,100	7,042,881,200
Public Protection	91,659,000	99,945,200	103,252,900	97,733,400	98,922,900
Tourism, Arts and Heritage	224,019,000	265,841,500	285,399,100	229,688,900	229,839,900
Transportation	3,587,492,000	2,395,203,400	2,404,173,000	2,622,822,700	2,469,088,900
<b>TOTAL EXPENDITURES</b>	<b>29,279,995,400</b>	<b>30,884,815,800</b>	<b>32,057,343,400</b>	<b>29,703,922,300</b>	<b>30,199,780,200</b>

# General Government

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**General Government**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	724,502,800	1,192,891,800	1,228,361,100	674,436,600	657,342,700
State Salary and Compensation Allocation	581,400				
Continuing Approp.-General Fund	313,600				
Mandated Allotments	22,716,800				
Other	-77,030,600				
Current Receipts			5,381,000		
<b>Total General Fund</b>	<b>671,084,000</b>	<b>1,192,891,800</b>	<b>1,233,742,100</b>	<b>674,436,600</b>	<b>657,342,700</b>
<b>Tobacco Settlement - Phase I</b>					
Tobacco Settlement - Phase I	16,291,800	16,291,800	16,291,800	20,910,600	9,173,600
Continuing Approp.-Tobacco Settlement	26,789,400	23,775,700	14,999,100	450,500	2,505,300
Budget Reduction-General Fund Tobacco	-16,291,800				
<b>Total Tobacco Settlement - Phase I</b>	<b>26,789,400</b>	<b>40,067,500</b>	<b>31,290,900</b>	<b>21,361,100</b>	<b>11,678,900</b>
<b>Restricted Funds</b>					
Balance Forward	92,845,400	71,888,700	58,293,600	71,935,300	49,684,900
Current Receipts	192,342,600	167,762,600	186,237,200	171,934,700	189,015,600
Non-Revenue Receipts	50,117,900	65,713,500	67,791,100	64,122,400	64,318,100
Fund Transfers	-3,300,000			-8,300,000	-2,800,000
<b>Total Restricted Funds</b>	<b>332,005,900</b>	<b>305,364,800</b>	<b>312,321,900</b>	<b>299,692,400</b>	<b>300,218,600</b>
<b>Federal Funds</b>					
Balance Forward	16,447,600	10,776,000	5,492,300	10,776,000	5,643,600
Current Receipts	198,212,300	129,605,100	130,110,700	130,101,900	130,404,200
ARRA Receipts	322,700				
<b>Total Federal Funds</b>	<b>214,982,600</b>	<b>140,381,100</b>	<b>135,603,000</b>	<b>140,877,900</b>	<b>136,047,800</b>
<b>Road Fund</b>					
Regular Appropriation	500,000	515,200	526,400	510,100	512,500
<b>Total Road Fund</b>	<b>500,000</b>	<b>515,200</b>	<b>526,400</b>	<b>510,100</b>	<b>512,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,245,361,900</b>	<b>1,679,220,400</b>	<b>1,713,484,300</b>	<b>1,136,878,100</b>	<b>1,105,800,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	319,316,400	344,176,200	368,972,900	317,872,600	330,564,600
Operating Expenses	78,968,100	91,991,300	95,140,900	82,113,400	84,109,200
Grants Loans Benefits	493,551,100	893,097,000	888,272,100	409,297,800	376,436,900
Debt Service	251,981,100	263,932,200	302,610,000	260,124,500	270,454,700
Capital Outlay	5,089,200	7,459,800	5,051,800	9,636,000	7,470,400
<b>TOTAL EXPENDITURES</b>	<b>1,148,905,900</b>	<b>1,600,656,500</b>	<b>1,660,047,700</b>	<b>1,079,044,300</b>	<b>1,069,035,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	657,789,800	1,192,891,800	1,233,742,100	674,436,600	657,342,700
Tobacco Settlement - Phase I	26,338,900	25,289,600	25,489,800	18,855,800	11,674,300
Restricted Funds	260,070,600	247,071,200	264,895,200	250,007,500	263,917,300
Federal Funds	204,206,600	134,888,800	135,394,300	135,234,300	135,589,000
Road Fund	500,000	515,200	526,400	510,100	512,500
<b>TOTAL EXPENDITURES</b>	<b>1,148,905,900</b>	<b>1,600,656,600</b>	<b>1,660,047,800</b>	<b>1,079,044,300</b>	<b>1,069,035,800</b>
<b>EXPENDITURES BY UNIT</b>					
Office of the Governor	8,317,200	8,433,100	8,759,300	9,565,600	9,667,800
Office of State Budget Director	3,316,900	3,512,000	3,795,100	3,273,000	3,437,700
State Planning Fund	158,700	158,700	158,700	150,800	150,800
Homeland Security	6,641,200	6,901,400	6,965,500	6,791,400	6,765,100
Department of Veterans' Affairs	53,106,300	58,749,800	70,877,000	58,616,000	68,436,000
Governor's Office of Agricultural Policy	25,076,300	26,757,300	26,625,100	17,123,500	9,651,700
Kentucky Infrastructure Authority	62,752,300	62,863,000	74,341,500	68,087,300	73,360,700

Military Affairs	175,624,000	103,193,700	105,982,700	96,947,600	97,803,800
Commission on Human Rights	1,972,300	2,657,900	2,778,100	1,948,200	1,983,800
Commission on Women	214,300	245,600	264,500	226,400	232,000
Department for Local Government	50,042,800	51,565,400	53,271,600	50,298,800	50,289,100
Local Government Economic Assistance Fund	50,838,500	76,786,400	76,786,400	55,217,500	53,662,700
Local Government Economic Development Fund	29,415,900	80,498,600	80,498,600	17,953,400	17,471,300
Area Development Fund	498,500	498,500	498,500	473,600	473,600
Executive Branch Ethics Commission	547,500	707,200	740,100	531,300	540,200
Secretary of State	3,164,500	3,445,800	3,788,500	3,432,000	3,689,900
Board of Elections	8,046,100	10,432,000	10,596,900	9,484,400	9,504,400
Registry of Election Finance	1,172,800	1,470,500	1,668,700	1,200,900	1,220,800
Attorney General	59,829,500	31,248,900	32,456,300	31,093,300	31,438,300
Unified Prosecutorial System	76,746,400	93,897,600	98,363,900	83,628,500	85,299,900
Treasury	3,202,700	3,662,000	3,749,100	3,266,700	3,344,500
Agriculture	31,297,800	32,053,100	33,116,900	32,503,200	32,891,300
Auditor of Public Accounts	12,048,600	13,669,700	14,642,000	12,763,900	12,996,700
Personnel Board	803,900	968,900	1,010,100	845,900	856,000
Kentucky Retirement Systems	38,855,900	41,867,100	43,051,400	40,930,800	41,306,800
Occupational & Professional Boards & Commissions	21,685,400	24,415,700	25,363,100	23,362,200	23,713,700
Kentucky River Authority	3,002,200	6,007,700	3,601,900	5,711,700	3,527,300
School Facilities Construction Commission	97,397,700	108,287,700	138,389,700	99,634,000	108,778,500
Teachers' Retirement System	307,628,200	730,199,800	722,405,100	338,956,000	311,515,000
Appropriations Not Otherwise Classified	15,501,500	15,501,500	15,501,500	5,026,400	5,026,400
<b>TOTAL EXPENDITURES</b>	<b>1,148,905,900</b>	<b>1,600,656,600</b>	<b>1,660,047,800</b>	<b>1,079,044,300</b>	<b>1,069,035,800</b>

**General Government  
Office of the Governor**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,313,600	5,780,100	6,064,200	5,527,600	5,629,800
State Salary and Compensation Allocation	14,200				
<b>Total General Fund</b>	<b>5,327,800</b>	<b>5,780,100</b>	<b>6,064,200</b>	<b>5,527,600</b>	<b>5,629,800</b>
<b>Tobacco Settlement - Phase I</b>					
Tobacco Settlement - Phase I	1,912,500	1,912,500	1,912,500	2,576,100	2,576,100
Continuing Approp.-Tobacco Settlement	2,101,800	3,056,600	2,593,000		
Budget Reduction-General Fund Tobacco	-1,912,500				
<b>Total Tobacco Settlement - Phase I</b>	<b>2,101,800</b>	<b>4,969,100</b>	<b>4,505,500</b>	<b>2,576,100</b>	<b>2,576,100</b>
<b>Restricted Funds</b>					
Balance Forward	341,000	246,000	134,900	246,000	134,900
Current Receipts	16,100				
<b>Total Restricted Funds</b>	<b>357,100</b>	<b>246,000</b>	<b>134,900</b>	<b>246,000</b>	<b>134,900</b>
<b>Federal Funds</b>					
Current Receipts	453,800	165,800	165,800	1,350,800	1,350,800
ARRA Receipts	322,700				
<b>Total Federal Funds</b>	<b>776,500</b>	<b>165,800</b>	<b>165,800</b>	<b>1,350,800</b>	<b>1,350,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>8,563,200</b>	<b>11,161,000</b>	<b>10,870,400</b>	<b>9,700,500</b>	<b>9,691,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	5,373,700	5,672,800	5,998,900	5,931,600	6,033,800
Operating Expenses	1,097,700	1,060,300	1,060,400	1,134,000	1,134,000
Grants Loans Benefits	1,845,800	1,700,000	1,700,000	2,500,000	2,500,000
<b>TOTAL EXPENDITURES</b>	<b>8,317,200</b>	<b>8,433,100</b>	<b>8,759,300</b>	<b>9,565,600</b>	<b>9,667,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,327,800	5,780,100	6,064,200	5,527,600	5,629,800
Tobacco Settlement - Phase I	2,101,800	2,376,100	2,418,200	2,576,100	2,576,100
Restricted Funds	111,100	111,100	111,100	111,100	111,100
Federal Funds	776,500	165,800	165,800	1,350,800	1,350,800
<b>TOTAL EXPENDITURES</b>	<b>8,317,200</b>	<b>8,433,100</b>	<b>8,759,300</b>	<b>9,565,600</b>	<b>9,667,800</b>
<b>EXPENDITURES BY UNIT</b>					
Governor	4,023,600	4,282,800	4,482,700	4,170,800	4,245,600
Governor's Office Expense Allowance	24,200	26,300	26,400	26,200	26,400
Lieutenant Governor	615,200	671,600	705,900	667,800	680,500
Lt. Governor's Expense Allowance	13,500	14,700	14,700	14,600	14,700
Secretary of the Cabinet	315,900	351,600	371,300	343,200	348,700
Kentucky Commission on Military Affairs	351,600	326,900	344,200	204,700	210,100
Office of Minority Empowerment	123,200	137,100	145,000	132,900	135,000
Faith Based Initiatives	71,800	80,200	85,100	78,500	79,900
Early Childhood Advisory Council	2,778,200	2,541,900	2,584,000	3,926,900	3,926,900
<b>TOTAL EXPENDITURES</b>	<b>8,317,200</b>	<b>8,433,100</b>	<b>8,759,300</b>	<b>9,565,600</b>	<b>9,667,800</b>

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

The Lieutenant Governor is a constitutional officer elected jointly with the Governor. The Lieutenant Governor is to assume the duties and responsibilities of the Office of the Governor should the Governor be impeached or removed from Office, die, fail to qualify, resign, or be unable to discharge the duties of that office. Additional duties of the Lieutenant Governor include serving on

various boards and commissions, serving on Kentucky delegations to several interstate compact commissions, and appointing members to various boards.

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

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

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

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

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

## **Policy**

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

**General Government  
Office of State Budget Director**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,021,900	3,372,400	3,552,800	3,133,400	3,195,400
State Salary and Compensation Allocation	9,200				
<b>Total General Fund</b>	<b>3,031,100</b>	<b>3,372,400</b>	<b>3,552,800</b>	<b>3,133,400</b>	<b>3,195,400</b>
<b>Restricted Funds</b>					
Balance Forward	667,700	381,900	242,300	381,900	242,300
<b>Total Restricted Funds</b>	<b>667,700</b>	<b>381,900</b>	<b>242,300</b>	<b>381,900</b>	<b>242,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,698,800</b>	<b>3,754,300</b>	<b>3,795,100</b>	<b>3,515,300</b>	<b>3,437,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	2,820,400	3,030,400	3,296,000	2,791,500	2,938,700
Operating Expenses	496,500	481,600	499,100	481,500	499,000
<b>TOTAL EXPENDITURES</b>	<b>3,316,900</b>	<b>3,512,000</b>	<b>3,795,100</b>	<b>3,273,000</b>	<b>3,437,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,031,100	3,372,400	3,552,800	3,133,400	3,195,400
Restricted Funds	285,800	139,600	242,300	139,600	242,300
<b>TOTAL EXPENDITURES</b>	<b>3,316,900</b>	<b>3,512,000</b>	<b>3,795,100</b>	<b>3,273,000</b>	<b>3,437,700</b>
<b>EXPENDITURES BY UNIT</b>					
Budget & Policy Analysis	2,646,900	2,746,700	2,986,700	2,600,200	2,754,300
Policy Research	155,700	208,200	220,000	120,500	122,400
Economic Analysis	514,300	557,100	588,400	552,300	561,000
<b>TOTAL EXPENDITURES</b>	<b>3,316,900</b>	<b>3,512,000</b>	<b>3,795,100</b>	<b>3,273,000</b>	<b>3,437,700</b>

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

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

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

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

**General Government  
State Planning Fund**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	158,700	158,700	158,700	150,800	150,800
<b>Total General Fund</b>	<b>158,700</b>	<b>158,700</b>	<b>158,700</b>	<b>150,800</b>	<b>150,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>158,700</b>	<b>158,700</b>	<b>158,700</b>	<b>150,800</b>	<b>150,800</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	158,700	158,700	158,700	150,800	150,800
<b>TOTAL EXPENDITURES</b>	<b>158,700</b>	<b>158,700</b>	<b>158,700</b>	<b>150,800</b>	<b>150,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	158,700	158,700	158,700	150,800	150,800
<b>TOTAL EXPENDITURES</b>	<b>158,700</b>	<b>158,700</b>	<b>158,700</b>	<b>150,800</b>	<b>150,800</b>
<b>EXPENDITURES BY UNIT</b>					
State Planning Fund	158,700	158,700	158,700	150,800	150,800
<b>TOTAL EXPENDITURES</b>	<b>158,700</b>	<b>158,700</b>	<b>158,700</b>	<b>150,800</b>	<b>150,800</b>

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

**General Government  
Homeland Security**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	207,500	311,100	335,100	233,000	236,600
State Salary and Compensation Allocation	600				
<b>Total General Fund</b>	<b>208,100</b>	<b>311,100</b>	<b>335,100</b>	<b>233,000</b>	<b>236,600</b>
<b>Restricted Funds</b>					
Balance Forward	858,000	623,600	307,500	623,600	309,500
Current Receipts	1,090,900	1,126,300	1,162,900	1,126,300	1,162,900
Non-Revenue Receipts	200	300	400	300	400
<b>Total Restricted Funds</b>	<b>1,949,100</b>	<b>1,750,200</b>	<b>1,470,800</b>	<b>1,750,200</b>	<b>1,472,800</b>
<b>Federal Funds</b>					
Balance Forward	226,400	7,200	7,200	7,200	7,200
Current Receipts	4,638,400	4,882,400	4,932,900	4,857,600	4,857,600
<b>Total Federal Funds</b>	<b>4,864,800</b>	<b>4,889,600</b>	<b>4,940,100</b>	<b>4,864,800</b>	<b>4,864,800</b>
<b>Road Fund</b>					
Regular Appropriation	250,000	265,200	276,400	260,100	262,500
<b>Total Road Fund</b>	<b>250,000</b>	<b>265,200</b>	<b>276,400</b>	<b>260,100</b>	<b>262,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,272,000</b>	<b>7,216,100</b>	<b>7,022,400</b>	<b>7,108,100</b>	<b>6,836,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,943,400	2,190,500	2,254,300	2,077,300	2,050,700
Operating Expenses	185,300	200,300	200,400	203,500	203,600
Grants Loans Benefits	4,512,500	4,510,600	4,510,800	4,510,600	4,510,800
<b>TOTAL EXPENDITURES</b>	<b>6,641,200</b>	<b>6,901,400</b>	<b>6,965,500</b>	<b>6,791,400</b>	<b>6,765,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	208,100	311,100	335,100	233,000	236,600
Restricted Funds	1,325,500	1,442,700	1,421,100	1,440,700	1,408,400
Federal Funds	4,857,600	4,882,400	4,932,900	4,857,600	4,857,600
Road Fund	250,000	265,200	276,400	260,100	262,500
<b>TOTAL EXPENDITURES</b>	<b>6,641,200</b>	<b>6,901,400</b>	<b>6,965,500</b>	<b>6,791,400</b>	<b>6,765,100</b>
<b>EXPENDITURES BY UNIT</b>					
Office of Homeland Security	5,916,600	6,059,600	6,145,300	5,951,600	5,957,600
Commerical Mobile Radio Service	724,600	841,800	820,200	839,800	807,500
<b>TOTAL EXPENDITURES</b>	<b>6,641,200</b>	<b>6,901,400</b>	<b>6,965,500</b>	<b>6,791,400</b>	<b>6,765,100</b>

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

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

**General Government  
Veterans' Affairs**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	14,045,400	17,323,600	20,048,000	17,702,000	17,891,100
State Salary and Compensation Allocation	78,200				
<b>Total General Fund</b>	<b>14,123,600</b>	<b>17,323,600</b>	<b>20,048,000</b>	<b>17,702,000</b>	<b>17,891,100</b>
<b>Restricted Funds</b>					
Balance Forward	3,103,800	1,802,900	516,000	1,802,900	637,800
Current Receipts	37,681,800	40,139,300	50,716,100	39,748,900	50,310,200
<b>Total Restricted Funds</b>	<b>40,785,600</b>	<b>41,942,200</b>	<b>51,232,100</b>	<b>41,551,800</b>	<b>50,948,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>54,909,200</b>	<b>59,265,800</b>	<b>71,280,100</b>	<b>59,253,800</b>	<b>68,839,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	43,974,100	49,446,400	59,527,500	49,508,900	57,196,000
Operating Expenses	8,325,300	8,726,100	10,744,200	8,441,800	10,458,700
Grants Loans Benefits	550,000	550,000	550,000	550,000	550,000
Debt Service				88,000	176,000
Capital Outlay	256,900	27,300	55,300	27,300	55,300
<b>TOTAL EXPENDITURES</b>	<b>53,106,300</b>	<b>58,749,800</b>	<b>70,877,000</b>	<b>58,616,000</b>	<b>68,436,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	14,123,600	17,323,600	20,048,000	17,702,000	17,891,100
Restricted Funds	38,982,700	41,426,200	50,829,000	40,914,000	50,544,900
<b>TOTAL EXPENDITURES</b>	<b>53,106,300</b>	<b>58,749,800</b>	<b>70,877,000</b>	<b>58,616,000</b>	<b>68,436,000</b>
<b>EXPENDITURES BY UNIT</b>					
Field Services and Cemeteries	5,120,700	5,457,500	5,771,600	5,469,800	5,636,300
Kentucky Veterans' Centers	47,985,600	53,292,300	65,105,400	53,146,200	62,799,700
<b>TOTAL EXPENDITURES</b>	<b>53,106,300</b>	<b>58,749,800</b>	<b>70,877,000</b>	<b>58,616,000</b>	<b>68,436,000</b>

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

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

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

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

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

KRS 40.600 established the Women Veterans Program to ensure Kentucky women veterans have equitable access to federal and state veterans' services and benefits. KRS 40.350 established the Wounded or Disabled Veterans Program to assist

wounded or disabled veterans in the transition from active service and ensure they receive the federal, state and private benefits to which they are entitled as wounded or disabled veterans.

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

**Policy**

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

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

The Executive Budget provides General Fund in the amount of \$88,000 in fiscal year 2015 and \$176,000 in fiscal year 2016 for debt service on new bonds included in the capital budget.

