

# Tourism, Arts and Heritage

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**Tourism, Arts and Heritage**

	<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	46,723,200	90,643,400	107,628,100	56,619,100	58,642,800
State Salary and Compensation Allocation	269,600				
Current Year Appropriation	18,716,900				
<b>Total General Fund</b>	<b>65,709,700</b>	<b>90,643,400</b>	<b>107,628,100</b>	<b>56,619,100</b>	<b>58,642,800</b>
<b>Restricted Funds</b>					
Balance Forward	90,546,900	91,216,300	88,824,300	91,220,800	83,571,500
Current Receipts	160,903,500	162,414,500	166,478,100	162,369,500	166,433,100
Non-Revenue Receipts	-23,047,200	-10,748,800	-10,324,800	-10,748,800	-10,148,800
Fund Transfers				-6,600,000	-3,000,000
<b>Total Restricted Funds</b>	<b>228,403,200</b>	<b>242,882,000</b>	<b>244,977,600</b>	<b>236,241,500</b>	<b>236,855,800</b>
<b>Federal Funds</b>					
Balance Forward	10,624,800	10,547,300	10,547,300	10,547,300	11,331,300
Current Receipts	20,699,400	20,790,400	19,674,600	20,790,400	19,674,600
<b>Total Federal Funds</b>	<b>31,324,200</b>	<b>31,337,700</b>	<b>30,221,900</b>	<b>31,337,700</b>	<b>31,005,900</b>
<b>Road Fund</b>					
Regular Appropriation	350,000	350,000	350,000	393,400	410,500
<b>Total Road Fund</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>393,400</b>	<b>410,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>325,787,100</b>	<b>365,213,100</b>	<b>383,177,600</b>	<b>324,591,700</b>	<b>326,915,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	132,343,100	145,843,100	153,186,300	138,511,100	141,916,600
Operating Expenses	74,150,200	80,464,800	79,951,200	71,681,000	70,567,100
Grants Loans Benefits	12,817,900	13,741,400	11,960,500	16,342,300	11,288,900
Debt Service	1,662,100	22,392,200	38,203,900	696,500	4,081,000
Capital Outlay	3,045,700	3,400,000	2,097,200	2,458,000	1,986,300
<b>TOTAL EXPENDITURES</b>	<b>224,019,000</b>	<b>265,841,500</b>	<b>285,399,100</b>	<b>229,688,900</b>	<b>229,839,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	65,709,700	90,643,400	107,633,200	56,619,100	58,642,800
Restricted Funds	137,182,400	154,057,700	157,746,400	152,670,000	152,466,600
Federal Funds	20,776,900	20,790,400	19,669,500	20,006,400	18,320,000
Road Fund	350,000	350,000	350,000	393,400	410,500
<b>TOTAL EXPENDITURES</b>	<b>224,019,000</b>	<b>265,841,500</b>	<b>285,399,100</b>	<b>229,688,900</b>	<b>229,839,900</b>
<b>EXPENDITURES BY UNIT</b>					
Secretary	12,924,900	18,912,700	20,842,900	15,604,100	12,834,800
Artisans Center	2,288,600	2,609,400	2,679,600	2,366,000	2,400,200
Travel	3,113,400	4,324,100	4,514,700	3,139,400	3,193,500
Parks	81,358,200	92,737,400	98,411,400	82,910,200	83,805,100
Horse Park Commission	12,702,200	14,902,400	15,682,600	12,990,600	13,103,400
State Fair Board	46,477,800	60,976,200	73,978,800	46,612,300	50,681,000
Fish and Wildlife Resources	52,127,200	53,647,700	52,660,400	52,619,200	50,171,900
Historical Society	6,757,100	9,970,200	8,566,300	6,729,700	6,782,900
Arts Council	3,714,500	4,053,300	4,153,100	3,678,700	3,707,600
Heritage Council	1,752,700	2,081,900	2,169,400	1,813,500	1,837,800
Kentucky Center for the Arts	802,400	1,626,200	1,739,900	1,225,200	1,321,700
<b>TOTAL EXPENDITURES</b>	<b>224,019,000</b>	<b>265,841,500</b>	<b>285,399,100</b>	<b>229,688,900</b>	<b>229,839,900</b>

The Tourism, Arts and Heritage Cabinet's mission (KRS 148.522) is to capitalize on the natural assets of the Commonwealth and draw from resources in business development, tourism, outdoor attractions, arts, and cultural heritage. Through unified efforts of its agencies, the Cabinet will continually strive to improve the quality of life of the people of Kentucky by creating new wealth and generating jobs.