**General Government**  
**Governor's Office of Agricultural Policy**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		3,000,000	3,000,000		
<b>Total General Fund</b>		3,000,000	3,000,000		
<b>Tobacco Settlement - Phase I</b>					
Tobacco Settlement - Phase I	14,379,300	14,379,300	14,379,300	18,334,500	6,597,500
Continuing Approp.-Tobacco Settlement	24,687,600	20,719,100	12,406,100	450,500	2,505,300
Budget Reduction-General Fund Tobacco	-14,379,300				
<b>Total Tobacco Settlement - Phase I</b>	24,687,600	35,098,400	26,785,400	18,785,000	9,102,800
<b>Restricted Funds</b>					
Balance Forward	1,353,600	984,400	555,200	984,400	555,200
Current Receipts	120,000	114,600	124,300	114,600	124,300
Non-Revenue Receipts	350,000	300,000	100,000	300,000	100,000
<b>Total Restricted Funds</b>	1,823,600	1,399,000	779,500	1,399,000	779,500
<b>TOTAL SOURCE OF FUNDS</b>	26,511,200	39,497,400	30,564,900	20,184,000	9,882,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,622,600	1,813,700	1,906,500	1,789,300	1,817,500
Operating Expenses	370,100	360,000	360,000	360,000	360,000
Grants Loans Benefits	23,083,600	24,583,600	24,358,600	14,974,200	7,474,200
<b>TOTAL EXPENDITURES</b>	25,076,300	26,757,300	26,625,100	17,123,500	9,651,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		3,000,000	3,000,000		
Tobacco Settlement - Phase I	24,237,100	22,913,500	23,071,600	16,279,700	9,098,200
Restricted Funds	839,200	843,800	553,500	843,800	553,500
<b>TOTAL EXPENDITURES</b>	25,076,300	26,757,300	26,625,100	17,123,500	9,651,700
<b>EXPENDITURES BY UNIT</b>					
Governor's Office of Agricultural Policy	25,076,300	26,757,300	26,625,100	17,123,500	9,651,700
<b>TOTAL EXPENDITURES</b>	25,076,300	26,757,300	26,625,100	17,123,500	9,651,700

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

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

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

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

A portion of funds received into the Agriculture Development Fund are allocated for projects at the county level. The specific funding level of a county is dependent upon its tobacco-production dependency in relation to other counties within the state as described in KRS 248.703(3). One hundred and eighteen of Kentucky's 120 counties receive a portion of county allocation. Each county has a council of local agriculture leaders who consider applications for grants from the county's share of funds and prioritizes them for the Agricultural Development Board, which has the final grant authority for each county's funds. The Board has developed several programs in which counties may participate. Funds are provided as matching grants.

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

**Policy**

The Executive Budget suspends KRS 248.703(1)(a), and directs that the counties' portion of the Tobacco Settlement-Phase I payments will be \$13,500,000 in fiscal year 2015 and \$6,000,000 fiscal year 2016.

**General Government  
Kentucky Infrastructure Authority**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,387,800	1,388,200	1,388,200	1,337,300	1,573,300
State Salary and Compensation Allocation	400				
Current Receipts			5,381,000		
<b>Total General Fund</b>	<b>1,388,200</b>	<b>1,388,200</b>	<b>6,769,200</b>	<b>1,337,300</b>	<b>1,573,300</b>
<b>Restricted Funds</b>					
Balance Forward	186,200				
Current Receipts	31,861,500	32,127,600	38,204,600	37,381,000	42,405,500
<b>Total Restricted Funds</b>	<b>32,047,700</b>	<b>32,127,600</b>	<b>38,204,600</b>	<b>37,381,000</b>	<b>42,405,500</b>
<b>Federal Funds</b>					
Current Receipts	29,316,400	29,347,200	29,367,700	29,369,000	29,381,900
<b>Total Federal Funds</b>	<b>29,316,400</b>	<b>29,347,200</b>	<b>29,367,700</b>	<b>29,369,000</b>	<b>29,381,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>62,752,300</b>	<b>62,863,000</b>	<b>74,341,500</b>	<b>68,087,300</b>	<b>73,360,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	2,870,200	3,040,700	3,124,700	2,886,200	2,910,600
Operating Expenses	310,500	310,500	310,500	320,300	320,300
Grants Loans Benefits	29,015,600	28,984,800	28,964,300	28,984,800	28,964,300
Debt Service	30,556,000	30,527,000	41,942,000	35,896,000	41,165,500
<b>TOTAL EXPENDITURES</b>	<b>62,752,300</b>	<b>62,863,000</b>	<b>74,341,500</b>	<b>68,087,300</b>	<b>73,360,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,388,200	1,388,200	6,769,200	1,337,300	1,573,300
Restricted Funds	32,047,700	32,127,600	38,204,600	37,381,000	42,405,500
Federal Funds	29,316,400	29,347,200	29,367,700	29,369,000	29,381,900
<b>TOTAL EXPENDITURES</b>	<b>62,752,300</b>	<b>62,863,000</b>	<b>74,341,500</b>	<b>68,087,300</b>	<b>73,360,700</b>
<b>EXPENDITURES BY UNIT</b>					
Kentucky Infrastructure Authority	62,752,300	62,863,000	74,341,500	68,087,300	73,360,700
<b>TOTAL EXPENDITURES</b>	<b>62,752,300</b>	<b>62,863,000</b>	<b>74,341,500</b>	<b>68,087,300</b>	<b>73,360,700</b>

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

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

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

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

**Fund B Revolving Loan/Grant Program** – Loans are made to governmental entities that are unable to wholly finance a project through other public grant or loan programs, through commercial credit at reasonable rates, or from their own resources. The loans are offered at or below market interest rates for a term not to exceed 30 years. Grants are available, but are reserved for borrowers facing both a financial hardship and an extreme health hazard.

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

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

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

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

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

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

## **Policy**

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

Included in the General Fund appropriation is \$135,000 in fiscal year 2016 for debt service to support \$3,100,000 in bonds to match an estimated \$32,439,000 in Federal Funds for the Federally Assisted Wastewater Revolving Loan Fund program (Fund A).

Included in the General Fund appropriation is \$101,000 in fiscal year 2016 for debt service to support \$2,300,000 in bonds to match an estimated \$25,511,000 in Federal Funds for the Safe Drinking Water State Revolving Loan Fund program (Fund F).

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

**General Government  
Military Affairs**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	8,674,700	12,248,200	13,538,800	9,049,000	9,336,700
State Salary and Compensation Allocation	38,600				
Mandated Allotments	12,500,000				
<b>Total General Fund</b>	<b>21,213,300</b>	<b>12,248,200</b>	<b>13,538,800</b>	<b>9,049,000</b>	<b>9,336,700</b>
<b>Restricted Funds</b>					
Balance Forward	24,342,000	16,969,000	14,596,000	17,269,000	10,657,200
Current Receipts	38,441,000	44,083,100	45,438,500	42,649,700	43,602,300
Non-Revenue Receipts	-4,217,700	482,300	482,300	482,300	482,300
Fund Transfers				-5,000,000	
<b>Total Restricted Funds</b>	<b>58,565,300</b>	<b>61,534,400</b>	<b>60,516,800</b>	<b>55,401,000</b>	<b>54,741,800</b>
<b>Federal Funds</b>					
Balance Forward					151,300
Current Receipts	113,114,400	44,007,100	44,150,100	43,306,100	43,331,000
<b>Total Federal Funds</b>	<b>113,114,400</b>	<b>44,007,100</b>	<b>44,150,100</b>	<b>43,306,100</b>	<b>43,482,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>192,893,000</b>	<b>117,789,700</b>	<b>118,205,700</b>	<b>107,756,100</b>	<b>107,560,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	43,793,600	39,705,200	42,141,000	38,419,000	39,438,200
Operating Expenses	32,700,000	43,865,700	44,218,900	36,938,900	36,684,900
Grants Loans Benefits	93,760,400	13,740,800	13,740,800	13,740,800	13,740,800
Debt Service	1,795,200	2,307,200	2,307,200	1,840,700	1,931,700
Capital Outlay	3,574,800	3,574,800	3,574,800	6,008,200	6,008,200
<b>TOTAL EXPENDITURES</b>	<b>175,624,000</b>	<b>103,193,700</b>	<b>105,982,700</b>	<b>96,947,600</b>	<b>97,803,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	21,213,300	12,248,200	13,538,800	9,049,000	9,336,700
Restricted Funds	41,296,300	46,938,400	48,293,800	44,743,800	45,234,900
Federal Funds	113,114,400	44,007,100	44,150,100	43,154,800	43,232,200
<b>TOTAL EXPENDITURES</b>	<b>175,624,000</b>	<b>103,193,700</b>	<b>105,982,700</b>	<b>96,947,600</b>	<b>97,803,800</b>
<b>EXPENDITURES BY UNIT</b>					
Statutory State Operations	30,195,600	33,754,400	34,773,400	29,928,400	30,143,800
Emergency Management	102,949,800	23,818,600	24,233,200	23,093,100	23,204,200
National Guard Operations	200,000	200,000	200,000	200,000	200,000
Emergency & Public Safety Operations	2,500,000				
Bluegrass Station	10,367,000	14,487,100	14,742,100	12,907,600	12,939,100
Central Clothing Distribution	27,270,300	28,373,100	29,177,700	28,271,700	28,632,000
Federal & Grant Operations	2,141,300	2,560,500	2,856,300	2,546,800	2,684,700
<b>TOTAL EXPENDITURES</b>	<b>175,624,000</b>	<b>103,193,700</b>	<b>105,982,700</b>	<b>96,947,600</b>	<b>97,803,800</b>

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

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

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

The Division of Emergency Management is responsible for all aspects of emergency management including planning, assessment, mitigation, response, and recovery in the Commonwealth. The Division works with local emergency management programs to

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

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

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

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

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

### **Policy**

The Executive Budget provides General Fund of \$45,500 in fiscal year 2015 and \$136,500 in fiscal year 2016 for debt service on new bonds included in the capital budget.

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

**General Government  
Commission on Human Rights**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,648,700	2,412,900	2,533,100	1,703,200	1,738,800
State Salary and Compensation Allocation	6,600				
<b>Total General Fund</b>	<b>1,655,300</b>	<b>2,412,900</b>	<b>2,533,100</b>	<b>1,703,200</b>	<b>1,738,800</b>
<b>Federal Funds</b>					
Balance Forward	74,500				
Current Receipts	242,500	245,000	245,000	245,000	245,000
<b>Total Federal Funds</b>	<b>317,000</b>	<b>245,000</b>	<b>245,000</b>	<b>245,000</b>	<b>245,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,972,300</b>	<b>2,657,900</b>	<b>2,778,100</b>	<b>1,948,200</b>	<b>1,983,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,770,300	2,319,900	2,440,100	1,832,000	1,868,100
Operating Expenses	202,000	338,000	338,000	116,200	115,700
<b>TOTAL EXPENDITURES</b>	<b>1,972,300</b>	<b>2,657,900</b>	<b>2,778,100</b>	<b>1,948,200</b>	<b>1,983,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,655,300	2,412,900	2,533,100	1,703,200	1,738,800
Federal Funds	317,000	245,000	245,000	245,000	245,000
<b>TOTAL EXPENDITURES</b>	<b>1,972,300</b>	<b>2,657,900</b>	<b>2,778,100</b>	<b>1,948,200</b>	<b>1,983,800</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	687,400	884,300	921,600	692,200	703,900
Enforcement Branch	663,700	785,600	826,000	611,200	621,100
Research and Information	344,300	558,300	582,100	358,000	366,000
Legal Affairs	276,900	429,700	448,400	286,800	292,800
<b>TOTAL EXPENDITURES</b>	<b>1,972,300</b>	<b>2,657,900</b>	<b>2,778,100</b>	<b>1,948,200</b>	<b>1,983,800</b>

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

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

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

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

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

**Policy**

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

**General Government  
Commission on Women**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	212,400	245,600	264,500	226,400	232,000
State Salary and Compensation Allocation	1,000				
<b>Total General Fund</b>	<b>213,400</b>	<b>245,600</b>	<b>264,500</b>	<b>226,400</b>	<b>232,000</b>
<b>Restricted Funds</b>					
Balance Forward	900				
<b>Total Restricted Funds</b>	<b>900</b>				
<b>TOTAL SOURCE OF FUNDS</b>	<b>214,300</b>	<b>245,600</b>	<b>264,500</b>	<b>226,400</b>	<b>232,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	199,300	230,500	249,400	211,400	217,000
Operating Expenses	15,000	15,000	15,000	15,000	15,000
<b>TOTAL EXPENDITURES</b>	<b>214,300</b>	<b>245,500</b>	<b>264,400</b>	<b>226,400</b>	<b>232,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	213,400	245,600	264,500	226,400	232,000
Restricted Funds	900				
<b>TOTAL EXPENDITURES</b>	<b>214,300</b>	<b>245,600</b>	<b>264,500</b>	<b>226,400</b>	<b>232,000</b>
<b>EXPENDITURES BY UNIT</b>					
Commission on Women	214,300	245,600	264,500	226,400	232,000
<b>TOTAL EXPENDITURES</b>	<b>214,300</b>	<b>245,600</b>	<b>264,500</b>	<b>226,400</b>	<b>232,000</b>

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

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

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

**General Government  
Department for Local Government**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,844,100	9,350,000	11,109,000	7,867,800	7,937,600
State Salary and Compensation Allocation	16,200				
Continuing Approp.-General Fund	63,700				
<b>Total General Fund</b>	<b>7,924,000</b>	<b>9,350,000</b>	<b>11,109,000</b>	<b>7,867,800</b>	<b>7,937,600</b>
<b>Restricted Funds</b>					
Balance Forward	215,800	144,400	73,000	144,400	73,000
Current Receipts	1,028,600	1,028,500	1,028,500	1,228,500	1,228,500
<b>Total Restricted Funds</b>	<b>1,244,400</b>	<b>1,172,900</b>	<b>1,101,500</b>	<b>1,372,900</b>	<b>1,301,500</b>
<b>Federal Funds</b>					
Balance Forward	747,900	498,600	249,300	498,600	249,300
Current Receipts	40,769,500	40,866,200	40,813,400	40,881,800	40,802,300
<b>Total Federal Funds</b>	<b>41,517,400</b>	<b>41,364,800</b>	<b>41,062,700</b>	<b>41,380,400</b>	<b>41,051,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>50,685,800</b>	<b>51,887,700</b>	<b>53,273,200</b>	<b>50,621,100</b>	<b>50,290,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	5,137,000	6,680,400	7,051,600	5,315,700	5,406,000
Operating Expenses	690,600	645,600	645,600	850,200	850,200
Grants Loans Benefits	44,215,200	44,239,400	44,139,400	44,132,900	44,032,900
Debt Service			1,435,000		
<b>TOTAL EXPENDITURES</b>	<b>50,042,800</b>	<b>51,565,400</b>	<b>53,271,600</b>	<b>50,298,800</b>	<b>50,289,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	7,924,000	9,350,000	11,109,000	7,867,800	7,937,600
Restricted Funds	1,100,000	1,099,900	1,099,900	1,299,900	1,299,900
Federal Funds	41,018,800	41,115,500	41,062,700	41,131,100	41,051,600
<b>TOTAL EXPENDITURES</b>	<b>50,042,800</b>	<b>51,565,400</b>	<b>53,271,600</b>	<b>50,298,800</b>	<b>50,289,100</b>
<b>EXPENDITURES BY UNIT</b>					
Operations	5,003,700	6,429,700	8,188,700	5,254,000	5,323,800
Grants	45,039,100	45,135,700	45,082,900	45,044,800	44,965,300
<b>TOTAL EXPENDITURES</b>	<b>50,042,800</b>	<b>51,565,400</b>	<b>53,271,600</b>	<b>50,298,800</b>	<b>50,289,100</b>

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

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

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

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

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

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

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

### **Policy**

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

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

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

**General Government**  
**Local Government Economic Assistance Fund**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	76,786,400	76,786,400	76,786,400	55,217,500	53,662,700
Other	-25,947,900				
<b>Total General Fund</b>	<b>50,838,500</b>	<b>76,786,400</b>	<b>76,786,400</b>	<b>55,217,500</b>	<b>53,662,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>50,838,500</b>	<b>76,786,400</b>	<b>76,786,400</b>	<b>55,217,500</b>	<b>53,662,700</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	50,838,500	76,786,400	76,786,400	55,217,500	53,662,700
<b>TOTAL EXPENDITURES</b>	<b>50,838,500</b>	<b>76,786,400</b>	<b>76,786,400</b>	<b>55,217,500</b>	<b>53,662,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	50,838,500	76,786,400	76,786,400	55,217,500	53,662,700
<b>TOTAL EXPENDITURES</b>	<b>50,838,500</b>	<b>76,786,400</b>	<b>76,786,400</b>	<b>55,217,500</b>	<b>53,662,700</b>
<b>EXPENDITURES BY UNIT</b>					
County Coal Severance	28,601,800	43,200,000	43,200,000	31,065,300	30,190,600
Cities Coal Severance	3,050,300	4,607,200	4,607,200	3,313,100	3,219,800
County Mineral Severance	17,285,200	26,107,600	26,107,600	18,774,100	18,245,500
Cities Mineral Severance	1,901,200	2,871,600	2,871,600	2,065,000	2,006,800
<b>TOTAL EXPENDITURES</b>	<b>50,838,500</b>	<b>76,786,400</b>	<b>76,786,400</b>	<b>55,217,500</b>	<b>53,662,700</b>

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

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

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

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

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

## Policy

Due to the decline in coal severance tax revenues and the financial difficulties that has imposed on county fiscal courts operating budgets, the Executive Budget proposes to increase the share of coal severance tax receipts allocated to local governments from 15% to 17.5% for both fiscal year 2015 and fiscal year 2016. This change results in \$5,000,000 more each year to local governments.

**General Government**  
**Local Government Economic Development Fund**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	80,498,600	80,498,600	80,498,600	17,953,400	17,471,300
Other	-51,082,700				
<b>Total General Fund</b>	<b>29,415,900</b>	<b>80,498,600</b>	<b>80,498,600</b>	<b>17,953,400</b>	<b>17,471,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>29,415,900</b>	<b>80,498,600</b>	<b>80,498,600</b>	<b>17,953,400</b>	<b>17,471,300</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	29,415,900	80,498,600	80,498,600	17,953,400	17,471,300
<b>TOTAL EXPENDITURES</b>	<b>29,415,900</b>	<b>80,498,600</b>	<b>80,498,600</b>	<b>17,953,400</b>	<b>17,471,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	29,415,900	80,498,600	80,498,600	17,953,400	17,471,300
<b>TOTAL EXPENDITURES</b>	<b>29,415,900</b>	<b>80,498,600</b>	<b>80,498,600</b>	<b>17,953,400</b>	<b>17,471,300</b>
<b>EXPENDITURES BY UNIT</b>					
Economic Development Fund	29,415,900	80,498,600	80,498,600	17,953,400	17,471,300
<b>TOTAL EXPENDITURES</b>	<b>29,415,900</b>	<b>80,498,600</b>	<b>80,498,600</b>	<b>17,953,400</b>	<b>17,471,300</b>

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

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

The accompanying chart illustrates the policy described below.

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

**Out-of-the-Middle Funding Items:** The Executive Budget provides funding to support the Read to Achieve Program in the Department of Education of \$3,000,000 each year, support services provided to coal producing counties by the Department of Local Government and the Kentucky Infrastructure Authority by allocating \$1,039,700 in each fiscal year, allocation of \$300,000 each year for a Mining Engineering Scholarship Program at the University of Kentucky, funding for the Robinson Scholars Program in the amount of \$1,000,000 in each fiscal year to the University of Kentucky, \$2,500,000 in each fiscal year to the Department of Education for purpose of enhancing education technology in local school districts within coal-producing counties, \$7,552,000 is provided each year of the 2014-16 biennium to the Mine Safety and Licensing budget to help implement mine safety statutory requirements, and \$500,000 is provided in each fiscal year for the Save the Children program. Debt service support of \$31,282,300 is provided each year as follows; \$4,617,900 each year for \$54,700,000 in schools facilities construction projects (2002-04), \$4,091,400 each year for \$54,765,000 for KIA water and sewer projects (2002-04), \$6,472,700 in each year for \$80,000,000 in KIA water and sewer projects (2004-06), \$8,562,300 in each year for part of the \$100,000,000 in KIA water and sewer projects (2006-08), and \$7,538,000 in each year for part of \$75,000,000 in KIA water and sewer projects (2008-10).

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

**Policy**

The Executive Budget suspends KRS 42.4585 to return 32.5% of the coal severance tax receipts to coal producing counties and transfer 17.5% of the coal severance tax receipts to the Local Government Economic Assistance Fund for fiscal year 2015 and fiscal year 2016.

The Executive Budget includes \$2,000,000 in each fiscal year for the Regional Strategic Development Fund from the portion of the Single County Fund allocated to counties in Eastern Kentucky. Single County funds allocated to Western Kentucky counties are not impacted by this initiative.

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

**Severance Tax Dedicated Programs 2014-2016 Biennium**  
Using Consensus Forecast Estimate

	FY 2014 Revised	FY 2015 Recommended	FY 2016 Recommended
<b>Coal Severance Tax Resources</b>			
<b>Coal Severance Tax*</b>	<b>204,190,800</b>	<b>203,064,800</b>	<b>201,581,500</b>
Less: Trover Clinic Grant	(1,000,000)	(1,000,000)	(1,000,000)
Less: Osteopathic Medicine Scholarship Program (KRS 164.7891)	(872,500)	(872,500)	(872,500)
Less: Pharmacy Scholarships (KRS 164.7890)		(800,000)	(800,000)
<b>Total coal severance tax resources to be distributed</b>	<b>202,318,300</b>	<b>200,392,300</b>	<b>198,909,000</b>

<b>Local Government Economic Assistance Fund (LGEAF) Total Funds</b>			
Coal Severance Tax Revenue (2014 15%, 2015 and 2016 17.5% of Revenue)	30,347,700	35,068,700	34,809,100
Other Mineral Severance Tax Revenue (50% of Revenue)	20,490,800	20,148,800	18,853,600
<b>Total LGEAF to be distributed</b>	<b>50,838,500</b>	<b>55,217,500</b>	<b>53,662,700</b>

<b>Local Government Economic Development Fund (LGEDF)</b>			
Coal Severance (2014 35%, 2015 and 2016 32.5% of remaining distribution amount)	70,811,400	65,127,400	64,645,300
Less: Debt Service (Past Bond Appropriations 2002-2010)	(25,503,800)	(31,282,300)	(31,282,300)
Less: Read to Achieve (Education)	(3,000,000)	(3,000,000)	(3,000,000)
Less: School Technology in Coal Counties (Education)	(2,500,000)	(2,500,000)	(2,500,000)
Less: Robinson Scholars Program (UK)	(1,000,000)	(1,000,000)	(1,000,000)
Less: Mining Engineering Scholarship Program (UK)	(300,000)	(300,000)	(300,000)
Less: LGEDF Project Administration (DLG - KIA)	(1,039,700)	(1,039,700)	(1,039,700)
Less: Mine Safety (Natural Resources)	(7,552,000)	(7,552,000)	(7,552,000)
Less: Save the Children (Education)	(500,000)	(500,000)	(500,000)
<b>Total LGEDF for County Distribution</b>	<b>29,415,900</b>	<b>17,953,400</b>	<b>17,471,300</b>
<b>Total LGEDF for Single County Calculation (66.7% of LGEDF Distribution)</b>	<b>19,610,600</b>	<b>11,968,900</b>	<b>11,647,500</b>
Less: Regional Strategic Development Fund (Eastern Kentucky)		(2,000,000)	(2,000,000)
<b>Total LGEDF for Single County Distribution</b>		<b>9,968,900</b>	<b>9,647,500</b>

<b>Local Government Economic Development Multi-County Fund</b>			
<b>Multi-County Allocation (33.3% of LGEDF County Distribution)</b>	<b>9,805,300</b>	<b>5,984,500</b>	<b>5,823,800</b>
Balance Forward from prior fiscal year	226,200		
<b>Total Multi-County Resources</b>	<b>10,031,500</b>	<b>5,984,500</b>	<b>5,823,800</b>
Less: Debt Service - \$80m Water & Sewer Bonds 2004-06 (KIA)	(2,781,500)		
Less: Energy Research Grants (Energy Development & Independence)	(2,000,000)	(1,584,500)	(1,423,800)
Less: Operation Unite (Office of Drug Control Policy)	(2,000,000)	(2,000,000)	(2,000,000)
Less: Drug Courts (Office of Drug Control Policy)	(1,800,000)		
Less: Rupp Arena Renovation Planning and Design (Capital Project)	(1,250,000)		
Less: SOAR Administrative Costs (DLG)		(200,000)	(200,000)
Less: 12 Multi-County Regional Industrial Park Authorities	(200,000)	(200,000)	(200,000)
Less: Coal County College Completion Scholarship Program		(2,000,000)	(2,000,000)
<b>Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

*\*Revenue numbers account for quarter lag*

**General Government  
Area Development Fund**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	498,500	498,500	498,500	473,600	473,600
<b>Total General Fund</b>	<b>498,500</b>	<b>498,500</b>	<b>498,500</b>	<b>473,600</b>	<b>473,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>498,500</b>	<b>498,500</b>	<b>498,500</b>	<b>473,600</b>	<b>473,600</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	498,500	498,500	498,500	473,600	473,600
<b>TOTAL EXPENDITURES</b>	<b>498,500</b>	<b>498,500</b>	<b>498,500</b>	<b>473,600</b>	<b>473,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	498,500	498,500	498,500	473,600	473,600
<b>TOTAL EXPENDITURES</b>	<b>498,500</b>	<b>498,500</b>	<b>498,500</b>	<b>473,600</b>	<b>473,600</b>
<b>EXPENDITURES BY UNIT</b>					
Area Development Fund	498,500	498,500	498,500	473,600	473,600
<b>TOTAL EXPENDITURES</b>	<b>498,500</b>	<b>498,500</b>	<b>498,500</b>	<b>473,600</b>	<b>473,600</b>

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

**General Government  
Executive Branch Ethics Commission**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	447,300	633,600	666,500	455,000	463,200
State Salary and Compensation Allocation	1,000				
<b>Total General Fund</b>	<b>448,300</b>	<b>633,600</b>	<b>666,500</b>	<b>455,000</b>	<b>463,200</b>
<b>Restricted Funds</b>					
Balance Forward	55,000	19,600	9,800	19,600	9,800
Current Receipts	63,800	63,800	63,800	66,500	67,200
<b>Total Restricted Funds</b>	<b>118,800</b>	<b>83,400</b>	<b>73,600</b>	<b>86,100</b>	<b>77,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>567,100</b>	<b>717,000</b>	<b>740,100</b>	<b>541,100</b>	<b>540,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	482,100	625,900	658,800	478,600	487,500
Operating Expenses	65,400	81,300	81,300	52,700	52,700
<b>TOTAL EXPENDITURES</b>	<b>547,500</b>	<b>707,200</b>	<b>740,100</b>	<b>531,300</b>	<b>540,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	448,300	633,600	666,500	455,000	463,200
Restricted Funds	99,200	73,600	73,600	76,300	77,000
<b>TOTAL EXPENDITURES</b>	<b>547,500</b>	<b>707,200</b>	<b>740,100</b>	<b>531,300</b>	<b>540,200</b>
<b>EXPENDITURES BY UNIT</b>					
Executive Branch Ethics Commission	547,500	707,200	740,100	531,300	540,200
<b>TOTAL EXPENDITURES</b>	<b>547,500</b>	<b>707,200</b>	<b>740,100</b>	<b>531,300</b>	<b>540,200</b>

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

**General Government  
Secretary of State**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,681,900	1,688,700	1,688,700	1,634,500	1,662,800
State Salary and Compensation Allocation	6,800				
<b>Total General Fund</b>	<b>1,688,700</b>	<b>1,688,700</b>	<b>1,688,700</b>	<b>1,634,500</b>	<b>1,662,800</b>
<b>Restricted Funds</b>					
Balance Forward	2,256,400	2,185,300	2,714,200	2,185,300	1,373,800
Current Receipts	2,312,600	2,205,600	2,243,000	2,205,600	2,243,000
Fund Transfers	-1,000,000			-1,300,000	-1,300,000
<b>Total Restricted Funds</b>	<b>3,569,000</b>	<b>4,390,900</b>	<b>4,957,200</b>	<b>3,090,900</b>	<b>2,316,800</b>
<b>Federal Funds</b>					
Current Receipts	92,100	80,400	277,000	80,400	277,000
<b>Total Federal Funds</b>	<b>92,100</b>	<b>80,400</b>	<b>277,000</b>	<b>80,400</b>	<b>277,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>5,349,800</b>	<b>6,160,000</b>	<b>6,922,900</b>	<b>4,805,800</b>	<b>4,256,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	2,406,300	2,710,800	2,910,500	2,684,400	2,800,400
Operating Expenses	744,400	714,000	858,000	726,600	869,500
Capital Outlay	13,800	21,000	20,000	21,000	20,000
<b>TOTAL EXPENDITURES</b>	<b>3,164,500</b>	<b>3,445,800</b>	<b>3,788,500</b>	<b>3,432,000</b>	<b>3,689,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,688,700	1,688,700	1,688,700	1,634,500	1,662,800
Restricted Funds	1,383,700	1,676,700	1,822,800	1,717,100	1,750,100
Federal Funds	92,100	80,400	277,000	80,400	277,000
<b>TOTAL EXPENDITURES</b>	<b>3,164,500</b>	<b>3,445,800</b>	<b>3,788,500</b>	<b>3,432,000</b>	<b>3,689,900</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration	1,958,700	2,207,600	2,500,100	2,201,700	2,431,700
General Operations	1,205,800	1,238,200	1,288,400	1,230,300	1,258,200
<b>TOTAL EXPENDITURES</b>	<b>3,164,500</b>	<b>3,445,800</b>	<b>3,788,500</b>	<b>3,432,000</b>	<b>3,689,900</b>

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

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

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

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

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

**Policy**

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

**General Government  
Board of Elections**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,514,600	5,004,700	5,169,700	4,027,100	4,047,200
State Salary and Compensation Allocation	3,800				
Mandated Allotments	6,200				
<b>Total General Fund</b>	<b>2,524,600</b>	<b>5,004,700</b>	<b>5,169,700</b>	<b>4,027,100</b>	<b>4,047,200</b>
<b>Restricted Funds</b>					
Balance Forward	652,200	458,000	281,800	458,000	251,800
Current Receipts	21,800	39,800	39,800	39,800	39,800
<b>Total Restricted Funds</b>	<b>674,000</b>	<b>497,800</b>	<b>321,600</b>	<b>497,800</b>	<b>291,600</b>
<b>Federal Funds</b>					
Balance Forward	15,398,800	10,270,200	5,235,800	10,270,200	5,235,800
Current Receipts	176,900	176,900	176,900	176,900	176,900
<b>Total Federal Funds</b>	<b>15,575,700</b>	<b>10,447,100</b>	<b>5,412,700</b>	<b>10,447,100</b>	<b>5,412,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>18,774,300</b>	<b>15,949,600</b>	<b>10,904,000</b>	<b>14,972,000</b>	<b>9,751,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,373,800	1,466,700	1,520,300	1,408,100	1,428,200
Operating Expenses	1,230,800	1,291,300	1,291,400	1,251,500	1,251,500
Grants Loans Benefits	5,441,500	7,674,000	7,785,200	6,824,800	6,824,700
<b>TOTAL EXPENDITURES</b>	<b>8,046,100</b>	<b>10,432,000</b>	<b>10,596,900</b>	<b>9,484,400</b>	<b>9,504,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,524,600	5,004,700	5,169,700	4,027,100	4,047,200
Restricted Funds	216,000	216,000	216,000	246,000	246,000
Federal Funds	5,305,500	5,211,300	5,211,200	5,211,300	5,211,200
<b>TOTAL EXPENDITURES</b>	<b>8,046,100</b>	<b>10,432,000</b>	<b>10,596,900</b>	<b>9,484,400</b>	<b>9,504,400</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	1,250,100	1,396,500	1,450,200	1,298,100	1,318,200
State Share of County Election Expenses	6,200	1,959,400	1,964,500	1,490,700	1,490,700
State Share of Voter Registration Expenses	1,288,300	1,668,800	1,775,000	1,288,300	1,288,300
Election Fund	5,501,500	5,407,300	5,407,200	5,407,300	5,407,200
<b>TOTAL EXPENDITURES</b>	<b>8,046,100</b>	<b>10,432,000</b>	<b>10,596,900</b>	<b>9,484,400</b>	<b>9,504,400</b>

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

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

**General Administration and Support**

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

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

**State Share of County Election Expenses**

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

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

### **State Share of Voter Registration Expenses**

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

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

### **Election Fund**

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

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

### **Policy**

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

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

**General Government  
Registry of Election Finance**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,168,600	1,470,500	1,668,700	1,200,900	1,220,800
State Salary and Compensation Allocation	4,200				
<b>Total General Fund</b>	<b>1,172,800</b>	<b>1,470,500</b>	<b>1,668,700</b>	<b>1,200,900</b>	<b>1,220,800</b>
<b>Restricted Funds</b>					
Balance Forward	500	500	500	500	500
<b>Total Restricted Funds</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,173,300</b>	<b>1,471,000</b>	<b>1,669,200</b>	<b>1,201,400</b>	<b>1,221,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,048,400	1,235,200	1,306,600	1,027,900	1,047,800
Operating Expenses	124,400	235,300	362,100	173,000	173,000
<b>TOTAL EXPENDITURES</b>	<b>1,172,800</b>	<b>1,470,500</b>	<b>1,668,700</b>	<b>1,200,900</b>	<b>1,220,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,172,800	1,470,500	1,668,700	1,200,900	1,220,800
<b>TOTAL EXPENDITURES</b>	<b>1,172,800</b>	<b>1,470,500</b>	<b>1,668,700</b>	<b>1,200,900</b>	<b>1,220,800</b>
<b>EXPENDITURES BY UNIT</b>					
Registry of Election Finance	1,172,800	1,470,500	1,668,700	1,200,900	1,220,800
<b>TOTAL EXPENDITURES</b>	<b>1,172,800</b>	<b>1,470,500</b>	<b>1,668,700</b>	<b>1,200,900</b>	<b>1,220,800</b>

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

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

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

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

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

**General Government  
Attorney General**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	10,292,300	11,997,100	12,906,300	10,438,600	10,622,700
State Salary and Compensation Allocation	34,400				
<b>Total General Fund</b>	<b>10,326,700</b>	<b>11,997,100</b>	<b>12,906,300</b>	<b>10,438,600</b>	<b>10,622,700</b>
<b>Restricted Funds</b>					
Balance Forward	18,406,600	16,546,400	12,134,400	16,555,900	10,726,200
Current Receipts	38,353,200	3,793,400	3,883,700	3,793,400	3,883,700
Non-Revenue Receipts	6,020,800	7,321,100	7,384,300	7,306,100	7,325,100
<b>Total Restricted Funds</b>	<b>62,780,600</b>	<b>27,660,900</b>	<b>23,402,400</b>	<b>27,655,400</b>	<b>21,935,000</b>
<b>Federal Funds</b>					
Current Receipts	3,278,100	3,725,300	3,870,300	3,725,500	3,870,300
<b>Total Federal Funds</b>	<b>3,278,100</b>	<b>3,725,300</b>	<b>3,870,300</b>	<b>3,725,500</b>	<b>3,870,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>76,385,400</b>	<b>43,383,300</b>	<b>40,179,000</b>	<b>41,819,500</b>	<b>36,428,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	27,593,900	21,550,200	22,755,000	21,817,800	22,190,900
Operating Expenses	3,631,300	3,617,300	3,619,900	3,194,100	3,166,000
Grants Loans Benefits	28,581,200	6,028,300	6,028,300	6,028,300	6,028,300
Capital Outlay	23,100	53,100	53,100	53,100	53,100
<b>TOTAL EXPENDITURES</b>	<b>59,829,500</b>	<b>31,248,900</b>	<b>32,456,300</b>	<b>31,093,300</b>	<b>31,438,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	10,326,700	11,997,100	12,906,300	10,438,600	10,622,700
Restricted Funds	46,224,700	15,526,500	15,679,700	16,929,200	16,945,300
Federal Funds	3,278,100	3,725,300	3,870,300	3,725,500	3,870,300
<b>TOTAL EXPENDITURES</b>	<b>59,829,500</b>	<b>31,248,900</b>	<b>32,456,300</b>	<b>31,093,300</b>	<b>31,438,300</b>
<b>EXPENDITURES BY UNIT</b>					
Administrative Services	3,850,800	4,302,900	4,531,600	3,943,300	4,018,400
Criminal Services	9,500,300	10,404,600	10,845,200	10,277,800	10,408,200
Advocacy Services	36,892,400	5,745,900	6,010,000	6,264,600	6,323,400
Civil Services	2,611,000	3,724,400	3,935,200	3,551,500	3,613,200
Uninsured Employers Fund	6,975,000	7,071,100	7,134,300	7,056,100	7,075,100
<b>TOTAL EXPENDITURES</b>	<b>59,829,500</b>	<b>31,248,900</b>	<b>32,456,300</b>	<b>31,093,300</b>	<b>31,438,300</b>

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

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

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

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

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

**General Government  
Commonwealth's Attorneys**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	39,630,700	50,969,700	53,320,800	43,157,900	43,937,800
State Salary and Compensation Allocation	134,000				
<b>Total General Fund</b>	<b>39,764,700</b>	<b>50,969,700</b>	<b>53,320,800</b>	<b>43,157,900</b>	<b>43,937,800</b>
<b>Restricted Funds</b>					
Balance Forward	1,156,100	922,000	761,000	922,000	761,000
Current Receipts	1,339,600	1,496,900	1,545,100	1,496,900	1,545,100
Non-Revenue Receipts	-13,300				
<b>Total Restricted Funds</b>	<b>2,482,400</b>	<b>2,418,900</b>	<b>2,306,100</b>	<b>2,418,900</b>	<b>2,306,100</b>
<b>Federal Funds</b>					
Current Receipts	55,300	46,000	48,800	46,000	48,800
<b>Total Federal Funds</b>	<b>55,300</b>	<b>46,000</b>	<b>48,800</b>	<b>46,000</b>	<b>48,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>42,302,400</b>	<b>53,434,600</b>	<b>55,675,700</b>	<b>45,622,800</b>	<b>46,292,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	37,108,200	47,462,300	49,974,100	40,445,600	41,269,700
Operating Expenses	4,257,200	5,171,500	5,079,800	4,376,400	4,401,200
Grants Loans Benefits	15,000	39,800	30,000	39,800	30,000
<b>TOTAL EXPENDITURES</b>	<b>41,380,400</b>	<b>52,673,600</b>	<b>55,083,900</b>	<b>44,861,800</b>	<b>45,700,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	39,764,700	50,969,700	53,320,800	43,157,900	43,937,800
Restricted Funds	1,560,400	1,657,900	1,714,300	1,657,900	1,714,300
Federal Funds	55,300	46,000	48,800	46,000	48,800
<b>TOTAL EXPENDITURES</b>	<b>41,380,400</b>	<b>52,673,600</b>	<b>55,083,900</b>	<b>44,861,800</b>	<b>45,700,900</b>
<b>EXPENDITURES BY UNIT</b>					
Commonwealth's Attorneys	41,380,400	52,673,600	55,083,900	44,861,800	45,700,900
<b>TOTAL EXPENDITURES</b>	<b>41,380,400</b>	<b>52,673,600</b>	<b>55,083,900</b>	<b>44,861,800</b>	<b>45,700,900</b>

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

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

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

**General Government  
County Attorneys**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	34,308,200	40,296,800	42,338,700	37,820,800	38,594,900
State Salary and Compensation Allocation	144,800				
<b>Total General Fund</b>	<b>34,453,000</b>	<b>40,296,800</b>	<b>42,338,700</b>	<b>37,820,800</b>	<b>38,594,900</b>
<b>Restricted Funds</b>					
Balance Forward	344,900	364,900	376,600	364,900	357,900
Current Receipts	354,000	372,000	380,000	372,000	380,000
<b>Total Restricted Funds</b>	<b>698,900</b>	<b>736,900</b>	<b>756,600</b>	<b>736,900</b>	<b>737,900</b>
<b>Federal Funds</b>					
Current Receipts	579,000	566,900	566,900	566,900	566,900
<b>Total Federal Funds</b>	<b>579,000</b>	<b>566,900</b>	<b>566,900</b>	<b>566,900</b>	<b>566,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>35,730,900</b>	<b>41,600,600</b>	<b>43,662,200</b>	<b>39,124,600</b>	<b>39,899,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	34,538,100	39,921,400	41,992,600	37,525,100	38,342,500
Operating Expenses	827,900	1,302,600	1,287,400	1,241,600	1,256,500
<b>TOTAL EXPENDITURES</b>	<b>35,366,000</b>	<b>41,224,000</b>	<b>43,280,000</b>	<b>38,766,700</b>	<b>39,599,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	34,453,000	40,296,800	42,338,700	37,820,800	38,594,900
Restricted Funds	334,000	360,300	374,400	379,000	437,200
Federal Funds	579,000	566,900	566,900	566,900	566,900
<b>TOTAL EXPENDITURES</b>	<b>35,366,000</b>	<b>41,224,000</b>	<b>43,280,000</b>	<b>38,766,700</b>	<b>39,599,000</b>
<b>EXPENDITURES BY UNIT</b>					
County Attorneys	35,366,000	41,224,000	43,280,000	38,766,700	39,599,000
<b>TOTAL EXPENDITURES</b>	<b>35,366,000</b>	<b>41,224,000</b>	<b>43,280,000</b>	<b>38,766,700</b>	<b>39,599,000</b>

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

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

**General Government  
Treasury**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,766,400	2,179,700	2,231,000	1,778,300	1,818,600
State Salary and Compensation Allocation	6,800				
<b>Total General Fund</b>	<b>1,773,200</b>	<b>2,179,700</b>	<b>2,231,000</b>	<b>1,778,300</b>	<b>1,818,600</b>
<b>Restricted Funds</b>					
Balance Forward	270,800	270,800	270,800		
Non-Revenue Receipts	908,700	1,232,300	1,268,100	1,238,400	1,275,900
<b>Total Restricted Funds</b>	<b>1,179,500</b>	<b>1,503,100</b>	<b>1,538,900</b>	<b>1,238,400</b>	<b>1,275,900</b>
<b>Road Fund</b>					
Regular Appropriation	250,000	250,000	250,000	250,000	250,000
<b>Total Road Fund</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,202,700</b>	<b>3,932,800</b>	<b>4,019,900</b>	<b>3,266,700</b>	<b>3,344,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	2,574,700	2,853,900	3,012,100	2,613,400	2,668,000
Operating Expenses	610,200	774,400	694,400	619,600	633,900
Capital Outlay	17,800	33,700	42,600	33,700	42,600
<b>TOTAL EXPENDITURES</b>	<b>3,202,700</b>	<b>3,662,000</b>	<b>3,749,100</b>	<b>3,266,700</b>	<b>3,344,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,773,200	2,179,700	2,231,000	1,778,300	1,818,600
Restricted Funds	1,179,500	1,232,300	1,268,100	1,238,400	1,275,900
Road Fund	250,000	250,000	250,000	250,000	250,000
<b>TOTAL EXPENDITURES</b>	<b>3,202,700</b>	<b>3,662,000</b>	<b>3,749,100</b>	<b>3,266,700</b>	<b>3,344,500</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	1,204,900	1,475,600	1,469,000	1,140,000	1,162,000
Disbursements and Accounting	818,300	954,100	1,012,000	888,300	906,600
Abandoned Property Administration	1,179,500	1,232,300	1,268,100	1,238,400	1,275,900
<b>TOTAL EXPENDITURES</b>	<b>3,202,700</b>	<b>3,662,000</b>	<b>3,749,100</b>	<b>3,266,700</b>	<b>3,344,500</b>

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

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

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

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

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

**Policy**

Restricted Funds are provided in accordance with KRS 393.250 for the administration of the Unclaimed Property program in the amount of \$1,238,400 in fiscal year 2015 and \$1,275,900 in fiscal year 2016. This action reflects the movement of available off-budget Restricted Funds to on-budget status to support ongoing activities of the program.