The Tourism, Arts and Heritage Cabinet is comprised of the following agencies:

- Kentucky State Fair Board
- Kentucky Heritage Council
- Kentucky Arts Council
- Kentucky Historical Society
- Kentucky Center for the Arts
- Governor's School for the Arts
- Department of Fish and Wildlife Resources
- Kentucky Horse Park
- Kentucky Department of Parks
- Kentucky Artisan Center at Berea
- Department of Travel and Tourism
- Office of the Secretary
- Capital Plaza Operations
- Creative Services
- The Kentucky Humanities Council

**Tourism, Arts and Heritage  
Secretary**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,582,400	5,296,300	7,203,600	2,694,100	2,748,300
State Salary and Compensation Allocation	9,700				
<b>Total General Fund</b>	<b>2,592,100</b>	<b>5,296,300</b>	<b>7,203,600</b>	<b>2,694,100</b>	<b>2,748,300</b>
<b>Restricted Funds</b>					
Balance Forward	6,483,600	7,803,500	6,342,500	7,803,500	1,048,900
Current Receipts	1,252,700	1,255,400	1,258,200	1,255,400	1,258,200
Non-Revenue Receipts	10,400,000	10,900,000	11,500,000	10,900,000	11,500,000
Fund Transfers				-6,000,000	-3,000,000
<b>Total Restricted Funds</b>	<b>18,136,300</b>	<b>19,958,900</b>	<b>19,100,700</b>	<b>13,958,900</b>	<b>10,807,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>20,728,400</b>	<b>25,255,200</b>	<b>26,304,300</b>	<b>16,653,000</b>	<b>13,555,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	3,889,800	4,525,000	4,745,700	4,020,700	4,081,200
Operating Expenses	3,509,100	7,029,700	7,031,200	3,227,500	3,227,600
Grants Loans Benefits	5,526,000	5,526,000	5,526,000	8,355,900	5,526,000
Debt Service		1,832,000	3,540,000		
<b>TOTAL EXPENDITURES</b>	<b>12,924,900</b>	<b>18,912,700</b>	<b>20,842,900</b>	<b>15,604,100</b>	<b>12,834,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,592,100	5,296,300	7,203,600	2,694,100	2,748,300
Restricted Funds	10,332,800	13,616,400	13,639,300	12,910,000	10,086,500
<b>TOTAL EXPENDITURES</b>	<b>12,924,900</b>	<b>18,912,700</b>	<b>20,842,900</b>	<b>15,604,100</b>	<b>12,834,800</b>
<b>EXPENDITURES BY UNIT</b>					
Executive Policy and Management	2,192,100	4,592,700	6,450,800	2,258,200	2,295,100
Capital Plaza Operations	787,800	874,200	900,000	815,400	824,500
Creative Services	790,000	860,200	906,500	615,000	629,600
Sports Authority	85,600	85,600	85,600	85,600	85,600
Tourism Meeting & Convention Marketing	9,000,000	12,500,000	12,500,000	11,829,900	9,000,000
Coal Severance Tourism	69,400				
<b>TOTAL EXPENDITURES</b>	<b>12,924,900</b>	<b>18,912,700</b>	<b>20,842,900</b>	<b>15,604,100</b>	<b>12,834,800</b>

The Office of the Secretary's appropriation unit comprises of:

**Executive Policy and Management** - The Executive Policy and Management unit directs planning and management of the agencies within the Cabinet. This program develops plans to assure orderly growth and improved management, recommends executive actions and legislative measures, and evaluates agency budget requests.

**Creative Services** - The Creative Services program performs a range of creative and productive services for agencies in state government, including audio and video production, graphic design, multimedia event services, and photography.

**Frankfort Convention Center** - The Frankfort Convention Center serves as both a small and large meeting facility, containing a 10,000 square foot arena with fixed seating space of 5,365. The small meeting facility space contains 1,575 square feet for governmental or business conference functions.

The Frankfort Convention Center also manages over 57,000 square feet of rental space for 10 state agencies and eight private businesses.

**Sports Authority** - The Kentucky Sports Authority, established pursuant to KRS 148.590, has a fourteen member board with the primary responsibility to recruit, promote, assist, place, and develop sporting events, facilities, and programs throughout the Commonwealth, with the final goal of developing the economy, commerce, job opportunities, and revenue streams.

**Tourism, Meeting, and Convention Marketing Fund** - This fund is established by KRS 142.406 with revenues from a one percent transient room tax dedicated for the sole purpose of marketing and promoting tourism in the Commonwealth, including expenditures to market and promote events and venues related to meetings, conventions, trade shows, cultural activities, historical sites, recreation, entertainment, natural phenomena, areas of scenic beauty, craft marketing, and any other economic activity that brings tourists and visitors to the Commonwealth.

**Tourism, Arts and Heritage  
Artisans Center**

	<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	353,200	676,000	746,200	389,200	406,300
State Salary and Compensation Allocation	2,000				
<b>Total General Fund</b>	<b>355,200</b>	<b>676,000</b>	<b>746,200</b>	<b>389,200</b>	<b>406,300</b>
<b>Restricted Funds</b>					
Balance Forward	46,700	46,700	46,700	46,700	46,700
Current Receipts	1,583,400	1,583,400	1,583,400	1,583,400	1,583,400
<b>Total Restricted Funds</b>	<b>1,630,100</b>	<b>1,630,100</b>	<b>1,630,100</b>	<b>1,630,100</b>	<b>1,630,100</b>
<b>Road Fund</b>					
Regular Appropriation	350,000	350,000	350,000	393,400	410,500
<b>Total Road Fund</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>393,400</b>	<b>410,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,335,300</b>	<b>2,656,100</b>	<b>2,726,300</b>	<b>2,412,700</b>	<b>2,446,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,207,000	1,494,800	1,525,800	1,293,800	1,328,000
Operating Expenses	1,081,600	1,114,600	1,153,800	1,072,200	1,072,200
<b>TOTAL EXPENDITURES</b>	<b>2,288,600</b>	<b>2,609,400</b>	<b>2,679,600</b>	<b>2,366,000</b>	<b>2,400,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	355,200	676,000	746,200	389,200	406,300
Restricted Funds	1,583,400	1,583,400	1,583,400	1,583,400	1,583,400
Road Fund	350,000	350,000	350,000	393,400	410,500
<b>TOTAL EXPENDITURES</b>	<b>2,288,600</b>	<b>2,609,400</b>	<b>2,679,600</b>	<b>2,366,000</b>	<b>2,400,200</b>
<b>EXPENDITURES BY UNIT</b>					
Berea Artisans Center	2,288,600	2,609,400	2,679,600	2,366,000	2,400,200
<b>TOTAL EXPENDITURES</b>	<b>2,288,600</b>	<b>2,609,400</b>	<b>2,679,600</b>	<b>2,366,000</b>	<b>2,400,200</b>

The Kentucky Artisan Center at Berea is established to promote Kentucky arts and craft products and serve as a unique gateway for travelers, offering quality Kentucky arts, crafts, music, and other artisan products, along with authentic heritage experiences. The Artisan Center purchases for resale over 4,000 different artisan products from over 650 vendors in 100 counties statewide. Hospitality, café food service, KY travel information assistance, and rest stop services are also provided by the Center for over 265,000 visitors annually. The Center currently serves as the only mid-state rest area on I-75.

The Appalachian/Kentucky Artisans Gateway Center Authority (KRS 148.560-569) has an appointed, thirteen member board to direct operations of the Center and is attached to the Tourism Arts and Heritage Cabinet for administrative purposes.

**Tourism, Arts and Heritage  
Travel**

	<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	3,056,800	4,279,100	4,473,600	3,094,400	3,152,400
State Salary and Compensation Allocation	11,600				
<b>Total General Fund</b>	<b>3,068,400</b>	<b>4,279,100</b>	<b>4,473,600</b>	<b>3,094,400</b>	<b>3,152,400</b>
<b>Restricted Funds</b>					
Balance Forward	100,300	68,900	37,500	68,900	37,500
Current Receipts	13,600	13,600	13,600	13,600	13,600
<b>Total Restricted Funds</b>	<b>113,900</b>	<b>82,500</b>	<b>51,100</b>	<b>82,500</b>	<b>51,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,182,300</b>	<b>4,361,600</b>	<b>4,524,700</b>	<b>3,176,900</b>	<b>3,203,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	2,587,700	3,798,000	3,992,500	2,772,100	2,830,100
Operating Expenses	525,700	526,100	522,200	367,300	363,400
<b>TOTAL EXPENDITURES</b>	<b>3,113,400</b>	<b>4,324,100</b>	<b>4,514,700</b>	<b>3,139,400</b>	<b>3,193,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,068,400	4,279,100	4,473,600	3,094,400	3,152,400
Restricted Funds	45,000	45,000	41,100	45,000	41,100
<b>TOTAL EXPENDITURES</b>	<b>3,113,400</b>	<b>4,324,100</b>	<b>4,514,700</b>	<b>3,139,400</b>	<b>3,193,500</b>
<b>EXPENDITURES BY UNIT</b>					
Executive Policy and Management	1,069,500	1,166,900	1,214,300	1,069,000	1,082,800
Tourism Services	515,400	562,500	595,300	525,000	537,300
Marketing and Advertising	1,061,400	1,965,600	2,043,200	1,072,500	1,092,200
Communications and Promotions	467,100	629,100	661,900	472,900	481,200
<b>TOTAL EXPENDITURES</b>	<b>3,113,400</b>	<b>4,324,100</b>	<b>4,514,700</b>	<b>3,139,400</b>	<b>3,193,500</b>