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

The Executive Budget includes \$163,000 in capital construction surplus appropriations in the capital budget in each fiscal year of the biennium for the lease purchase of two laser check printers and two fold sealers.

**General Government  
Agriculture**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	16,089,400	17,660,000	18,723,800	16,982,600	17,290,900
State Salary and Compensation Allocation	65,400				
Continuing Approp.-General Fund	249,900				
<b>Total General Fund</b>	<b>16,404,700</b>	<b>17,660,000</b>	<b>18,723,800</b>	<b>16,982,600</b>	<b>17,290,900</b>
<b>Restricted Funds</b>					
Balance Forward	10,327,300	8,852,800	7,695,500	8,852,800	6,568,000
Current Receipts	6,167,600	6,059,900	6,034,900	6,059,900	6,034,900
Non-Revenue Receipts	1,755,100	1,680,000	1,630,000	1,680,000	1,630,000
<b>Total Restricted Funds</b>	<b>18,250,000</b>	<b>16,592,700</b>	<b>15,360,400</b>	<b>16,592,700</b>	<b>14,232,900</b>
<b>Federal Funds</b>					
Current Receipts	5,495,900	5,495,900	5,495,900	5,495,900	5,495,700
<b>Total Federal Funds</b>	<b>5,495,900</b>	<b>5,495,900</b>	<b>5,495,900</b>	<b>5,495,900</b>	<b>5,495,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>40,150,600</b>	<b>39,748,600</b>	<b>39,580,100</b>	<b>39,071,200</b>	<b>37,019,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	18,300,100	19,613,200	20,677,200	19,514,300	19,904,000
Operating Expenses	6,506,900	6,005,300	6,006,500	6,054,300	6,054,100
Grants Loans Benefits	5,823,900	5,677,300	5,677,400	6,177,300	6,177,400
Capital Outlay	666,900	757,300	755,800	757,300	755,800
<b>TOTAL EXPENDITURES</b>	<b>31,297,800</b>	<b>32,053,100</b>	<b>33,116,900</b>	<b>32,503,200</b>	<b>32,891,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	16,404,700	17,660,000	18,723,800	16,982,600	17,290,900
Restricted Funds	9,397,200	8,897,200	8,897,200	10,024,700	10,104,700
Federal Funds	5,495,900	5,495,900	5,495,900	5,495,900	5,495,700
<b>TOTAL EXPENDITURES</b>	<b>31,297,800</b>	<b>32,053,100</b>	<b>33,116,900</b>	<b>32,503,200</b>	<b>32,891,300</b>
<b>EXPENDITURES BY UNIT</b>					
Strategic Planning and Administration	3,827,600	4,162,500	4,325,900	4,172,500	4,225,100
Motor Fuel Inspection and Testing	172,900	172,900	172,900	187,300	191,500
Consumer and Environmental Programs	14,699,800	14,898,600	15,380,000	15,486,800	15,671,900
State Veterinarian	3,862,100	4,124,400	4,317,700	3,940,500	4,007,900
Animal Control	160,300	100,000	100,000	100,000	100,000
Market Promotion and Protection	42,000	42,000	42,000	42,000	42,000
Farmland Preservation	351,600	350,000	350,000	450,000	450,000
Agriculture Marketing and Product Promotion	7,541,900	7,797,000	8,018,700	7,724,100	7,802,900
Small Winery Support Fund	639,600	405,700	409,700	400,000	400,000
<b>TOTAL EXPENDITURES</b>	<b>31,297,800</b>	<b>32,053,100</b>	<b>33,116,900</b>	<b>32,503,200</b>	<b>32,891,300</b>

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

The Office of the Commissioner provides leadership and management for the Department, and includes the Division of Public Relations. The Office for Strategic Planning and Administration is responsible for personnel functions, budgeting, financial operation, and information technology systems.

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

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

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

**Policy**

The Executive Budget includes General Fund of \$500,000 in each fiscal year to support "Farms to Food Banks" program.

The Executive Budget includes General Fund of \$100,000 in each fiscal year for the Purchase of Agricultural Conservation Easements (PACE) program.

**General Government  
Auditor of Public Accounts**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,479,000	6,113,500	7,085,800	4,681,800	4,775,300
State Salary and Compensation Allocation	13,400				
<b>Total General Fund</b>	<b>4,492,400</b>	<b>6,113,500</b>	<b>7,085,800</b>	<b>4,681,800</b>	<b>4,775,300</b>
<b>Restricted Funds</b>					
Current Receipts	7,556,200	7,556,200	7,556,200	8,082,100	8,221,400
<b>Total Restricted Funds</b>	<b>7,556,200</b>	<b>7,556,200</b>	<b>7,556,200</b>	<b>8,082,100</b>	<b>8,221,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>12,048,600</b>	<b>13,669,700</b>	<b>14,642,000</b>	<b>12,763,900</b>	<b>12,996,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	10,895,900	12,513,100	13,485,400	11,549,500	11,782,300
Operating Expenses	1,152,700	1,156,600	1,156,600	1,214,400	1,214,400
<b>TOTAL EXPENDITURES</b>	<b>12,048,600</b>	<b>13,669,700</b>	<b>14,642,000</b>	<b>12,763,900</b>	<b>12,996,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,492,400	6,113,500	7,085,800	4,681,800	4,775,300
Restricted Funds	7,556,200	7,556,200	7,556,200	8,082,100	8,221,400
<b>TOTAL EXPENDITURES</b>	<b>12,048,600</b>	<b>13,669,700</b>	<b>14,642,000</b>	<b>12,763,900</b>	<b>12,996,700</b>
<b>EXPENDITURES BY UNIT</b>					
Auditor of Public Accounts	1,370,700	1,538,100	1,621,200	1,511,700	1,538,000
Financial Audit	8,876,200	10,079,400	10,819,500	9,395,700	9,567,300
Technology and Specialized Audits	1,801,700	2,052,200	2,201,300	1,856,500	1,891,400
<b>TOTAL EXPENDITURES</b>	<b>12,048,600</b>	<b>13,669,700</b>	<b>14,642,000</b>	<b>12,763,900</b>	<b>12,996,700</b>

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

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

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

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

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

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

**General Government  
Personnel Board**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	20,800	21,800	22,800	21,800	27,500
Current Receipts	803,900	968,900	1,010,100	850,600	850,600
Non-Revenue Receipts	1,000	1,000	1,000	1,000	1,000
<b>Total Restricted Funds</b>	<b>825,700</b>	<b>991,700</b>	<b>1,033,900</b>	<b>873,400</b>	<b>879,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>825,700</b>	<b>991,700</b>	<b>1,033,900</b>	<b>873,400</b>	<b>879,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	649,600	814,600	855,800	690,000	700,100
Operating Expenses	154,300	154,300	154,300	155,900	155,900
<b>TOTAL EXPENDITURES</b>	<b>803,900</b>	<b>968,900</b>	<b>1,010,100</b>	<b>845,900</b>	<b>856,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	803,900	968,900	1,010,100	845,900	856,000
<b>TOTAL EXPENDITURES</b>	<b>803,900</b>	<b>968,900</b>	<b>1,010,100</b>	<b>845,900</b>	<b>856,000</b>
<b>EXPENDITURES BY UNIT</b>					
Personnel Board	803,900	968,900	1,010,100	845,900	856,000
<b>TOTAL EXPENDITURES</b>	<b>803,900</b>	<b>968,900</b>	<b>1,010,100</b>	<b>845,900</b>	<b>856,000</b>

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

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

**Policy**

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

**General Government  
Kentucky Retirement Systems**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	44,700				
Non-Revenue Receipts	38,811,200	41,867,100	43,051,400	40,930,800	41,306,800
<b>Total Restricted Funds</b>	<b>38,855,900</b>	<b>41,867,100</b>	<b>43,051,400</b>	<b>40,930,800</b>	<b>41,306,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>38,855,900</b>	<b>41,867,100</b>	<b>43,051,400</b>	<b>40,930,800</b>	<b>41,306,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	34,090,200	37,103,400	38,287,700	36,167,100	36,543,100
Operating Expenses	4,465,700	4,463,700	4,463,700	4,463,700	4,463,700
Capital Outlay	300,000	300,000	300,000	300,000	300,000
<b>TOTAL EXPENDITURES</b>	<b>38,855,900</b>	<b>41,867,100</b>	<b>43,051,400</b>	<b>40,930,800</b>	<b>41,306,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	38,855,900	41,867,100	43,051,400	40,930,800	41,306,800
<b>TOTAL EXPENDITURES</b>	<b>38,855,900</b>	<b>41,867,100</b>	<b>43,051,400</b>	<b>40,930,800</b>	<b>41,306,800</b>
<b>EXPENDITURES BY UNIT</b>					
Kentucky Retirement Systems	38,855,900	41,867,100	43,051,400	40,930,800	41,306,800
<b>TOTAL EXPENDITURES</b>	<b>38,855,900</b>	<b>41,867,100</b>	<b>43,051,400</b>	<b>40,930,800</b>	<b>41,306,800</b>

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

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

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

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

**General Government**  
**Occupational & Professional Boards & Commissions**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		3,800	6,700		
<b>Total General Fund</b>		3,800	6,700		
<b>Restricted Funds</b>					
Balance Forward	20,630,100	18,034,500	16,070,000	18,034,400	15,241,800
Current Receipts	21,389,700	22,447,400	22,666,400	22,569,600	22,776,900
Fund Transfers	-2,300,000			-2,000,000	-1,500,000
<b>Total Restricted Funds</b>	39,719,800	40,481,900	38,736,400	38,604,000	36,518,700
<b>TOTAL SOURCE OF FUNDS</b>	39,719,800	40,485,700	38,743,100	38,604,000	36,518,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	16,439,800	18,842,200	19,738,700	17,646,200	17,947,000
Operating Expenses	4,569,800	4,840,300	4,887,700	4,982,800	5,030,000
Grants Loans Benefits	648,800	706,700	710,200	706,700	710,200
Capital Outlay	27,000	26,500	26,500	26,500	26,500
<b>TOTAL EXPENDITURES</b>	21,685,400	24,415,700	25,363,100	23,362,200	23,713,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		3,800	6,700		
Restricted Funds	21,685,400	24,411,900	25,356,400	23,362,200	23,713,700
<b>TOTAL EXPENDITURES</b>	21,685,400	24,415,700	25,363,100	23,362,200	23,713,700
<b>EXPENDITURES BY UNIT</b>					
Accountancy	526,400	551,100	571,100	552,100	558,500
Certification of Alcohol and Drug Counselors	82,200	82,200	82,200	82,200	82,200
Applied Behavior Analysis Licensing	16,000	16,000	16,000	16,000	16,000
Architects	411,600	434,800	457,800	435,900	442,700
Certification for Professional Art Therapists	11,200	11,200	11,200	11,200	11,200
Auctioneers	372,300	391,600	405,400	389,000	393,400
Barbering	307,300	321,000	343,800	322,000	327,100
Chiropractic Examiners	286,600	341,700	356,900	317,800	323,300
Dentistry	760,900	865,300	881,300	894,300	903,000
Diabetes Educators	1,000	1,000	1,000	1,000	1,000
Licensure & Cert. for Dietitians & Nutritionists	73,900	73,900	73,900	73,900	73,900
Embalmers and Funeral Directors	368,800	409,700	442,900	402,900	409,200
Licensure for Prof. Engineers and Land Surveyors	1,234,800	1,320,200	1,376,300	1,311,800	1,328,600
Certification of Fee-Based Pastoral Counselors	3,600	3,600	3,600	3,600	3,600
Registration for Professional Geologists	106,900	106,900	106,900	106,900	106,900
Hairdressers and Cosmetologists	1,305,600	1,375,800	1,426,100	1,374,700	1,397,400
Specialists in Hearing Instruments	81,100	81,100	81,100	81,100	81,100
Interpreters for the Deaf and Hard of Hearing	45,900	27,100	27,100	38,200	38,200
Home Inspectors	83,800	83,800	83,800	83,800	83,800
Examiners & Registration of Landscape Architects	61,600	65,400	68,300	65,100	66,600
Licensure of Marriage and Family Therapists	116,400	116,400	116,400	116,400	116,400
Licensure for Massage Therapy	160,600	168,600	168,600	168,600	168,600
Medical Imaging and Radiation Therapy		404,500	416,700	393,100	393,600

Medical Licensure	2,817,600	2,949,500	3,041,300	2,940,400	2,972,500
Nursing	5,874,500	6,949,300	7,218,600	6,201,300	6,270,400
Licensure for Nursing Home Administrators	61,100	61,100	61,100	61,100	61,100
Licensure for Occupational Therapy	135,200	146,600	146,600	146,600	146,600
Ophthalmic Dispensers	55,200	55,200	55,200	55,200	55,200
Optometric Examiners	192,100	201,500	208,700	207,000	209,400
Pharmacy	1,538,700	1,653,700	1,732,500	1,638,800	1,661,400
Physical Therapy	413,100	468,500	508,900	469,000	499,400
Podiatry	39,300	39,200	38,900	38,900	38,200
Private Investigators	101,500	101,500	101,500	101,500	101,500
Licensed Professional Counselors	184,900	184,900	184,900	184,900	184,900
Prosthetics, Orthotics and Pedorthics	21,000	46,200	46,200	46,200	46,200
Examiners of Psychology	236,400	236,400	236,400	236,400	236,400
Real Estate Appraisers	665,500	757,800	782,400	757,000	766,300
Real Estate Commission	2,041,800	2,350,800	2,501,300	2,105,800	2,200,900
Respiratory Care	193,100	203,600	212,500	206,700	210,000
Social Work	248,200	309,300	320,000	276,100	279,300
Speech-Language Pathology and Audiology	170,100	170,100	170,100	170,100	170,100
Veterinary Examiners	277,600	277,600	277,600	277,600	277,600
<b>TOTAL EXPENDITURES</b>	<b>21,685,400</b>	<b>24,415,700</b>	<b>25,363,100</b>	<b>23,362,200</b>	<b>23,713,700</b>

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

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

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

**General Government  
Kentucky River Authority**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	246,400	339,800	355,800	251,200	255,500
State Salary and Compensation Allocation	800				
<b>Total General Fund</b>	<b>247,200</b>	<b>339,800</b>	<b>355,800</b>	<b>251,200</b>	<b>255,500</b>
<b>Restricted Funds</b>					
Balance Forward	2,082,600	3,059,900	1,531,300	3,067,900	1,756,700
Current Receipts	3,740,300	4,139,300	4,139,300	4,149,300	4,139,300
<b>Total Restricted Funds</b>	<b>5,822,900</b>	<b>7,199,200</b>	<b>5,670,600</b>	<b>7,217,200</b>	<b>5,896,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,070,100</b>	<b>7,539,000</b>	<b>6,026,400</b>	<b>7,468,400</b>	<b>6,151,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	695,600	843,000	887,800	795,000	811,200
Operating Expenses	110,400	113,400	113,400	115,400	115,400
Grants Loans Benefits	240,000	250,000	250,000	250,000	250,000
Debt Service	1,906,200	2,301,300	2,300,700	2,301,300	2,300,700
Capital Outlay	50,000	2,500,000	50,000	2,250,000	50,000
<b>TOTAL EXPENDITURES</b>	<b>3,002,200</b>	<b>6,007,700</b>	<b>3,601,900</b>	<b>5,711,700</b>	<b>3,527,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	247,200	339,800	355,800	251,200	255,500
Restricted Funds	2,755,000	5,667,900	3,246,100	5,460,500	3,271,800
<b>TOTAL EXPENDITURES</b>	<b>3,002,200</b>	<b>6,007,700</b>	<b>3,601,900</b>	<b>5,711,700</b>	<b>3,527,300</b>
<b>EXPENDITURES BY UNIT</b>					
General Operations	838,800	1,151,100	929,900	875,700	885,100
Locks and Dams	1,906,200	4,501,300	2,300,700	4,501,300	2,300,700
Construction/Maintenance					
Locks and Dams Operations	257,200	355,300	371,300	334,700	341,500
<b>TOTAL EXPENDITURES</b>	<b>3,002,200</b>	<b>6,007,700</b>	<b>3,601,900</b>	<b>5,711,700</b>	<b>3,527,300</b>

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

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

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

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

**General Government  
School Facilities Construction Commission**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	106,596,700	108,287,700	138,389,700	99,634,000	108,778,500
State Salary and Compensation Allocation	1,000				
<b>Total General Fund</b>	<b>106,597,700</b>	<b>108,287,700</b>	<b>138,389,700</b>	<b>99,634,000</b>	<b>108,778,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>106,597,700</b>	<b>108,287,700</b>	<b>138,389,700</b>	<b>99,634,000</b>	<b>108,778,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	330,400	356,400	375,700	288,800	294,300
Operating Expenses	38,600	38,600	38,600	40,000	40,000
Debt Service	97,028,700	107,892,700	137,975,400	99,305,200	108,444,200
<b>TOTAL EXPENDITURES</b>	<b>97,397,700</b>	<b>108,287,700</b>	<b>138,389,700</b>	<b>99,634,000</b>	<b>108,778,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	97,397,700	108,287,700	138,389,700	99,634,000	108,778,500
<b>TOTAL EXPENDITURES</b>	<b>97,397,700</b>	<b>108,287,700</b>	<b>138,389,700</b>	<b>99,634,000</b>	<b>108,778,500</b>
<b>EXPENDITURES BY UNIT</b>					
School Facilities Construction Commission	97,397,700	108,287,700	138,389,700	99,634,000	108,778,500
<b>TOTAL EXPENDITURES</b>	<b>97,397,700</b>	<b>108,287,700</b>	<b>138,389,700</b>	<b>99,634,000</b>	<b>108,778,500</b>

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

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

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

**Policy**

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

The Budget of the Commonwealth includes \$525,000 in fiscal year 2015 and \$8,437,500 in fiscal year 2016 for debt service for \$100,000,000 in bonds to finance the offers of assistance authorized by the 2012 Regular Session of the General Assembly.