The Department of Travel and Tourism was created to promote, develop, and provide support services for the tourism industry within the Commonwealth.

**Executive Policy and Management** - The Executive Policy and Management program establishes the policies and goals; coordinates the overall planning, management, and direction for the agency; and provides for the efficient administration of the Department and its programs.

**Tourism Services** - The Division of Tourism Services provides technical and design support to the overall marketing and promotions activities of the department. These activities provide graphic design support for development of both print and website promotions as well as technical support for website maintenance. Additionally, the division disseminates tourism information to tourists and potential visitors via a telephone system and fulfills visitor information through direct mail. Tourism Services provides assistance to travel planners calling the toll-free phone line requesting information as well as fulfilling requests for the Official Visitors Guide.

**Marketing and Administration** - The Division of Marketing and Administration is responsible for motivating travel to and within Kentucky. The Division maintains a database of all of the tourism related attractions, destinations and events throughout the state. These tourism assets are promoted through advertising via broadcast, print, and online media. Additionally, the Division participates in trade shows, events and conferences to showcase the state. The Division also collaborates with industry partners within the state and throughout the region to leverage marketing efforts.

The Tourism Marketing Incentive Program is a collaborative effort to utilize the one percent transient room tax funds, dedicated for the sole purpose of marketing and promoting tourism in the Commonwealth, efficiently and effectively.

The Division of Marketing and Administration staffs eight Welcome Centers throughout the state. The travel hosts at the Centers, located in Florence, Franklin, Grayson, Hopkinsville, Paducah, Simpsonville, Shepherdsville and Williamsburg offer helpful travel information and a positive image of Kentucky to tourists seeking assistance when they visit the state.

**Communications and Promotions** - The Division of Communications and Promotions works to complement the activities of the Department's advertising programs by engaging media and employing other strategies that publicize Kentucky's attractions and events as tourism destinations. These efforts primarily focus on generating earned broadcast and print media to support the marketing efforts of the department. This Division serves as the liaison with media sources, maintaining constant contact

through e-newsletters, and a web-based media resource site. Assistance is provided to individual media representatives and travel writers in a variety of ways including, but not limited to, creating story ideas, making travel arrangements, providing photographs, video and fact verification. Regular press releases are prepared for the Department of Travel and Tourism and the Department of Parks to keep the public abreast of attractions and events in Kentucky. The goal of the division is to provide comprehensive support for projects and promotions developed through the department on behalf of the tourism industry in Kentucky.

**Tourism, Arts and Heritage  
Parks**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	28,314,000	43,390,500	49,068,300	33,608,300	34,507,000
State Salary and Compensation Allocation	129,400				
Current Year Appropriation	8,216,900				
<b>Total General Fund</b>	<b>36,660,300</b>	<b>43,390,500</b>	<b>49,068,300</b>	<b>33,608,300</b>	<b>34,507,000</b>
<b>Restricted Funds</b>					
Balance Forward	250,100	181,700	107,700	181,700	107,700
Current Receipts	49,227,900	49,272,900	49,272,900	49,227,900	49,227,900
Non-Revenue Receipts	-4,598,400				
<b>Total Restricted Funds</b>	<b>44,879,600</b>	<b>49,454,600</b>	<b>49,380,600</b>	<b>49,409,600</b>	<b>49,335,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>81,539,900</b>	<b>92,845,100</b>	<b>98,448,900</b>	<b>83,017,900</b>	<b>83,842,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	50,014,000	54,797,700	57,369,500	52,849,500	53,996,600
Operating Expenses	31,344,200	33,414,400	33,026,600	29,649,700	28,813,000
Debt Service		4,525,300	8,015,300	411,000	995,500
<b>TOTAL EXPENDITURES</b>	<b>81,358,200</b>	<b>92,737,400</b>	<b>98,411,400</b>	<b>82,910,200</b>	<b>83,805,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	36,660,300	43,390,500	49,068,300	33,608,300	34,507,000
Restricted Funds	44,697,900	49,346,900	49,343,100	49,301,900	49,298,100
<b>TOTAL EXPENDITURES</b>	<b>81,358,200</b>	<b>92,737,400</b>	<b>98,411,400</b>	<b>82,910,200</b>	<b>83,805,100</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	12,430,500	17,821,200	21,818,600	12,304,700	13,220,300
Resort Parks	51,715,100	55,898,000	57,103,300	52,717,800	52,452,000
Recreation Parks and Historic Sites	15,259,700	17,000,900	17,424,800	15,874,600	16,094,800
Cafeterias	1,952,900	2,017,300	2,064,700	2,013,100	2,038,000
<b>TOTAL EXPENDITURES</b>	<b>81,358,200</b>	<b>92,737,400</b>	<b>98,411,400</b>	<b>82,910,200</b>	<b>83,805,100</b>

The Department of Parks administers and operates the Kentucky State Park System under the authority of KRS Chapter 148. The Department strives to provide quality recreational facilities and to preserve and protect historically significant sites and natural phenomena in the Commonwealth of Kentucky.

The Vision for Kentucky State Parks is to provide quality recreation and hospitality experiences for people of all ages that enhance their appreciation for adventure, fun, education, and beauty through responsible stewardship of our Commonwealth's natural, historic and cultural resources, and with a professional staff committed to excellent service for our guests.

The Mission of Kentucky State Parks is to provide a sustainable system of parks that delivers quality programs, amenities, and services which create memorable experiences and a sense of place, contributes to the economic growth of the Commonwealth, and preserves the historic and natural integrity and traditions of our parks for existing and future generations.

The activities of the Department include the operation and maintenance of 17 resort parks, 22 recreational parks, 11 historic sites, three cafeterias in Frankfort, and other miscellaneous facilities, including one interstate park. The Park System provides overnight lodging to 425,000 guests, food service for 1,175,000 meals for dining patrons, camping for 470,000 guests, golf for 210,000 players, along with other park amenities and activities.

**Policy**

The Executive Budget provides General Fund in the amount of \$8,216,900 in fiscal year 2013-2014, \$1,600,000 in fiscal year 2014-2015 and \$600,000 in fiscal year 2015-2016 to cover the cumulative and ongoing revenue shortfall to enable the Department to continue operating without closing facilities.

**Tourism, Arts and Heritage  
Parks**

**General Administration and 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	11,026,400	17,589,300	21,590,500	12,072,800	12,992,200
Current Year Appropriation	1,172,200				
<b>Total General Fund</b>	<b>12,198,600</b>	<b>17,589,300</b>	<b>21,590,500</b>	<b>12,072,800</b>	<b>12,992,200</b>
<b>Restricted Funds</b>					
Balance Forward	146,200	96,200	46,200	96,200	46,200
Current Receipts	181,900	181,900	181,900	181,900	181,900
<b>Total Restricted Funds</b>	<b>328,100</b>	<b>278,100</b>	<b>228,100</b>	<b>278,100</b>	<b>228,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>12,526,700</b>	<b>17,867,400</b>	<b>21,818,600</b>	<b>12,350,900</b>	<b>13,220,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	9,949,400	11,821,900	12,322,400	10,260,800	10,428,600
Operating Expenses	2,481,100	2,509,300	2,516,200	1,632,900	1,796,200
Debt Service		3,490,000	6,980,000	411,000	995,500
<b>TOTAL EXPENDITURES</b>	<b>12,430,500</b>	<b>17,821,200</b>	<b>21,818,600</b>	<b>12,304,700</b>	<b>13,220,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	12,198,600	17,589,300	21,590,500	12,072,800	12,992,200
Restricted Funds	231,900	231,900	228,100	231,900	228,100
<b>TOTAL EXPENDITURES</b>	<b>12,430,500</b>	<b>17,821,200</b>	<b>21,818,600</b>	<b>12,304,700</b>	<b>13,220,300</b>

The General Administration and Support program provides an organizational and administrative system to maintain and operate the 51 park system entities. Central administrative functions, such as accounting, purchasing, budgeting, and personnel, along with program operations support and central maintenance and minor construction support, are included in this program.