The enacted budget authorizes the School Facilities Construction Commission to make an additional \$100,000,000 in new offers of assistance during the 2014-2016 biennium in anticipation of debt service availability during the 2016-2018 biennium.

**General Government  
Teachers' Retirement System**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	299,692,100	717,370,400	708,531,500	326,772,500	299,318,400
<b>Total General Fund</b>	<b>299,692,100</b>	<b>717,370,400</b>	<b>708,531,500</b>	<b>326,772,500</b>	<b>299,318,400</b>
<b>Restricted Funds</b>					
Balance Forward	5,528,400				
Non-Revenue Receipts	6,501,900	12,829,400	13,873,600	12,183,500	12,196,600
<b>Total Restricted Funds</b>	<b>12,030,300</b>	<b>12,829,400</b>	<b>13,873,600</b>	<b>12,183,500</b>	<b>12,196,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>311,722,400</b>	<b>730,199,800</b>	<b>722,405,100</b>	<b>338,956,000</b>	<b>311,515,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	9,774,700	10,623,400	11,034,600	9,923,000	9,936,100
Operating Expenses	2,096,700	2,039,900	2,665,300	2,101,600	2,101,600
Grants Loans Benefits	174,902,900	596,466,400	591,881,800	206,079,200	182,881,800
Debt Service	120,695,000	120,904,000	116,649,700	120,693,300	116,436,600
Capital Outlay	158,900	166,100	173,700	158,900	158,900
<b>TOTAL EXPENDITURES</b>	<b>307,628,200</b>	<b>730,199,800</b>	<b>722,405,100</b>	<b>338,956,000</b>	<b>311,515,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	295,597,900	717,370,400	708,531,500	326,772,500	299,318,400
Restricted Funds	12,030,300	12,829,400	13,873,600	12,183,500	12,196,600
<b>TOTAL EXPENDITURES</b>	<b>307,628,200</b>	<b>730,199,800</b>	<b>722,405,100</b>	<b>338,956,000</b>	<b>311,515,000</b>
<b>EXPENDITURES BY UNIT</b>					
Teachers' Retirement System	307,628,200	730,199,800	722,405,100	338,956,000	311,515,000
<b>TOTAL EXPENDITURES</b>	<b>307,628,200</b>	<b>730,199,800</b>	<b>722,405,100</b>	<b>338,956,000</b>	<b>311,515,000</b>

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

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

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

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

HB 540 enacted by the 2010 Regular Session of the General Assembly requires additional contributions to ensure the solvency and stability of the retirement system's medical insurance fund. In addition to the above-referenced contribution rates, members hired prior to July 1, 2008 will contribute an additional 0.25% in fiscal 2011, an additional 0.5% in fiscal 2012, an additional 1.0% in fiscal 2013, an additional 1.5% in fiscal 2014, an additional 2.25% in fiscal 2015 and an additional 3.0% in fiscal 2016. Members hired July 1, 2008 or later will contribute an additional 0.5% in fiscal 2014, an additional 1.25% in fiscal 2015, and an additional 2.0% in fiscal

2016. This will bring total member medical insurance contributions to 3.75% in fiscal 2016 for all members. As with other employee contributions, employers will match these amounts.

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

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

### **Policy**

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

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

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

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

**General Government**  
**Appropriations Not Otherwise Classified**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,290,900	15,501,500	15,501,500	5,026,400	5,026,400
Mandated Allotments	10,210,600				
<b>Total General Fund</b>	<b>15,501,500</b>	<b>15,501,500</b>	<b>15,501,500</b>	<b>5,026,400</b>	<b>5,026,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>15,501,500</b>	<b>15,501,500</b>	<b>15,501,500</b>	<b>5,026,400</b>	<b>5,026,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	11,510,000	11,510,000	11,510,000	2,534,900	2,534,900
Operating Expenses	3,988,400	3,988,400	3,988,400	2,488,400	2,488,400
Grants Loans Benefits	3,100	3,100	3,100	3,100	3,100
<b>TOTAL EXPENDITURES</b>	<b>15,501,500</b>	<b>15,501,500</b>	<b>15,501,500</b>	<b>5,026,400</b>	<b>5,026,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	15,501,500	15,501,500	15,501,500	5,026,400	5,026,400
<b>TOTAL EXPENDITURES</b>	<b>15,501,500</b>	<b>15,501,500</b>	<b>15,501,500</b>	<b>5,026,400</b>	<b>5,026,400</b>
<b>EXPENDITURES BY UNIT</b>					
Attorney General Expense	350,000	350,000	350,000	350,000	350,000
Board of Claims Award	407,400	407,400	407,400	407,400	407,400
Guardian Ad Litem	11,100,000	11,100,000	11,100,000	2,124,900	2,124,900
Prior Year Claims	382,400	382,400	382,400	382,400	382,400
Unredeemed Checks Refunded	2,470,000	2,470,000	2,470,000	970,000	970,000
Involuntary Commitments-ICF/MR	60,000	60,000	60,000	60,000	60,000
Frankfort In Lieu of Taxes	195,000	195,000	195,000	195,000	195,000
Frankfort Cemetery	3,100	3,100	3,100	3,100	3,100
Survivor Benefits	308,600	308,600	308,600	308,600	308,600
Med Malpractice Liability Ins Reimb	165,000	165,000	165,000	165,000	165,000
Blanket Employee Bonds	60,000	60,000	60,000	60,000	60,000
<b>TOTAL EXPENDITURES</b>	<b>15,501,500</b>	<b>15,501,500</b>	<b>15,501,500</b>	<b>5,026,400</b>	<b>5,026,400</b>

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

# Economic Development

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**Economic Development**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	19,131,100	22,935,200	24,778,000	19,572,600	35,999,900
State Salary and Compensation Allocation	20,400				
Continuing Approp.-General Fund	87,400				
<b>Total General Fund</b>	<b>19,238,900</b>	<b>22,935,200</b>	<b>24,778,000</b>	<b>19,572,600</b>	<b>35,999,900</b>
<b>Restricted Funds</b>					
Balance Forward	2,664,700	1,717,200	1,054,700	1,717,200	1,054,700
Current Receipts	1,342,500	1,342,500	1,342,500	1,342,500	1,342,500
Non-Revenue Receipts		728,400	831,800	366,800	394,900
<b>Total Restricted Funds</b>	<b>4,007,200</b>	<b>3,788,100</b>	<b>3,229,000</b>	<b>3,426,500</b>	<b>2,792,100</b>
<b>Federal Funds</b>					
Current Receipts	443,500				
Non-Revenue Receipts	4,901,500		5,100,000		5,100,000
<b>Total Federal Funds</b>	<b>5,345,000</b>		<b>5,100,000</b>		<b>5,100,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>28,591,100</b>	<b>26,723,300</b>	<b>33,107,000</b>	<b>22,999,100</b>	<b>43,892,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	8,843,300	11,378,900	11,855,100	9,377,200	9,509,700
Operating Expenses	1,651,300	1,623,800	1,623,800	1,375,300	1,373,700
Grants Loans Benefits	16,379,300	11,191,900	16,291,900	11,191,900	31,291,900
Debt Service		1,474,000	2,944,000		1,324,500
<b>TOTAL EXPENDITURES</b>	<b>26,873,900</b>	<b>25,668,600</b>	<b>32,714,800</b>	<b>21,944,400</b>	<b>43,499,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	19,238,900	22,935,200	24,778,000	19,572,600	35,999,900
Restricted Funds	2,290,000	2,733,400	2,836,800	2,371,800	2,399,900
Federal Funds	5,345,000		5,100,000		5,100,000
<b>TOTAL EXPENDITURES</b>	<b>26,873,900</b>	<b>25,668,600</b>	<b>32,714,800</b>	<b>21,944,400</b>	<b>43,499,800</b>
<b>EXPENDITURES BY UNIT</b>					
Executive Policy and Management	3,265,100	5,054,800	6,636,300	3,406,600	4,764,300
Business Development	14,042,000	15,745,800	15,999,200	14,034,100	14,101,300
Bluegrass State Skills	2,787,600	2,712,900	2,720,800	2,710,200	17,712,600
Financial Services	6,779,200	2,155,100	7,358,500	1,793,500	6,921,600
<b>TOTAL EXPENDITURES</b>	<b>26,873,900</b>	<b>25,668,600</b>	<b>32,714,800</b>	<b>21,944,400</b>	<b>43,499,800</b>

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

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

**Policy**

The Executive Budget includes General Fund of \$1,324,500 in fiscal year 2016 for debt service on \$30,000,000 in new bonds for the High-Tech Construction/Investment Pool, the Kentucky Economic Development Authority (KEDFA) Loan Pool and the

Economic Development Bond Pool. The Secretary has the discretion to apply funds available in each pool for authorized uses within the Cabinet.

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

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

# Department of Education

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**Department of Education**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,864,091,000	4,252,268,200	4,528,329,500	4,036,932,300	4,102,355,900
State Salary and Compensation Allocation	301,600				
Continuing Approp.-General Fund	581,700				
Mandated Allotments	68,700				
<b>Total General Fund</b>	<b>3,865,043,000</b>	<b>4,252,268,200</b>	<b>4,528,329,500</b>	<b>4,036,932,300</b>	<b>4,102,355,900</b>
<b>Restricted Funds</b>					
Balance Forward	11,052,100			4,636,000	4,386,000
Current Receipts	25,267,600	31,562,300	32,694,800	32,777,300	33,909,800
Non-Revenue Receipts		1,215,000	1,215,000		
Fund Transfers				-250,000	
<b>Total Restricted Funds</b>	<b>36,319,700</b>	<b>32,777,300</b>	<b>33,909,800</b>	<b>37,163,300</b>	<b>38,295,800</b>
<b>Federal Funds</b>					
Balance Forward	1,707,800				
Current Receipts	883,829,700	887,285,200	887,815,600	887,847,800	888,387,200
Non-Revenue Receipts	-172,700				
<b>Total Federal Funds</b>	<b>885,364,800</b>	<b>887,285,200</b>	<b>887,815,600</b>	<b>887,847,800</b>	<b>888,387,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,786,727,500</b>	<b>5,172,330,700</b>	<b>5,450,054,900</b>	<b>4,961,943,400</b>	<b>5,029,038,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	105,479,900	116,654,200	121,652,500	108,357,251	110,925,199
Operating Expenses	29,903,800	32,726,000	32,763,500	30,229,764	30,321,351
Grants Loans Benefits	4,638,090,300	5,021,926,400	5,294,509,400	4,818,868,585	4,879,862,050
Debt Service				63,000	3,505,500
Capital Outlay	38,800	1,019,300	1,019,300	38,800	38,800
<b>TOTAL EXPENDITURES</b>	<b>4,773,512,800</b>	<b>5,172,325,900</b>	<b>5,449,944,700</b>	<b>4,957,557,400</b>	<b>5,024,652,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,856,464,300	4,252,268,200	4,528,329,500	4,036,932,300	4,102,355,900
Restricted Funds	31,683,700	32,777,300	33,909,800	32,777,300	33,909,800
Federal Funds	885,364,800	887,285,200	887,815,600	887,847,800	888,387,200
<b>TOTAL EXPENDITURES</b>	<b>4,773,512,800</b>	<b>5,172,330,700</b>	<b>5,450,054,900</b>	<b>4,957,557,400</b>	<b>5,024,652,900</b>
<b>EXPENDITURES BY UNIT</b>					
Support Education Excellence in Kentucky (SEEK)	2,879,840,800	3,156,311,300	3,399,863,600	2,970,814,400	3,017,829,400
Operations and Support Services	383,320,000	410,548,400	411,546,800	384,447,500	388,460,100
Learning and Results Services	1,510,352,000	1,605,471,000	1,638,644,500	1,602,295,500	1,618,363,400
<b>TOTAL EXPENDITURES</b>	<b>4,773,512,800</b>	<b>5,172,330,700</b>	<b>5,450,054,900</b>	<b>4,957,557,400</b>	<b>5,024,652,900</b>

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

**Department of Education**  
**Support Education Excellence in Kentucky (SEEK)**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,899,840,800	3,156,311,300	3,399,863,600	2,970,814,400	3,017,829,400
Other	-11,421,300				
<b>Total General Fund</b>	<b>2,888,419,500</b>	<b>3,156,311,300</b>	<b>3,399,863,600</b>	<b>2,970,814,400</b>	<b>3,017,829,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,888,419,500</b>	<b>3,156,311,300</b>	<b>3,399,863,600</b>	<b>2,970,814,400</b>	<b>3,017,829,400</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	2,879,840,800	3,156,311,300	3,399,863,600	2,970,814,400	3,017,829,400
<b>TOTAL EXPENDITURES</b>	<b>2,879,840,800</b>	<b>3,156,311,300</b>	<b>3,399,863,600</b>	<b>2,970,814,400</b>	<b>3,017,829,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,879,840,800	3,156,311,300	3,399,863,600	2,970,814,400	3,017,829,400
<b>TOTAL EXPENDITURES</b>	<b>2,879,840,800</b>	<b>3,156,311,300</b>	<b>3,399,863,600</b>	<b>2,970,814,400</b>	<b>3,017,829,400</b>
<b>EXPENDITURES BY UNIT</b>					
Base Funding	2,017,968,000	2,259,101,400	2,477,556,800	2,069,514,800	2,103,805,900
Pupil Transportation	214,752,800	214,752,800	214,752,800	214,752,800	214,752,800
Equalized Facilities	109,107,500	116,038,800	117,263,000	115,758,900	117,771,800
Tier I Equalization	163,166,200	170,979,800	173,230,700	170,476,000	172,960,800
National Board Certification Salary Supplement	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
State-Run Vocational Schools Reimbursement	22,641,900	22,641,900	22,641,900	22,866,900	22,881,900
Vocational Education Transportation	2,416,900	2,416,900	2,416,900	2,416,900	2,416,900
Local District Teachers' Retirement Match	347,037,500	367,629,700	389,251,500	372,278,100	380,489,300
<b>TOTAL EXPENDITURES</b>	<b>2,879,840,800</b>	<b>3,156,311,300</b>	<b>3,399,863,600</b>	<b>2,970,814,400</b>	<b>3,017,829,400</b>

**Policy**

The Executive Budget includes funding to increase the base SEEK per pupil guarantee amount from \$3,827 to \$3,911 in fiscal year 2015 and to \$3,981 in fiscal year 2016. This represents a 2.2% increase in fiscal year 2015 and an additional 1.8% increase in fiscal year 2016. The additional General Fund amounts are \$70,973,600 in fiscal year 2015 and \$117,988,600 in fiscal year 2016.

The Executive Budget proposes that all certified and classified staff employed by local boards of education shall receive a cost-of-living adjustment of at least 2 percent in fiscal year 2015 and at least 1 percent in fiscal year 2016.

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

The Executive Budget maintains funding for the pupil transportation program at the fiscal year 2014 level of \$214,752,800 in each fiscal year. The budget includes \$170,476,000 in fiscal year 2015 and \$172,960,800 in fiscal year 2016 to provide Tier I funding to local school districts to equalize local revenues raised under this SEEK component at a level of \$ 749,000 in fiscal year 2015 and \$761,000 in fiscal year 2016 of assessed property valuation per student (150 percent of the projected statewide average per pupil).

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

The Executive Budget provides funding for the Facilities Support Program of Kentucky (FSPK) in the amounts of \$115,758,900 in fiscal year 2015 and \$117,771,800 in fiscal year 2016 to provide equalization funding for local district revenues from the equivalent nickel levy.

The enacted budget includes \$22,866,900 in fiscal year 2015 and \$22,881,900 in fiscal year 2016 to reimburse state-operated vocational facilities for the costs of providing course offerings to students from local school districts. Funding for vocational education transportation is maintained at the fiscal year 2014 level of \$2,416,900 in fiscal year 2015 and fiscal year 2016.

The Executive Budget includes funds \$369,037,500 in fiscal year 2015 and \$385,092,500 in fiscal year 2016 for the Teachers' Retirement employer match on behalf of local school districts.

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

**Department of Education  
Operations and Support Services**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	47,075,400	73,863,900	74,614,800	47,763,000	51,528,100
State Salary and Compensation Allocation	40,400				
Mandated Allotments	68,700				
<b>Total General Fund</b>	<b>47,184,500</b>	<b>73,863,900</b>	<b>74,614,800</b>	<b>47,763,000</b>	<b>51,528,100</b>
<b>Restricted Funds</b>					
Balance Forward	7,287,600			871,500	621,500
Current Receipts	2,454,600	7,855,300	7,982,400	8,199,700	8,275,500
Non-Revenue Receipts		344,400	293,100		
Fund Transfers				-250,000	
<b>Total Restricted Funds</b>	<b>9,742,200</b>	<b>8,199,700</b>	<b>8,275,500</b>	<b>8,821,200</b>	<b>8,897,000</b>
<b>Federal Funds</b>					
Balance Forward	1,707,800				
Current Receipts	325,729,700	328,239,700	328,396,500	328,484,800	328,656,500
Non-Revenue Receipts	-172,700	245,100	260,000		
<b>Total Federal Funds</b>	<b>327,264,800</b>	<b>328,484,800</b>	<b>328,656,500</b>	<b>328,484,800</b>	<b>328,656,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>384,191,500</b>	<b>410,548,400</b>	<b>411,546,800</b>	<b>385,069,000</b>	<b>389,081,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	16,923,400	21,368,500	22,353,400	16,773,351	17,146,199
Operating Expenses	14,840,200	16,635,100	16,648,600	14,278,864	14,350,951
Grants Loans Benefits	351,556,400	372,544,800	372,544,800	353,332,285	353,457,450
Debt Service				63,000	3,505,500
<b>TOTAL EXPENDITURES</b>	<b>383,320,000</b>	<b>410,548,400</b>	<b>411,546,800</b>	<b>384,447,500</b>	<b>388,460,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	47,184,500	73,863,900	74,614,800	47,763,000	51,528,100
Restricted Funds	8,870,700	8,199,700	8,275,500	8,199,700	8,275,500
Federal Funds	327,264,800	328,484,800	328,656,500	328,484,800	328,656,500
<b>TOTAL EXPENDITURES</b>	<b>383,320,000</b>	<b>410,548,400</b>	<b>411,546,800</b>	<b>384,447,500</b>	<b>388,460,100</b>
<b>EXPENDITURES BY UNIT</b>					
Commissioner's Office/Board of Education	820,800	1,185,600	1,251,600	854,600	876,700
Administration and Support	347,636,000	351,446,000	352,024,800	348,402,400	348,870,700
Guiding Support Services	1,468,700	3,057,300	3,221,700	1,714,300	1,744,100
Knowledge, Information and Data Services	33,394,500	54,859,500	55,048,700	33,476,200	36,968,600
<b>TOTAL EXPENDITURES</b>	<b>383,320,000</b>	<b>410,548,400</b>	<b>411,546,800</b>	<b>384,447,500</b>	<b>388,460,100</b>

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

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

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	817,700	1,185,600	1,251,600	854,600	876,700
State Salary and Compensation Allocation	3,100				
<b>Total General Fund</b>	<b>820,800</b>	<b>1,185,600</b>	<b>1,251,600</b>	<b>854,600</b>	<b>876,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>820,800</b>	<b>1,185,600</b>	<b>1,251,600</b>	<b>854,600</b>	<b>876,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	803,100	1,167,900	1,233,900	836,900	859,000
Operating Expenses	17,700	17,700	17,700	17,700	17,700
<b>TOTAL EXPENDITURES</b>	<b>820,800</b>	<b>1,185,600</b>	<b>1,251,600</b>	<b>854,600</b>	<b>876,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	820,800	1,185,600	1,251,600	854,600	876,700
<b>TOTAL EXPENDITURES</b>	<b>820,800</b>	<b>1,185,600</b>	<b>1,251,600</b>	<b>854,600</b>	<b>876,700</b>

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

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

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

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

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	11,513,600	15,043,200	15,385,100	11,999,600	12,231,000
State Salary and Compensation Allocation	23,100				
Mandated Allotments	68,700				
<b>Total General Fund</b>	<b>11,605,400</b>	<b>15,043,200</b>	<b>15,385,100</b>	<b>11,999,600</b>	<b>12,231,000</b>
<b>Restricted Funds</b>					
Balance Forward	7,225,600			871,500	621,500
Current Receipts	2,411,700	7,750,400	7,877,500	8,094,800	8,170,600
Non-Revenue Receipts		344,400	293,100		
Fund Transfers				-250,000	
<b>Total Restricted Funds</b>	<b>9,637,300</b>	<b>8,094,800</b>	<b>8,170,600</b>	<b>8,716,300</b>	<b>8,792,100</b>
<b>Federal Funds</b>					
Balance Forward	1,707,800				
Current Receipts	325,557,000	328,239,700	328,396,500	328,308,000	328,469,100
Non-Revenue Receipts		68,300	72,600		
<b>Total Federal Funds</b>	<b>327,264,800</b>	<b>328,308,000</b>	<b>328,469,100</b>	<b>328,308,000</b>	<b>328,469,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>348,507,500</b>	<b>351,446,000</b>	<b>352,024,800</b>	<b>349,023,900</b>	<b>349,492,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	12,376,700	13,838,600	14,403,900	11,215,215	11,431,050
Operating Expenses	2,602,400	4,262,100	4,275,600	2,691,400	2,692,700
Grants Loans Benefits	332,656,900	333,345,300	333,345,300	334,432,785	334,557,950
Debt Service				63,000	189,000
<b>TOTAL EXPENDITURES</b>	<b>347,636,000</b>	<b>351,446,000</b>	<b>352,024,800</b>	<b>348,402,400</b>	<b>348,870,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	11,605,400	15,043,200	15,385,100	11,999,600	12,231,000
Restricted Funds	8,765,800	8,094,800	8,170,600	8,094,800	8,170,600
Federal Funds	327,264,800	328,308,000	328,469,100	328,308,000	328,469,100
<b>TOTAL EXPENDITURES</b>	<b>347,636,000</b>	<b>351,446,000</b>	<b>352,024,800</b>	<b>348,402,400</b>	<b>348,870,700</b>
<b>EXPENDITURES BY UNIT</b>					
Administration & Resource Management	11,942,000	14,385,000	14,612,200	11,685,500	11,921,900
District Support	4,761,900	5,143,000	5,326,200	4,803,100	4,871,300
School & Community Nutrition	330,932,100	331,918,000	332,086,400	331,913,800	332,077,500
<b>TOTAL EXPENDITURES</b>	<b>347,636,000</b>	<b>351,446,000</b>	<b>352,024,800</b>	<b>348,402,400</b>	<b>348,870,700</b>

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

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

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

The Division of Resource Management provides personnel and payroll services to Department staff. These services include the administration of the state merit system, Family Medical Leave Act, Workers' Compensation, sick leave sharing, tuition assistance, employee training, Fair Labor Standards Act, Americans with Disabilities Act, and all other related employment laws and regulations.

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

**Policy**

The Executive Budget provides General Fund in the amount of \$63,000 in fiscal year 2015 and \$189,000 in fiscal year 2016 for debt service on new bonds included in the capital budget.

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

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,357,700	2,775,600	2,929,400	1,432,600	1,451,800
State Salary and Compensation Allocation	6,100				
<b>Total General Fund</b>	<b>1,363,800</b>	<b>2,775,600</b>	<b>2,929,400</b>	<b>1,432,600</b>	<b>1,451,800</b>
<b>Restricted Funds</b>					
Balance Forward	62,000				
Current Receipts	42,900	104,900	104,900	104,900	104,900
<b>Total Restricted Funds</b>	<b>104,900</b>	<b>104,900</b>	<b>104,900</b>	<b>104,900</b>	<b>104,900</b>
<b>Federal Funds</b>					
Current Receipts	172,700			176,800	187,400
Non-Revenue Receipts	-172,700	176,800	187,400		
<b>Total Federal Funds</b>		<b>176,800</b>	<b>187,400</b>	<b>176,800</b>	<b>187,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,468,700</b>	<b>3,057,300</b>	<b>3,221,700</b>	<b>1,714,300</b>	<b>1,744,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,463,300	2,987,700	3,152,100	1,644,700	1,674,500
Operating Expenses	5,400	69,600	69,600	69,600	69,600
<b>TOTAL EXPENDITURES</b>	<b>1,468,700</b>	<b>3,057,300</b>	<b>3,221,700</b>	<b>1,714,300</b>	<b>1,744,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,363,800	2,775,600	2,929,400	1,432,600	1,451,800
Restricted Funds	104,900	104,900	104,900	104,900	104,900
Federal Funds		176,800	187,400	176,800	187,400
<b>TOTAL EXPENDITURES</b>	<b>1,468,700</b>	<b>3,057,300</b>	<b>3,221,700</b>	<b>1,714,300</b>	<b>1,744,100</b>

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

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

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

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	33,386,400	54,859,500	55,048,700	33,476,200	36,968,600
State Salary and Compensation Allocation	8,100				
<b>Total General Fund</b>	<b>33,394,500</b>	<b>54,859,500</b>	<b>55,048,700</b>	<b>33,476,200</b>	<b>36,968,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>33,394,500</b>	<b>54,859,500</b>	<b>55,048,700</b>	<b>33,476,200</b>	<b>36,968,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	2,280,300	3,374,300	3,563,500	3,076,536	3,181,649
Operating Expenses	12,214,700	12,285,700	12,285,700	11,500,164	11,570,951
Grants Loans Benefits	18,899,500	39,199,500	39,199,500	18,899,500	18,899,500
Debt Service					3,316,500
<b>TOTAL EXPENDITURES</b>	<b>33,394,500</b>	<b>54,859,500</b>	<b>55,048,700</b>	<b>33,476,200</b>	<b>36,968,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	33,394,500	54,859,500	55,048,700	33,476,200	36,968,600
<b>TOTAL EXPENDITURES</b>	<b>33,394,500</b>	<b>54,859,500</b>	<b>55,048,700</b>	<b>33,476,200</b>	<b>36,968,600</b>

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

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

**Policy**

The Executive Budget provides \$ 3,316,500 in fiscal year 2016 for debt service on \$50 million in new bonds to support the replacement and upgrade of instructional devices at or near the end of their supportability life cycle.

**Department of Education  
Learning and Results Services**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	917,174,800	1,022,093,000	1,053,851,100	1,018,354,900	1,032,998,400
State Salary and Compensation Allocation	261,200				
Continuing Approp.-General Fund	581,700				
Other	11,421,300				
<b>Total General Fund</b>	<b>929,439,000</b>	<b>1,022,093,000</b>	<b>1,053,851,100</b>	<b>1,018,354,900</b>	<b>1,032,998,400</b>
<b>Restricted Funds</b>					
Balance Forward	3,764,500			3,764,500	3,764,500
Current Receipts	22,813,000	23,707,000	24,712,400	24,577,600	25,634,300
Non-Revenue Receipts		870,600	921,900		
<b>Total Restricted Funds</b>	<b>26,577,500</b>	<b>24,577,600</b>	<b>25,634,300</b>	<b>28,342,100</b>	<b>29,398,800</b>
<b>Federal Funds</b>					
Current Receipts	558,100,000	559,045,500	559,419,100	559,363,000	559,730,700
Non-Revenue Receipts		-245,100	-260,000		
<b>Total Federal Funds</b>	<b>558,100,000</b>	<b>558,800,400</b>	<b>559,159,100</b>	<b>559,363,000</b>	<b>559,730,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,514,116,500</b>	<b>1,605,471,000</b>	<b>1,638,644,500</b>	<b>1,606,060,000</b>	<b>1,622,127,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	88,556,500	95,285,700	99,299,100	91,583,900	93,779,000
Operating Expenses	15,063,600	16,090,900	16,114,900	15,950,900	15,970,400
Grants Loans Benefits	1,406,693,100	1,493,070,300	1,522,101,000	1,494,721,900	1,508,575,200
Capital Outlay	38,800	1,019,300	1,019,300	38,800	38,800
<b>TOTAL EXPENDITURES</b>	<b>1,510,352,000</b>	<b>1,605,466,200</b>	<b>1,638,534,300</b>	<b>1,602,295,500</b>	<b>1,618,363,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	929,439,000	1,022,093,000	1,053,851,100	1,018,354,900	1,032,998,400
Restricted Funds	22,813,000	24,577,600	25,634,300	24,577,600	25,634,300
Federal Funds	558,100,000	558,800,400	559,159,100	559,363,000	559,730,700
<b>TOTAL EXPENDITURES</b>	<b>1,510,352,000</b>	<b>1,605,471,000</b>	<b>1,638,644,500</b>	<b>1,602,295,500</b>	<b>1,618,363,400</b>
<b>EXPENDITURES BY UNIT</b>					
Next Generation Schools	324,161,700	327,728,800	329,302,700	324,049,100	324,185,000
Next Generation Learners	420,092,300	479,994,400	480,366,600	485,696,200	486,373,100
Assessment and Accountability	22,552,200	22,766,500	22,890,100	22,590,300	22,624,000
State Schools	16,175,200	17,477,900	18,346,200	16,678,500	16,983,200
Career & Technical Education	76,381,300	87,287,300	89,862,100	80,618,500	82,081,900
Local District Health Insurance	650,989,300	670,216,100	697,876,800	672,662,900	686,116,200
<b>TOTAL EXPENDITURES</b>	<b>1,510,352,000</b>	<b>1,605,471,000</b>	<b>1,638,644,500</b>	<b>1,602,295,500</b>	<b>1,618,363,400</b>

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

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

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,975,300	9,268,100	10,754,000	5,588,400	5,636,300
State Salary and Compensation Allocation	13,500				
<b>Total General Fund</b>	<b>5,988,800</b>	<b>9,268,100</b>	<b>10,754,000</b>	<b>5,588,400</b>	<b>5,636,300</b>
<b>Restricted Funds</b>					
Balance Forward	827,700			827,700	827,700
Current Receipts	1,172,900	1,172,900	1,172,900	1,172,900	1,172,900
<b>Total Restricted Funds</b>	<b>2,000,600</b>	<b>1,172,900</b>	<b>1,172,900</b>	<b>2,000,600</b>	<b>2,000,600</b>
<b>Federal Funds</b>					
Current Receipts	317,000,000	317,356,100	317,448,400	317,287,800	317,375,800
Non-Revenue Receipts		-68,300	-72,600		
<b>Total Federal Funds</b>	<b>317,000,000</b>	<b>317,287,800</b>	<b>317,375,800</b>	<b>317,287,800</b>	<b>317,375,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>324,989,400</b>	<b>327,728,800</b>	<b>329,302,700</b>	<b>324,876,800</b>	<b>325,012,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	4,848,600	4,827,600	5,031,500	4,547,900	4,683,800
Operating Expenses	1,521,400	1,719,800	1,719,800	1,719,800	1,719,800
Grants Loans Benefits	317,791,700	321,181,400	322,551,400	317,781,400	317,781,400
<b>TOTAL EXPENDITURES</b>	<b>324,161,700</b>	<b>327,728,800</b>	<b>329,302,700</b>	<b>324,049,100</b>	<b>324,185,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,988,800	9,268,100	10,754,000	5,588,400	5,636,300
Restricted Funds	1,172,900	1,172,900	1,172,900	1,172,900	1,172,900
Federal Funds	317,000,000	317,287,800	317,375,800	317,287,800	317,375,800
<b>TOTAL EXPENDITURES</b>	<b>324,161,700</b>	<b>327,728,800</b>	<b>329,302,700</b>	<b>324,049,100</b>	<b>324,185,000</b>
<b>EXPENDITURES BY UNIT</b>					
Consolidated Plans & Audits	270,006,300	270,294,100	270,382,100	270,294,100	270,382,100
Federal Programs & Educator Effectiveness	40,068,600	40,312,500	40,382,700	40,091,500	40,109,300
Next Generation Schools	14,086,800	17,122,200	18,537,900	13,663,500	13,693,600
<b>TOTAL EXPENDITURES</b>	<b>324,161,700</b>	<b>327,728,800</b>	<b>329,302,700</b>	<b>324,049,100</b>	<b>324,185,000</b>

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

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

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

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

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	204,393,300	263,627,300	263,777,100	268,766,500	269,212,000
State Salary and Compensation Allocation	17,300				
Continuing Approp.-General Fund	581,700				
<b>Total General Fund</b>	<b>204,992,300</b>	<b>263,627,300</b>	<b>263,777,100</b>	<b>268,766,500</b>	<b>269,212,000</b>
<b>Restricted Funds</b>					
Balance Forward	1,057,400			1,057,400	1,057,400
Current Receipts				870,600	921,900
Non-Revenue Receipts		870,600	921,900		
<b>Total Restricted Funds</b>	<b>1,057,400</b>	<b>870,600</b>	<b>921,900</b>	<b>1,928,000</b>	<b>1,979,300</b>
<b>Federal Funds</b>					
Current Receipts	215,100,000	215,673,300	215,855,000	216,059,100	216,239,200
Non-Revenue Receipts		-176,800	-187,400		
<b>Total Federal Funds</b>	<b>215,100,000</b>	<b>215,496,500</b>	<b>215,667,600</b>	<b>216,059,100</b>	<b>216,239,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>421,149,700</b>	<b>479,994,400</b>	<b>480,366,600</b>	<b>486,753,600</b>	<b>487,430,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	8,978,800	8,317,200	8,696,700	8,119,000	8,395,900
Operating Expenses	1,941,300	2,029,000	2,029,000	2,029,000	2,029,000
Grants Loans Benefits	409,172,200	469,643,400	469,643,400	475,548,200	475,948,200
<b>TOTAL EXPENDITURES</b>	<b>420,092,300</b>	<b>479,989,600</b>	<b>480,369,100</b>	<b>485,696,200</b>	<b>486,373,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	204,992,300	263,627,300	263,777,100	268,766,500	269,212,000
Restricted Funds		870,600	921,900	870,600	921,900
Federal Funds	215,100,000	215,496,500	215,667,600	216,059,100	216,239,200
<b>TOTAL EXPENDITURES</b>	<b>420,092,300</b>	<b>479,994,400</b>	<b>480,366,600</b>	<b>485,696,200</b>	<b>486,373,100</b>
<b>EXPENDITURES BY UNIT</b>					
Gifted & Talented	6,622,300	6,622,300	6,622,300	6,622,300	6,622,300
Community Education & Service	21,466,400	21,466,400	21,466,400	21,466,400	21,466,400
Next Generation Learner Programs	15,773,200	15,773,200	15,773,200	15,773,200	15,773,200
Program Standards	6,863,200	4,839,100	4,909,900	4,690,300	4,717,200
Learning Services	188,442,200	188,839,000	189,013,100	188,836,400	189,004,100
Extended Learning Services	12,301,200	12,301,200	12,301,200	25,510,700	25,510,700
Family Resource and Youth Services Centers	52,148,300	52,148,300	52,148,300	52,148,300	52,148,300
Read to Achieve	17,899,000	17,899,000	17,899,000	17,899,000	17,899,000
Math Achievement	5,353,600	5,353,600	5,353,600	5,353,600	5,353,600
Professional Growth Fund	1,302,000	720,300	720,300	720,300	720,300
Dropout Prevention	576,100	576,100	576,100	576,100	576,100
Education of State Agency Children	9,596,500	9,596,500	9,596,500	9,596,500	9,596,500
Textbooks				21,700,000	21,700,000
Local District Life Insurance	1,483,700	1,629,600	1,629,600	1,483,700	1,483,700
Next Generation Learners	8,719,900	70,674,400	70,788,300	23,206,200	23,684,500
Preschool	71,544,700	71,555,400	71,568,800	90,113,200	90,117,200
<b>TOTAL EXPENDITURES</b>	<b>420,092,300</b>	<b>479,994,400</b>	<b>480,366,600</b>	<b>485,696,200</b>	<b>486,373,100</b>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Policy

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

The Executive Budget provides additional General Fund of \$21,700,000 in each fiscal year for Textbook funding.

Additionally, the Executive Budget restores Safe School funding to fiscal 2008 funding levels by including additional General Fund of \$6,220,900 in each fiscal year to promote safe learning environments.

The Executive Budget includes additional General Fund of \$13,209,500 in each fiscal year for Extend School Services to provide students with extra instructional assistance.

The Executive Budget provides additional General Fund of \$6,557,700 in each fiscal year for Professional Development to support the implementation and development of effective instructional practices.

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

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

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

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	14,541,200	14,766,500	14,890,100	14,590,300	14,624,000
State Salary and Compensation Allocation	11,000				
<b>Total General Fund</b>	<b>14,552,200</b>	<b>14,766,500</b>	<b>14,890,100</b>	<b>14,590,300</b>	<b>14,624,000</b>
<b>Federal Funds</b>					
Current Receipts	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
<b>Total Federal Funds</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>22,552,200</b>	<b>22,766,500</b>	<b>22,890,100</b>	<b>22,590,300</b>	<b>22,624,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	22,318,500	22,532,800	22,656,400	22,356,600	22,390,300
Operating Expenses	233,700	233,700	233,700	233,700	233,700
<b>TOTAL EXPENDITURES</b>	<b>22,552,200</b>	<b>22,766,500</b>	<b>22,890,100</b>	<b>22,590,300</b>	<b>22,624,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	14,552,200	14,766,500	14,890,100	14,590,300	14,624,000
Federal Funds	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
<b>TOTAL EXPENDITURES</b>	<b>22,552,200</b>	<b>22,766,500</b>	<b>22,890,100</b>	<b>22,590,300</b>	<b>22,624,000</b>

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

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

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

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

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

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	15,580,600	16,982,700	17,851,000	16,183,300	16,488,000
State Salary and Compensation Allocation	99,400				
<b>Total General Fund</b>	<b>15,680,000</b>	<b>16,982,700</b>	<b>17,851,000</b>	<b>16,183,300</b>	<b>16,488,000</b>
<b>Restricted Funds</b>					
Balance Forward	627,200			627,200	627,200
Current Receipts	495,200	495,200	495,200	495,200	495,200
<b>Total Restricted Funds</b>	<b>1,122,400</b>	<b>495,200</b>	<b>495,200</b>	<b>1,122,400</b>	<b>1,122,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>16,802,400</b>	<b>17,477,900</b>	<b>18,346,200</b>	<b>17,305,700</b>	<b>17,610,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	13,574,100	14,883,400	15,751,700	14,084,000	14,388,700
Operating Expenses	2,105,900	2,105,900	2,105,900	2,105,900	2,105,900
Grants Loans Benefits	495,200	488,600	488,600	488,600	488,600
<b>TOTAL EXPENDITURES</b>	<b>16,175,200</b>	<b>17,477,900</b>	<b>18,346,200</b>	<b>16,678,500</b>	<b>16,983,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	15,680,000	16,982,700	17,851,000	16,183,300	16,488,000
Restricted Funds	495,200	495,200	495,200	495,200	495,200
<b>TOTAL EXPENDITURES</b>	<b>16,175,200</b>	<b>17,477,900</b>	<b>18,346,200</b>	<b>16,678,500</b>	<b>16,983,200</b>

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

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

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

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

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

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

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

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

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

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

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	37,116,400	47,232,300	48,702,100	40,563,500	40,921,900
State Salary and Compensation Allocation	120,000				
<b>Total General Fund</b>	<b>37,236,400</b>	<b>47,232,300</b>	<b>48,702,100</b>	<b>40,563,500</b>	<b>40,921,900</b>
<b>Restricted Funds</b>					
Balance Forward	1,252,200			1,252,200	1,252,200
Current Receipts	21,144,900	22,038,900	23,044,300	22,038,900	23,044,300
<b>Total Restricted Funds</b>	<b>22,397,100</b>	<b>22,038,900</b>	<b>23,044,300</b>	<b>23,291,100</b>	<b>24,296,500</b>
<b>Federal Funds</b>					
Current Receipts	18,000,000	18,016,100	18,115,700	18,016,100	18,115,700
<b>Total Federal Funds</b>	<b>18,000,000</b>	<b>18,016,100</b>	<b>18,115,700</b>	<b>18,016,100</b>	<b>18,115,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>77,633,500</b>	<b>87,287,300</b>	<b>89,862,100</b>	<b>81,870,700</b>	<b>83,334,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	38,836,500	44,724,700	47,162,800	42,476,400	43,920,300
Operating Expenses	9,261,300	10,002,500	10,026,500	9,862,500	9,882,000
Grants Loans Benefits	28,244,700	31,540,800	31,540,800	28,240,800	28,240,800
Capital Outlay	38,800	1,019,300	1,019,300	38,800	38,800
<b>TOTAL EXPENDITURES</b>	<b>76,381,300</b>	<b>87,287,300</b>	<b>89,749,400</b>	<b>80,618,500</b>	<b>82,081,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	37,236,400	47,232,300	48,702,100	40,563,500	40,921,900
Restricted Funds	21,144,900	22,038,900	23,044,300	22,038,900	23,044,300
Federal Funds	18,000,000	18,016,100	18,115,700	18,016,100	18,115,700
<b>TOTAL EXPENDITURES</b>	<b>76,381,300</b>	<b>87,287,300</b>	<b>89,862,100</b>	<b>80,618,500</b>	<b>82,081,900</b>