**Policy**

The Executive Budget provides General Fund in the amount of \$411,000 in fiscal year 2014-2015 and \$995,500 in fiscal year 2015-2016 for debt service on new bonds included in the capital budget.

**Tourism, Arts and Heritage  
Parks**

	<b>Resort Parks</b>				
	<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	9,779,200	16,492,800	17,698,100	13,357,600	13,091,800
State Salary and Compensation Allocation	129,400				
Current Year Appropriation	6,571,900				
<b>Total General Fund</b>	<b>16,480,500</b>	<b>16,492,800</b>	<b>17,698,100</b>	<b>13,357,600</b>	<b>13,091,800</b>
<b>Restricted Funds</b>					
Current Receipts	39,360,200	39,405,200	39,405,200	39,360,200	39,360,200
Non-Revenue Receipts	-4,125,600				
<b>Total Restricted Funds</b>	<b>35,234,600</b>	<b>39,405,200</b>	<b>39,405,200</b>	<b>39,360,200</b>	<b>39,360,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>51,715,100</b>	<b>55,898,000</b>	<b>57,103,300</b>	<b>52,717,800</b>	<b>52,452,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	29,431,000	31,610,000	33,142,000	31,280,000	32,014,200
Operating Expenses	22,284,100	23,281,000	22,954,300	21,437,800	20,437,800
Debt Service		1,007,000	1,007,000		
<b>TOTAL EXPENDITURES</b>	<b>51,715,100</b>	<b>55,898,000</b>	<b>57,103,300</b>	<b>52,717,800</b>	<b>52,452,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	16,480,500	16,492,800	17,698,100	13,357,600	13,091,800
Restricted Funds	35,234,600	39,405,200	39,405,200	39,360,200	39,360,200
<b>TOTAL EXPENDITURES</b>	<b>51,715,100</b>	<b>55,898,000</b>	<b>57,103,300</b>	<b>52,717,800</b>	<b>52,452,000</b>

The Resort Parks program encourages tourism and economic development in Kentucky by providing excellent overnight accommodations, quality food service, and recreational activities for visitors at the 17 resort parks. The resort parks and their locations are:

Barren River Resort Park - Barren County  
 Blue Licks Battlefield State Park - Robertson County  
 Buckhorn Lake Resort Park - Perry County  
 Carter Caves Resort Park - Carter County  
 Cumberland Falls Resort Park - Whitley County  
 Dale Hollow Resort Park - Cumberland and Clinton Counties  
 General Butler Resort Park - Carroll County  
 Greenbo Lake Resort Park - Greenup County  
 Jenny Wiley Resort Park - Floyd County

Kenlake Resort Park - Marshall County  
 Kentucky Dam Village Resort Park - Marshall County  
 Lake Barkley Resort Park - Trigg County  
 Lake Cumberland Resort Park - Russell County  
 Natural Bridge Resort Park - Powell County  
 Pennyrile Forest Resort Park - Christian County  
 Pine Mountain Resort Park - Bell County  
 Rough River Resort Park - Grayson County

**Tourism, Arts and Heritage  
Parks**

**Recreation Parks and Historic Sites**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,268,400	9,005,100	9,429,000	7,878,800	8,099,000
Current Year Appropriation	472,800				
<b>Total General Fund</b>	<b>7,741,200</b>	<b>9,005,100</b>	<b>9,429,000</b>	<b>7,878,800</b>	<b>8,099,000</b>
<b>Restricted Funds</b>					
Balance Forward		4,500	4,500	4,500	4,500
Current Receipts	7,995,800	7,995,800	7,995,800	7,995,800	7,995,800
Non-Revenue Receipts	-472,800				
<b>Total Restricted Funds</b>	<b>7,523,000</b>	<b>8,000,300</b>	<b>8,000,300</b>	<b>8,000,300</b>	<b>8,000,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>15,264,200</b>	<b>17,005,400</b>	<b>17,429,300</b>	<b>15,879,100</b>	<b>16,099,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	9,655,500	10,323,300	10,815,200	10,270,400	10,490,600
Operating Expenses	5,604,200	6,649,300	6,581,300	5,604,200	5,604,200
Debt Service		28,300	28,300		
<b>TOTAL EXPENDITURES</b>	<b>15,259,700</b>	<b>17,000,900</b>	<b>17,424,800</b>	<b>15,874,600</b>	<b>16,094,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	7,741,200	9,005,100	9,429,000	7,878,800	8,099,000
Restricted Funds	7,518,500	7,995,800	7,995,800	7,995,800	7,995,800
<b>TOTAL EXPENDITURES</b>	<b>15,259,700</b>	<b>17,000,900</b>	<b>17,424,800</b>	<b>15,874,600</b>	<b>16,094,800</b>

The Recreation Parks and Historic Sites program encourages tourism and economic development in Kentucky by providing modern recreational and camping facilities and preserving significant scenic and historic landmarks, as well as operating museums and shrines.