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

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

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

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	639,568,000	670,216,100	697,876,800	672,662,900	686,116,200
Other	11,421,300				
<b>Total General Fund</b>	<b>650,989,300</b>	<b>670,216,100</b>	<b>697,876,800</b>	<b>672,662,900</b>	<b>686,116,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>650,989,300</b>	<b>670,216,100</b>	<b>697,876,800</b>	<b>672,662,900</b>	<b>686,116,200</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	650,989,300	670,216,100	697,876,800	672,662,900	686,116,200
<b>TOTAL EXPENDITURES</b>	<b>650,989,300</b>	<b>670,216,100</b>	<b>697,876,800</b>	<b>672,662,900</b>	<b>686,116,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	650,989,300	670,216,100	697,876,800	672,662,900	686,116,200
<b>TOTAL EXPENDITURES</b>	<b>650,989,300</b>	<b>670,216,100</b>	<b>697,876,800</b>	<b>672,662,900</b>	<b>686,116,200</b>

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

**Policy**

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

# Education and Workforce Development

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**Education and Workforce Development**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	48,321,700	73,961,000	77,801,800	50,936,400	51,537,300
State Salary and Compensation Allocation	114,000				
<b>Total General Fund</b>	<b>48,435,700</b>	<b>73,961,000</b>	<b>77,801,800</b>	<b>50,936,400</b>	<b>51,537,300</b>
<b>Restricted Funds</b>					
Balance Forward	10,284,300	10,458,200	9,753,000	8,494,600	7,060,800
Current Receipts	38,866,200	43,034,300	42,147,200	43,053,300	42,116,500
Non-Revenue Receipts	5,321,900	5,192,300	5,394,500	5,192,300	5,394,500
Fund Transfers				-900,000	
<b>Total Restricted Funds</b>	<b>54,472,400</b>	<b>58,684,800</b>	<b>57,294,700</b>	<b>55,840,200</b>	<b>54,571,800</b>
<b>Federal Funds</b>					
Balance Forward	3,375,400	2,257,900	2,257,900	2,257,900	3,454,700
Current Receipts	1,171,329,000	1,190,201,500	1,193,499,900	1,180,508,200	1,183,502,500
Non-Revenue Receipts	-291,000				
<b>Total Federal Funds</b>	<b>1,174,413,400</b>	<b>1,192,459,400</b>	<b>1,195,757,800</b>	<b>1,182,766,100</b>	<b>1,186,957,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,277,321,500</b>	<b>1,325,105,200</b>	<b>1,330,854,300</b>	<b>1,289,542,700</b>	<b>1,293,066,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	112,946,600	129,525,800	135,218,400	121,692,900	126,149,100
Operating Expenses	33,331,200	33,730,300	33,137,000	32,636,800	32,305,300
Grants Loans Benefits	1,104,791,800	1,130,448,900	1,132,258,000	1,107,767,200	1,107,933,200
Debt Service	14,568,500	17,027,500	16,744,500	14,568,500	14,568,500
Capital Outlay	930,900	2,361,800	966,800	2,361,800	966,800
<b>TOTAL EXPENDITURES</b>	<b>1,266,569,000</b>	<b>1,313,094,300</b>	<b>1,318,324,700</b>	<b>1,279,027,200</b>	<b>1,281,922,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	48,435,700	73,961,000	77,801,800	50,936,400	51,537,300
Restricted Funds	45,977,800	48,931,800	47,023,000	48,779,400	46,963,300
Federal Funds	1,172,155,500	1,190,201,500	1,193,499,900	1,179,311,400	1,183,422,300
<b>TOTAL EXPENDITURES</b>	<b>1,266,569,000</b>	<b>1,313,094,300</b>	<b>1,318,324,700</b>	<b>1,279,027,200</b>	<b>1,281,922,900</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Program Support	10,382,000	15,321,100	15,713,300	10,356,700	10,370,400
Commission on Proprietary Education	187,700	272,300	283,100	272,300	283,100
Deaf and Hard of Hearing	1,588,300	1,977,100	2,038,300	1,970,500	1,992,400
Kentucky Educational Television	14,467,900	16,388,300	16,644,600	14,488,900	14,696,000
Environmental Education Council	349,400	320,900	321,600	239,900	242,400
Libraries and Archives	16,911,600	22,463,900	23,628,000	19,527,200	18,458,700
Workforce Investment	1,214,446,300	1,244,404,800	1,248,852,800	1,222,940,300	1,227,563,200
Education Professional Standards Board	8,235,800	11,945,900	10,843,000	9,231,400	8,316,700
<b>TOTAL EXPENDITURES</b>	<b>1,266,569,000</b>	<b>1,313,094,300</b>	<b>1,318,324,700</b>	<b>1,279,027,200</b>	<b>1,281,922,900</b>

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

The following agencies comprise the Education and Workforce Development Cabinet:

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

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

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,879,300	9,784,100	9,967,400	4,565,600	4,631,600
State Salary and Compensation Allocation	15,600				
<b>Total General Fund</b>	<b>4,894,900</b>	<b>9,784,100</b>	<b>9,967,400</b>	<b>4,565,600</b>	<b>4,631,600</b>
<b>Restricted Funds</b>					
Balance Forward	271,000	607,400	538,100	353,600	244,600
Non-Revenue Receipts	5,142,600	5,022,300	5,224,500	5,022,300	5,224,500
<b>Total Restricted Funds</b>	<b>5,413,600</b>	<b>5,629,700</b>	<b>5,762,600</b>	<b>5,375,900</b>	<b>5,469,100</b>
<b>Federal Funds</b>					
Balance Forward	291,000				
Current Receipts	427,100	445,400	188,300	659,800	340,500
Non-Revenue Receipts	-291,000				
<b>Total Federal Funds</b>	<b>427,100</b>	<b>445,400</b>	<b>188,300</b>	<b>659,800</b>	<b>340,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>10,735,600</b>	<b>15,859,200</b>	<b>15,918,300</b>	<b>10,601,300</b>	<b>10,441,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	6,446,300	7,281,500	7,686,700	6,562,000	6,679,600
Operating Expenses	1,557,500	1,610,900	1,597,900	939,100	897,400
Grants Loans Benefits	2,347,600	4,222,100	4,222,100	2,825,000	2,762,800
Debt Service		2,176,000	2,176,000		
Capital Outlay	30,600	30,600	30,600	30,600	30,600
<b>TOTAL EXPENDITURES</b>	<b>10,382,000</b>	<b>15,321,100</b>	<b>15,713,300</b>	<b>10,356,700</b>	<b>10,370,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,894,900	9,784,100	9,967,400	4,565,600	4,631,600
Restricted Funds	5,060,000	5,091,600	5,557,600	5,131,300	5,398,300
Federal Funds	427,100	445,400	188,300	659,800	340,500
<b>TOTAL EXPENDITURES</b>	<b>10,382,000</b>	<b>15,321,100</b>	<b>15,713,300</b>	<b>10,356,700</b>	<b>10,370,400</b>
<b>EXPENDITURES BY UNIT</b>					
Secretary	8,551,600	11,890,700	12,278,000	8,256,600	8,268,500
Governor's Scholars	1,830,400	3,430,400	3,435,300	2,100,100	2,101,900
<b>TOTAL EXPENDITURES</b>	<b>10,382,000</b>	<b>15,321,100</b>	<b>15,713,300</b>	<b>10,356,700</b>	<b>10,370,400</b>

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

The program includes the following units:

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

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

## **Policy**

The Executive Budget includes an additional \$263,000 General Fund in each fiscal year for the Governor's Scholars Program to provide an increase of 100 more students.

**Education and Workforce Development  
Proprietary Education**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		13,400	15,000		
<b>Total General Fund</b>		13,400	15,000		
<b>Restricted Funds</b>					
Balance Forward	230,300	207,600	184,900	207,600	171,500
Current Receipts	165,000	236,200	245,400	236,200	245,400
<b>Total Restricted Funds</b>	395,300	443,800	430,300	443,800	416,900
<b>TOTAL SOURCE OF FUNDS</b>	395,300	457,200	445,300	443,800	416,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	170,700	252,700	263,500	252,700	263,500
Operating Expenses	17,000	19,600	19,600	19,600	19,600
<b>TOTAL EXPENDITURES</b>	187,700	272,300	283,100	272,300	283,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		13,400	15,000		
Restricted Funds	187,700	258,900	268,100	272,300	283,100
<b>TOTAL EXPENDITURES</b>	187,700	272,300	283,100	272,300	283,100
<b>EXPENDITURES BY UNIT</b>					
Proprietary Education	187,700	272,300	283,100	272,300	283,100
<b>TOTAL EXPENDITURES</b>	187,700	272,300	283,100	272,300	283,100

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

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

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

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	775,900	867,900	929,100	861,300	883,200
State Salary and Compensation Allocation	2,600				
<b>Total General Fund</b>	<b>778,500</b>	<b>867,900</b>	<b>929,100</b>	<b>861,300</b>	<b>883,200</b>
<b>Restricted Funds</b>					
Balance Forward	3,200				
Current Receipts	806,600	1,109,200	1,109,200	1,109,200	1,109,200
<b>Total Restricted Funds</b>	<b>809,800</b>	<b>1,109,200</b>	<b>1,109,200</b>	<b>1,109,200</b>	<b>1,109,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,588,300</b>	<b>1,977,100</b>	<b>2,038,300</b>	<b>1,970,500</b>	<b>1,992,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,019,500	1,191,400	1,257,500	1,184,800	1,211,600
Operating Expenses	568,800	785,700	780,800	785,700	780,800
<b>TOTAL EXPENDITURES</b>	<b>1,588,300</b>	<b>1,977,100</b>	<b>2,038,300</b>	<b>1,970,500</b>	<b>1,992,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	778,500	867,900	929,100	861,300	883,200
Restricted Funds	809,800	1,109,200	1,109,200	1,109,200	1,109,200
<b>TOTAL EXPENDITURES</b>	<b>1,588,300</b>	<b>1,977,100</b>	<b>2,038,300</b>	<b>1,970,500</b>	<b>1,992,400</b>
<b>EXPENDITURES BY UNIT</b>					
Commission on the Deaf and Hard of Hearing	1,588,300	1,977,100	2,038,300	1,970,500	1,992,400
<b>TOTAL EXPENDITURES</b>	<b>1,588,300</b>	<b>1,977,100</b>	<b>2,038,300</b>	<b>1,970,500</b>	<b>1,992,400</b>

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

**Education and Workforce Development  
Kentucky Educational Television**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	12,049,200	14,937,300	15,193,600	13,037,900	13,245,000
State Salary and Compensation Allocation	37,200				
<b>Total General Fund</b>	<b>12,086,400</b>	<b>14,937,300</b>	<b>15,193,600</b>	<b>13,037,900</b>	<b>13,245,000</b>
<b>Restricted Funds</b>					
Balance Forward	1,180,500	1,180,500	1,180,500	250,000	250,000
Current Receipts	1,451,000	1,451,000	1,451,000	1,451,000	1,451,000
<b>Total Restricted Funds</b>	<b>2,631,500</b>	<b>2,631,500</b>	<b>2,631,500</b>	<b>1,701,000</b>	<b>1,701,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>14,717,900</b>	<b>17,568,800</b>	<b>17,825,100</b>	<b>14,738,900</b>	<b>14,946,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	9,433,300	11,188,800	11,843,600	10,164,500	10,357,100
Operating Expenses	4,834,100	4,716,000	4,600,500	4,123,900	4,138,400
Grants Loans Benefits	150,500	150,500	150,500	150,500	150,500
Debt Service		283,000			
Capital Outlay	50,000	50,000	50,000	50,000	50,000
<b>TOTAL EXPENDITURES</b>	<b>14,467,900</b>	<b>16,388,300</b>	<b>16,644,600</b>	<b>14,488,900</b>	<b>14,696,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	12,086,400	14,937,300	15,193,600	13,037,900	13,245,000
Restricted Funds	2,381,500	1,451,000	1,451,000	1,451,000	1,451,000
<b>TOTAL EXPENDITURES</b>	<b>14,467,900</b>	<b>16,388,300</b>	<b>16,644,600</b>	<b>14,488,900</b>	<b>14,696,000</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	2,343,000	2,790,300	2,613,300	2,474,100	2,517,300
Broadcasting and Education	9,902,400	11,273,000	11,633,000	9,498,200	9,638,400
Engineering	2,222,500	2,325,000	2,398,300	2,516,600	2,540,300
<b>TOTAL EXPENDITURES</b>	<b>14,467,900</b>	<b>16,388,300</b>	<b>16,644,600</b>	<b>14,488,900</b>	<b>14,696,000</b>

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

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

Instructional programming for elementary and secondary schools directly supports the learning goals and outcomes of Kentucky's Common Core Standards, adopted in February 2010. The Broadcasting and Education unit produces interactive and other distance learning courses designed to provide equal access to a variety of learning opportunities for all students. It produces professional development opportunities for educators throughout the state and broadcasts programs designed to help people in the workplace. Acquired and/or locally produced programming services are delivered to under-educated adults, professionals in need of training, and other citizens with various needs related to their jobs and professions. The unit also produces multiple schedules of nationally- and locally-produced programs for citizens at home and in the workplace. This includes educational and public affairs programming as well as quality arts experiences for all Kentuckians. A full line-up of children's educational programs offers a quality alternative to commercial television viewing.

KET's Engineering Service unit oversees the delivery of KET programs and other services. It operates and maintains a land-based broadcast network of 16 digital transmitters and three translators capable of delivering multiple channels of content and

data into all parts of the state. The Engineering Service unit operates all technical equipment to specifications mandated by the Federal Communications Commission.

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

**Education and Workforce Development  
Environmental Education Council**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		73,600	86,600		
<b>Total General Fund</b>		73,600	86,600		
<b>Restricted Funds</b>					
Balance Forward	307,900	139,300	63,500	139,300	70,900
Current Receipts	1,500	1,500	1,500	1,500	1,500
Non-Revenue Receipts	179,300	170,000	170,000	170,000	170,000
<b>Total Restricted Funds</b>	488,700	310,800	235,000	310,800	242,400
<b>TOTAL SOURCE OF FUNDS</b>	488,700	384,400	321,600	310,800	242,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	207,500	234,800	261,700	208,700	212,400
Operating Expenses	29,900	41,100	39,900	31,200	30,000
Grants Loans Benefits	112,000	45,000	20,000		
<b>TOTAL EXPENDITURES</b>	349,400	320,900	321,600	239,900	242,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		73,600	86,600		
Restricted Funds	349,400	247,300	235,000	239,900	242,400
<b>TOTAL EXPENDITURES</b>	349,400	320,900	321,600	239,900	242,400
<b>EXPENDITURES BY UNIT</b>					
Ky Environmental Education Council	349,400	320,900	321,600	239,900	242,400
<b>TOTAL EXPENDITURES</b>	349,400	320,900	321,600	239,900	242,400

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

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

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

**Policy**

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

**Education and Workforce Development  
Libraries and Archives**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	11,107,500	15,517,600	17,817,600	12,444,200	12,543,400
State Salary and Compensation Allocation	22,200				
<b>Total General Fund</b>	<b>11,129,700</b>	<b>15,517,600</b>	<b>17,817,600</b>	<b>12,444,200</b>	<b>12,543,400</b>
<b>Restricted Funds</b>					
Balance Forward	2,343,800	2,809,200	3,625,900	2,031,300	2,430,300
Current Receipts	2,793,600	5,058,400	4,092,700	5,077,400	4,062,000
Fund Transfers				-300,000	
<b>Total Restricted Funds</b>	<b>5,137,400</b>	<b>7,867,600</b>	<b>7,718,600</b>	<b>6,808,700</b>	<b>6,492,300</b>
<b>Federal Funds</b>					
Balance Forward	94,500				
Current Receipts	2,581,300	2,704,600	2,739,900	2,704,600	2,739,900
<b>Total Federal Funds</b>	<b>2,675,800</b>	<b>2,704,600</b>	<b>2,739,900</b>	<b>2,704,600</b>	<b>2,739,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>18,942,900</b>	<b>26,089,800</b>	<b>28,276,100</b>	<b>21,957,500</b>	<b>21,775,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	6,351,500	7,843,900	7,633,500	7,284,300	6,827,700
Operating Expenses	3,662,500	4,022,600	3,564,200	4,221,700	3,776,900
Grants Loans Benefits	6,662,500	10,195,900	12,153,800	7,619,700	7,577,600
Capital Outlay	235,100	401,500	276,500	401,500	276,500
<b>TOTAL EXPENDITURES</b>	<b>16,911,600</b>	<b>22,463,900</b>	<b>23,628,000</b>	<b>19,527,200</b>	<b>18,458,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	11,129,700	15,517,600	17,817,600	12,444,200	12,543,400
Restricted Funds	3,106,100	4,241,700	3,070,500	4,378,400	3,175,400
Federal Funds	2,675,800	2,704,600	2,739,900	2,704,600	2,739,900
<b>TOTAL EXPENDITURES</b>	<b>16,911,600</b>	<b>22,463,900</b>	<b>23,628,000</b>	<b>19,527,200</b>	<b>18,458,700</b>
<b>EXPENDITURES BY UNIT</b>					
Libraries and Archives	10,090,600	12,109,500	11,315,700	11,749,000	10,722,600
Direct Local Aid	6,821,000	10,354,400	12,312,300	7,778,200	7,736,100
<b>TOTAL EXPENDITURES</b>	<b>16,911,600</b>	<b>22,463,900</b>	<b>23,628,000</b>	<b>19,527,200</b>	<b>18,458,700</b>

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

The Department is directed by three goals:

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

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

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

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,781,600	6,615,500	6,915,500	6,118,300	6,217,500
State Salary and Compensation Allocation	22,200				
<b>Total General Fund</b>	<b>5,803,800</b>	<b>6,615,500</b>	<b>6,915,500</b>	<b>6,118,300</b>	<b>6,217,500</b>
<b>Restricted Funds</b>					
Balance Forward	1,959,700	2,425,100	3,241,800	1,647,200	2,346,200
Current Receipts	1,897,900	4,162,700	3,197,000	4,181,700	3,166,300
<b>Total Restricted Funds</b>	<b>3,857,600</b>	<b>6,587,800</b>	<b>6,438,800</b>	<b>5,828,900</b>	<b>5,512,500</b>
<b>Federal Funds</b>					
Balance Forward	94,500				
Current Receipts	1,981,900	2,148,000	2,225,400	2,148,000	2,225,400
<b>Total Federal Funds</b>	<b>2,076,400</b>	<b>2,148,000</b>	<b>2,225,400</b>	<b>2,148,000</b>	<b>2,225,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>11,737,800</b>	<b>15,351,300</b>	<b>15,579,700</b>	<b>14,095,200</b>	<b>13,955,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	6,351,500	7,843,900	7,633,500	7,284,300	6,827,700
Operating Expenses	3,476,100	3,836,200	3,377,800	4,035,300	3,590,500
Grants Loans Benefits	27,900	27,900	27,900	27,900	27,900
Capital Outlay	235,100	401,500	276,500	401,500	276,500
<b>TOTAL EXPENDITURES</b>	<b>10,090,600</b>	<b>12,109,500</b>	<b>11,315,700</b>	<b>11,749,000</b>	<b>10,722,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,803,800	6,615,500	6,915,500	6,118,300	6,217,500
Restricted Funds	2,210,400	3,346,000	2,174,800	3,482,700	2,279,700
Federal Funds	2,076,400	2,148,000	2,225,400	2,148,000	2,225,400
<b>TOTAL EXPENDITURES</b>	<b>10,090,600</b>	<b>12,109,500</b>	<b>11,315,700</b>	<b>11,749,000</b>	<b>10,722,600</b>
<b>EXPENDITURES BY UNIT</b>					
Administrative Services	2,818,000	2,912,200	2,957,400	3,014,600	3,033,300
Field Services	1,888,400	2,242,100	2,361,300	1,947,500	2,005,700
State Library Services	1,655,600	1,766,000	1,847,800	1,646,700	1,697,300
Public Records	3,728,600	5,189,200	4,149,200	5,140,200	3,986,300
<b>TOTAL EXPENDITURES</b>	<b>10,090,600</b>	<b>12,109,500</b>	<b>11,315,700</b>	<b>11,749,000</b>	<b>10,722,600</b>

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

**Administrative Services**

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

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

**Field Services**

The Division of Field Services supports Kentucky's public libraries for the improvement of library services by providing consultation, technical assistance, and financial aid. The Division provides services pursuant to KRS Chapter 171.

This division's Public Library Development Branch includes professional and technical staff who provide consultative and technical assistance concerning public library services and programs provided by the Department. The staff is located in

regional offices that are mainly housed in local public libraries.

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

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

## **State Library Services**

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

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

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

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

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

## **Public Records**

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

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

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

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

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

The Image Management Branch provides centralized image management and micrographics services to state and local government agencies on a cost recovery basis. These central services help improve access to information, reduce the volume of paper-based files, and ensure archival preservation of information contained in fragile paper records.

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

**Education and Workforce Development**

**Libraries and Archives**

**Direct Local Aid**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,325,900	8,902,100	10,902,100	6,325,900	6,325,900
<b>Total General Fund</b>	<b>5,325,900</b>	<b>8,902,100</b>	<b>10,902,100</b>	<b>6,325,900</b>	<b>6,325,900</b>
<b>Restricted Funds</b>					
Balance Forward	384,100	384,100	384,100	384,100	84,100
Current Receipts	895,700	895,700	895,700	895,700	895,700
Fund Transfers				-300,000	
<b>Total Restricted Funds</b>	<b>1,279,800</b>	<b>1,279,800</b>	<b>1,279,800</b>	<b>979,800</b>	<b>979,800</b>
<b>Federal Funds</b>					
Current Receipts	599,400	556,600	514,500	556,600	514,500
<b>Total Federal Funds</b>	<b>599,400</b>	<b>556,600</b>	<b>514,500</b>	<b>556,600</b>	<b>514,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,205,100</b>	<b>10,738,500</b>	<b>12,696,400</b>	<b>7,862,300</b>	<b>7,820,200</b>
<b>EXPENDITURES BY CLASS</b>					
Operating Expenses	186,400	186,400	186,400	186,400	186,400
Grants Loans Benefits	6,634,600	10,168,000	12,125,900	7,591,800	7,549,700
<b>TOTAL EXPENDITURES</b>	<b>6,821,000</b>	<b>10,354,400</b>	<b>12,312,300</b>	<b>7,778,200</b>	<b>7,736,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,325,900	8,902,100	10,902,100	6,325,900	6,325,900
Restricted Funds	895,700	895,700	895,700	895,700	895,700
Federal Funds	599,400	556,600	514,500	556,600	514,500
<b>TOTAL EXPENDITURES</b>	<b>6,821,000</b>	<b>10,354,400</b>	<b>12,312,300</b>	<b>7,778,200</b>	<b>7,736,100</b>
<b>EXPENDITURES BY UNIT</b>					
Field Services	5,263,700	8,797,100	10,755,000	6,220,900	6,178,800
State Library Services	386,400	386,400	386,400	386,400	386,400
Public Records	1,170,900	1,170,900	1,170,900	1,170,900	1,170,900
<b>TOTAL EXPENDITURES</b>	<b>6,821,000</b>	<b>10,354,400</b>	<b>12,312,300</b>	<b>7,778,200</b>	<b>7,736,100</b>

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

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

These services are administered by the Department's program divisions: Field Services, State Library Services, and Public Records. Direct services include cash grants, library materials, and bookmobiles.

**Policy**

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

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

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,229,600	1,845,500	1,939,300	1,335,100	1,363,700
State Salary and Compensation Allocation	5,600				
<b>Total General Fund</b>	<b>1,235,200</b>	<b>1,845,500</b>	<b>1,939,300</b>	<b>1,335,100</b>	<b>1,363,700</b>
<b>Restricted Funds</b>					
Balance Forward	492,100	215,700	215,000	215,000	209,200
Current Receipts	476,300	1,170,300	1,078,800	1,170,300	1,078,800
<b>Total Restricted Funds</b>	<b>968,400</b>	<b>1,386,000</b>	<b>1,293,800</b>	<b>1,385,300</b>	<b>1,288,000</b>
<b>Federal Funds</b>					
Balance Forward	15,500				
Current Receipts	6,833,300	8,567,100	8,672,600	7,242,700	7,457,600
<b>Total Federal Funds</b>	<b>6,848,800</b>	<b>8,567,100</b>	<b>8,672,600</b>	<b>7,242,700</b>	<b>7,457,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>9,052,400</b>	<b>11,798,600</b>	<b>11,905,700</b>	<b>9,963,100</b>	<b>10,109,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	5,969,000	6,707,700	7,081,700	6,320,600	6,449,100
Operating Expenses	1,220,300	1,219,600	1,219,600	1,242,500	1,243,800
Grants Loans Benefits	1,646,200	3,654,400	3,387,500	2,188,900	2,140,100
Capital Outlay	1,900	1,900	1,900	1,900	1,900
<b>TOTAL EXPENDITURES</b>	<b>8,837,400</b>	<b>11,583,600</b>	<b>11,690,700</b>	<b>9,753,900</b>	<b>9,834,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,235,200	1,845,500	1,939,300	1,335,100	1,363,700
Restricted Funds	753,400	1,171,000	1,078,800	1,176,100	1,093,800
Federal Funds	6,848,800	8,567,100	8,672,600	7,242,700	7,377,400
<b>TOTAL EXPENDITURES</b>	<b>8,837,400</b>	<b>11,583,600</b>	<b>11,690,700</b>	<b>9,753,900</b>	<b>9,834,900</b>
<b>EXPENDITURES BY UNIT</b>					
General Blind Services	7,692,300	10,156,300	10,198,100	8,357,900	8,415,300
Business Enterprise Program	408,400	631,900	656,500	623,900	633,400
Center for Independent Living	734,300	795,400	836,100	772,100	786,200
Assistive Technology Service	2,400				
<b>TOTAL EXPENDITURES</b>	<b>8,837,400</b>	<b>11,583,600</b>	<b>11,690,700</b>	<b>9,753,900</b>	<b>9,834,900</b>

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

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

- The Office has 10 field offices that provide direct vocational rehabilitation services to individuals with severe visual impairments.
- The Charles McDowell Comprehensive Rehabilitation Center for the Blind is a facility in Louisville that provides training in vocational preparation, personal adjustment services, independent living skills, orientation and mobility skills, Braille, assistive technology, career assessment, vocational planning, work adjustment, and work experience.
- In Lexington and Paducah, the Office operates two volunteer recording units that provide audio-recorded materials statewide for blind and visually impaired individuals.
- The Business Enterprise Program trains and provides equipment to blind individuals for self-employment at vending facilities located statewide.

- The Independent Living Program provides training to blind and visually impaired individuals in areas that will enable them to live and function independently.

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

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

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

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

**Education and Workforce Development  
Employment and Training**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		7,274,800	7,663,100		
<b>Total General Fund</b>		7,274,800	7,663,100		
<b>Restricted Funds</b>					
Balance Forward	3,204,500	3,205,200	3,205,200	3,204,500	3,178,100
Current Receipts	30,131,900	30,131,900	30,131,900	30,131,900	30,131,900
<b>Total Restricted Funds</b>	33,336,400	33,337,100	33,337,100	33,336,400	33,310,000
<b>Federal Funds</b>					
Balance Forward	2,213,700	2,213,700	2,213,700	2,213,700	3,410,500
Current Receipts	1,118,333,000	1,125,132,100	1,127,507,300	1,125,132,100	1,127,507,300
<b>Total Federal Funds</b>	1,120,546,700	1,127,345,800	1,129,721,000	1,127,345,800	1,130,917,800
<b>TOTAL SOURCE OF FUNDS</b>	1,153,883,100	1,167,957,700	1,170,721,200	1,160,682,200	1,164,227,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	56,043,700	65,139,500	67,903,300	61,661,700	65,234,000
Operating Expenses	15,575,100	15,553,200	15,552,900	15,585,800	15,585,500
Grants Loans Benefits	1,061,789,800	1,066,789,800	1,066,789,800	1,061,789,800	1,061,789,800
Debt Service	14,568,500	14,568,500	14,568,500	14,568,500	14,568,500
Capital Outlay	487,800	487,800	487,800	487,800	487,800
<b>TOTAL EXPENDITURES</b>	1,148,464,900	1,162,538,800	1,165,302,300	1,154,093,600	1,157,665,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		7,274,800	7,663,100		
Restricted Funds	30,131,900	30,131,900	30,131,900	30,158,300	30,158,300
Federal Funds	1,118,333,000	1,125,132,100	1,127,507,300	1,123,935,300	1,127,507,300
<b>TOTAL EXPENDITURES</b>	1,148,464,900	1,162,538,800	1,165,302,300	1,154,093,600	1,157,665,600
<b>EXPENDITURES BY UNIT</b>					
Employer and Placement Services	26,094,800	31,103,900	32,283,200	29,143,400	31,311,500
Unemployment Insurance	1,068,114,300	1,071,845,000	1,073,347,000	1,070,434,200	1,071,764,900
Workforce Investment Act	54,255,800	59,589,900	59,672,100	54,516,000	54,589,200
<b>TOTAL EXPENDITURES</b>	1,148,464,900	1,162,538,800	1,165,302,300	1,154,093,600	1,157,665,600

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

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

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

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

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

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		790,100	998,100		
<b>Total General Fund</b>		790,100	998,100		
<b>Restricted Funds</b>					
Balance Forward	1,993,500	1,993,500	1,993,500	1,993,500	1,967,100
Current Receipts	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
<b>Total Restricted Funds</b>	3,493,500	3,493,500	3,493,500	3,493,500	3,467,100
<b>Federal Funds</b>					
Balance Forward	-1,196,800	-1,196,800	-1,196,800	-1,196,800	
Current Receipts	24,594,800	28,813,800	29,785,100	28,813,800	29,785,100
<b>Total Federal Funds</b>	23,398,000	27,617,000	28,588,300	27,617,000	29,785,100
<b>TOTAL SOURCE OF FUNDS</b>	26,891,500	31,900,600	33,079,900	31,110,500	33,252,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	11,472,500	16,490,400	17,670,000	14,497,800	16,666,200
Operating Expenses	4,342,900	4,334,100	4,333,800	4,366,200	4,365,900
Grants Loans Benefits	10,026,500	10,026,500	10,026,500	10,026,500	10,026,500
Capital Outlay	252,900	252,900	252,900	252,900	252,900
<b>TOTAL EXPENDITURES</b>	26,094,800	31,103,900	32,283,200	29,143,400	31,311,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		790,100	998,100		
Restricted Funds	1,500,000	1,500,000	1,500,000	1,526,400	1,526,400
Federal Funds	24,594,800	28,813,800	29,785,100	27,617,000	29,785,100
<b>TOTAL EXPENDITURES</b>	26,094,800	31,103,900	32,283,200	29,143,400	31,311,500
<b>EXPENDITURES BY UNIT</b>					
Job Placement Services	9,973,700	13,850,100	14,746,100	12,140,400	14,055,600
Special Employment Services	14,342,500	15,229,000	15,423,800	15,061,800	15,236,300
Employment Information Support	1,778,600	2,024,800	2,113,300	1,941,200	2,019,600
<b>TOTAL EXPENDITURES</b>	26,094,800	31,103,900	32,283,200	29,143,400	31,311,500

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

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

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		1,410,800	1,582,100		
<b>Total General Fund</b>		1,410,800	1,582,100		
<b>Restricted Funds</b>					
Balance Forward	1,211,000	1,211,000	1,211,000	1,211,000	1,211,000
Current Receipts	28,631,900	28,631,900	28,631,900	28,631,900	28,631,900
<b>Total Restricted Funds</b>	29,842,900	29,842,900	29,842,900	29,842,900	29,842,900
<b>Federal Funds</b>					
Balance Forward	2,355,100	2,355,100	2,355,100	2,355,100	2,355,100
Current Receipts	1,039,482,400	1,041,802,300	1,043,133,000	1,041,802,300	1,043,133,000
<b>Total Federal Funds</b>	1,041,837,500	1,044,157,400	1,045,488,100	1,044,157,400	1,045,488,100
<b>TOTAL SOURCE OF FUNDS</b>	1,071,680,400	1,075,411,100	1,076,913,100	1,074,000,300	1,075,331,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	42,359,500	46,103,300	47,605,300	44,692,500	46,023,200
Operating Expenses	10,363,000	10,349,900	10,349,900	10,349,900	10,349,900
Grants Loans Benefits	1,000,683,300	1,000,683,300	1,000,683,300	1,000,683,300	1,000,683,300
Debt Service	14,568,500	14,568,500	14,568,500	14,568,500	14,568,500
Capital Outlay	140,000	140,000	140,000	140,000	140,000
<b>TOTAL EXPENDITURES</b>	1,068,114,300	1,071,845,000	1,073,347,000	1,070,434,200	1,071,764,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		1,410,800	1,582,100		
Restricted Funds	28,631,900	28,631,900	28,631,900	28,631,900	28,631,900
Federal Funds	1,039,482,400	1,041,802,300	1,043,133,000	1,041,802,300	1,043,133,000
<b>TOTAL EXPENDITURES</b>	1,068,114,300	1,071,845,000	1,073,347,000	1,070,434,200	1,071,764,900
<b>EXPENDITURES BY UNIT</b>					
Unemployment Insurance Administration	68,114,300	71,845,000	73,347,000	70,434,200	71,764,900
Unemployment Insurance Benefits	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
<b>TOTAL EXPENDITURES</b>	1,068,114,300	1,071,845,000	1,073,347,000	1,070,434,200	1,071,764,900

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

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

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

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

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

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

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

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

### **Policy**

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

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

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		5,073,900	5,082,900		
<b>Total General Fund</b>		5,073,900	5,082,900		
<b>Federal Funds</b>					
Balance Forward	1,055,400	1,055,400	1,055,400	1,055,400	1,055,400
Current Receipts	54,255,800	54,516,000	54,589,200	54,516,000	54,589,200
<b>Total Federal Funds</b>	55,311,200	55,571,400	55,644,600	55,571,400	55,644,600
<b>TOTAL SOURCE OF FUNDS</b>	55,311,200	60,645,300	60,727,500	55,571,400	55,644,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	2,211,700	2,545,800	2,628,000	2,471,400	2,544,600
Operating Expenses	869,200	869,200	869,200	869,700	869,700
Grants Loans Benefits	51,080,000	56,080,000	56,080,000	51,080,000	51,080,000
Capital Outlay	94,900	94,900	94,900	94,900	94,900
<b>TOTAL EXPENDITURES</b>	54,255,800	59,589,900	59,672,100	54,516,000	54,589,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		5,073,900	5,082,900		
Federal Funds	54,255,800	54,516,000	54,589,200	54,516,000	54,589,200
<b>TOTAL EXPENDITURES</b>	54,255,800	59,589,900	59,672,100	54,516,000	54,589,200

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

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

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

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

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

**Education and Workforce Development  
Vocational Rehabilitation**

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	11,109,500	13,991,500	14,371,600	11,385,200	11,509,100
State Salary and Compensation Allocation	23,000				
<b>Total General Fund</b>	<b>11,132,500</b>	<b>13,991,500</b>	<b>14,371,600</b>	<b>11,385,200</b>	<b>11,509,100</b>
<b>Restricted Funds</b>					
Balance Forward	412,000	362,300	348,100	362,300	348,100
Current Receipts	2,290,300	3,125,800	3,286,700	3,125,800	3,286,700
<b>Total Restricted Funds</b>	<b>2,702,300</b>	<b>3,488,100</b>	<b>3,634,800</b>	<b>3,488,100</b>	<b>3,634,800</b>
<b>Federal Funds</b>					
Balance Forward	704,200				
Current Receipts	42,967,300	53,150,900	54,186,500	44,567,600	45,251,900
<b>Total Federal Funds</b>	<b>43,671,500</b>	<b>53,150,900</b>	<b>54,186,500</b>	<b>44,567,600</b>	<b>45,251,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>57,506,300</b>	<b>70,630,500</b>	<b>72,192,900</b>	<b>59,440,900</b>	<b>60,395,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	23,709,900	25,997,400	27,431,700	24,599,600	25,249,100
Operating Expenses	5,082,700	4,978,300	4,978,300	5,037,200	5,038,500
Grants Loans Benefits	28,225,900	39,186,700	39,329,800	29,336,000	29,655,100
Capital Outlay	125,500	120,000	120,000	120,000	120,000
<b>TOTAL EXPENDITURES</b>	<b>57,144,000</b>	<b>70,282,400</b>	<b>71,859,800</b>	<b>59,092,800</b>	<b>60,062,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	11,132,500	13,991,500	14,371,600	11,385,200	11,509,100
Restricted Funds	2,340,000	3,140,000	3,301,700	3,140,000	3,301,700
Federal Funds	43,671,500	53,150,900	54,186,500	44,567,600	45,251,900
<b>TOTAL EXPENDITURES</b>	<b>57,144,000</b>	<b>70,282,400</b>	<b>71,859,800</b>	<b>59,092,800</b>	<b>60,062,700</b>
<b>EXPENDITURES BY UNIT</b>					
Carl D. Perkins Vocational Training Center	8,335,700	8,638,900	8,993,700	8,254,700	8,399,500
Program Services	47,103,500	59,755,300	60,877,500	48,949,900	49,674,600
Executive Director	1,704,800	1,888,200	1,988,600	1,888,200	1,988,600
<b>TOTAL EXPENDITURES</b>	<b>57,144,000</b>	<b>70,282,400</b>	<b>71,859,800</b>	<b>59,092,800</b>	<b>60,062,700</b>

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

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

The Office also provides services for employers. Such services include preparing job-qualified applicants, conducting job analyses, recommending job modifications, and conducting disability awareness programs. Other services include disability awareness training programs and affirmative action planning and services to employees with disability-related problems. As a result, employers experience risk reduction, save resources spent on training new hires, and increase cash flow through access to tax incentives.

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

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

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

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

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

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

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

	<b>Revised FY 2014</b>	<b>Requested FY2015</b>	<b>Requested FY2016</b>	<b>Recommended FY 2015</b>	<b>Recommended FY 2016</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,170,700	9,655,300	9,818,500	7,307,100	7,361,300
State Salary and Compensation Allocation	7,800				
<b>Total General Fund</b>	<b>7,178,500</b>	<b>9,655,300</b>	<b>9,818,500</b>	<b>7,307,100</b>	<b>7,361,300</b>
<b>Restricted Funds</b>					
Balance Forward	1,839,000	1,731,000	391,800	1,731,000	158,100
Current Receipts	750,000	750,000	750,000	750,000	750,000
Fund Transfers				-600,000	
<b>Total Restricted Funds</b>	<b>2,589,000</b>	<b>2,481,000</b>	<b>1,141,800</b>	<b>1,881,000</b>	<b>908,100</b>
<b>Federal Funds</b>					
Balance Forward	56,500	44,200	44,200	44,200	44,200
Current Receipts	187,000	201,400	205,300	201,400	205,300
<b>Total Federal Funds</b>	<b>243,500</b>	<b>245,600</b>	<b>249,500</b>	<b>245,600</b>	<b>249,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>10,011,000</b>	<b>12,381,900</b>	<b>11,209,800</b>	<b>9,433,700</b>	<b>8,518,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	3,595,200	3,688,100	3,855,200	3,454,000	3,665,000
Operating Expenses	783,300	783,300	783,300	650,100	794,400
Grants Loans Benefits	3,857,300	6,204,500	6,204,500	3,857,300	3,857,300
Capital Outlay		1,270,000		1,270,000	
<b>TOTAL EXPENDITURES</b>	<b>8,235,800</b>	<b>11,945,900</b>	<b>10,843,000</b>	<b>9,231,400</b>	<b>8,316,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	7,178,500	9,655,300	9,818,500	7,307,100	7,361,300
Restricted Funds	858,000	2,089,200	819,200	1,722,900	750,100
Federal Funds	199,300	201,400	205,300	201,400	205,300
<b>TOTAL EXPENDITURES</b>	<b>8,235,800</b>	<b>11,945,900</b>	<b>10,843,000</b>	<b>9,231,400</b>	<b>8,316,700</b>
<b>EXPENDITURES BY UNIT</b>					
Operations	3,320,300	3,404,900	3,528,900	3,412,600	3,456,700
Kentucky Teacher Internship Program	3,360,300	5,707,500	5,707,500	3,360,300	3,360,300
Certification	1,555,200	2,833,500	1,606,600	2,458,500	1,499,700
<b>TOTAL EXPENDITURES</b>	<b>8,235,800</b>	<b>11,945,900</b>	<b>10,843,000</b>	<b>9,231,400</b>	<b>8,316,700</b>

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

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

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