**Recreation Park Facilities**

Big Bone Lick State Park - Boone County	Lake Malone State Park - Muhlenberg County
Carr Creek State Park - Knott County	Levi Jackson Wilderness Road State Park - Laurel County
Columbus-Belmont Battlefield State Park - Hickman County	Lincoln Homestead State Park - Washington County
E. P. "Tom" Sawyer State Park - Jefferson County	Mineral Mound State Park - Lyon County
Fort Boonesborough State Park - Madison County	My Old Kentucky Home State Park - Nelson County
General Burnside State Park - Pulaski County	Nolin Lake State Park - Edmonson County
Grayson Lake State Park - Elliott and Carter Counties	Old Fort Harrod State Park - Mercer County
Green River Lake State Park - Taylor County	Paintsville Lake State Park - Johnson County
John James Audubon State Park - Henderson County	Pine Mountain Trail State Park - Harlan & Bell Counties
Kincaid Lake State Park - Pendleton County	Taylorville Lake State Park - Spencer County
Kingdom Come State Park - Harlan County	Yatesville Lake State Park - Lawrence County

**Historic Sites**

Boone Station - Fayette County	Old Mulkey Meeting House State Shrine - Monroe County
Constitution Square State Shrine - Boyle County	Perryville Battlefield State Shrine - Boyle County
Dr. Thomas Walker State Shrine - Knox County	Waveland State Shrine - Fayette County
Isaac Shelby State Shrine - Lincoln County	White Hall State Shrine - Madison County
Jefferson Davis Monument State Shrine - Todd County	Wickliffe Mounds State Historic Site - Ballard County
	William Whitley House State Shrine - Lincoln County

**Tourism, Arts and Heritage**

**Parks**

**Cafeterias**

	<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	240,000	303,300	350,700	299,100	324,000
<b>Total General Fund</b>	<b>240,000</b>	<b>303,300</b>	<b>350,700</b>	<b>299,100</b>	<b>324,000</b>
<b>Restricted Funds</b>					
Balance Forward	103,900	81,000	57,000	81,000	57,000
Current Receipts	1,690,000	1,690,000	1,690,000	1,690,000	1,690,000
<b>Total Restricted Funds</b>	<b>1,793,900</b>	<b>1,771,000</b>	<b>1,747,000</b>	<b>1,771,000</b>	<b>1,747,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,033,900</b>	<b>2,074,300</b>	<b>2,097,700</b>	<b>2,070,100</b>	<b>2,071,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	978,100	1,042,500	1,089,900	1,038,300	1,063,200
Operating Expenses	974,800	974,800	974,800	974,800	974,800
<b>TOTAL EXPENDITURES</b>	<b>1,952,900</b>	<b>2,017,300</b>	<b>2,064,700</b>	<b>2,013,100</b>	<b>2,038,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	240,000	303,300	350,700	299,100	324,000
Restricted Funds	1,712,900	1,714,000	1,714,000	1,714,000	1,714,000
<b>TOTAL EXPENDITURES</b>	<b>1,952,900</b>	<b>2,017,300</b>	<b>2,064,700</b>	<b>2,013,100</b>	<b>2,038,000</b>

The Cafeteria program provides food service in the Capitol Annex, Transportation Building, and the Health and Family Services Building for members of the General Assembly, state employees, and visitors to the state offices in Frankfort. The cafeterias also provide catering service for special local events.

**Tourism, Arts and Heritage  
Horse Park 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	2,390,800	4,044,900	4,635,500	2,471,800	2,510,800
State Salary and Compensation Allocation	4,500				
<b>Total General Fund</b>	<b>2,395,300</b>	<b>4,044,900</b>	<b>4,635,500</b>	<b>2,471,800</b>	<b>2,510,800</b>
<b>Restricted Funds</b>					
Balance Forward	908,800	850,000	800,200	854,500	1,143,400
Current Receipts	10,252,600	10,807,700	10,997,300	10,807,700	10,997,300
<b>Total Restricted Funds</b>	<b>11,161,400</b>	<b>11,657,700</b>	<b>11,797,500</b>	<b>11,662,200</b>	<b>12,140,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>13,556,700</b>	<b>15,702,600</b>	<b>16,433,000</b>	<b>14,134,000</b>	<b>14,651,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	6,993,300	7,935,900	8,242,900	7,269,100	7,379,200
Operating Expenses	5,556,400	5,824,400	5,863,300	5,569,000	5,571,700
Debt Service		657,000	1,313,000		
Capital Outlay	152,500	485,100	263,400	152,500	152,500
<b>TOTAL EXPENDITURES</b>	<b>12,702,200</b>	<b>14,902,400</b>	<b>15,682,600</b>	<b>12,990,600</b>	<b>13,103,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,395,300	4,044,900	4,635,500	2,471,800	2,510,800
Restricted Funds	10,306,900	10,857,500	11,047,100	10,518,800	10,592,600
<b>TOTAL EXPENDITURES</b>	<b>12,702,200</b>	<b>14,902,400</b>	<b>15,682,600</b>	<b>12,990,600</b>	<b>13,103,400</b>
<b>EXPENDITURES BY UNIT</b>					
Kentucky Horse Park	12,702,200	14,902,400	15,682,600	12,990,600	13,103,400
<b>TOTAL EXPENDITURES</b>	<b>12,702,200</b>	<b>14,902,400</b>	<b>15,682,600</b>	<b>12,990,600</b>	<b>13,103,400</b>

The Kentucky Horse Park (KRS 148.260) is comprised of 1,224 acres on which are situated over 110 structures, 34 miles of fencing and 260 campsites. Horse Park programs consist primarily of four main functions:

**Equine Theme Park**-The central area of the park contains tourist activities that include the Visitor Information Center, International Museum of the Horse, gift shop, restaurant, Parade of Breeds and Hall of Champions shows, horseback riding, horse drawn tours, and other activities. The expansion of the new indoor arena and outdoor stadium was completed in 2009.

**Events**-The Horse Park is the host venue for both equine and non-equine special events. Horse shows are central to the mission of the park and comprise the majority of special event activities. Eighty Seven annual equine events utilize 21 pole barns (1,086 stalls), a 1,200 seat covered arena, show office complex, six hunter-jumper rings, five dressage rings, a 7,800-yard cross country course, steeplechase course, and other ancillary structures. The park also hosts non-equine events that include soccer, high school cross country, dog shows, "Old Kentucky Nights" evening programs, "Southern Lights" holiday lights show, and many other events.

**Campground**-The popular campground is made up of 260 campsites with water/electric hookups, grocery store, two bathhouses, pool, tennis courts, playground, primitive camping, and covered pavilion. Each year more than 102,000 people camp at the Horse Park, generating more than \$1.3 million in direct annual income.

**National Horse Center**-Another area of remarkable growth has been the National Horse Center (NHC), a collection of the nation's and the state's leading equestrian organizations. The NHC now includes 33 distinct organizations contained in 11 office buildings. The NHC has solidified the key role of the Horse Park in making Kentucky the "Horse Capital of the World."

**Tourism, Arts and Heritage  
State Fair Board**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		18,261,000	27,789,200	3,897,100	4,491,400
State Salary and Compensation Allocation	89,900				
Current Year Appropriation	10,500,000				
<b>Total General Fund</b>	<b>10,589,900</b>	<b>18,261,000</b>	<b>27,789,200</b>	<b>3,897,100</b>	<b>4,491,400</b>
<b>Restricted Funds</b>					
Balance Forward	111,200	201,300		201,300	
Current Receipts	43,178,000	42,513,900	46,365,600	42,513,900	46,365,600
Non-Revenue Receipts	-7,200,000		-176,000		
<b>Total Restricted Funds</b>	<b>36,089,200</b>	<b>42,715,200</b>	<b>46,189,600</b>	<b>42,715,200</b>	<b>46,365,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>46,679,100</b>	<b>60,976,200</b>	<b>73,978,800</b>	<b>46,612,300</b>	<b>50,857,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	24,891,700	26,234,700	27,903,900	25,099,000	26,225,600
Operating Expenses	16,996,900	17,913,600	18,666,100	17,870,700	18,758,600
Grants Loans Benefits	2,080,000	2,507,500	2,515,200	2,507,500	2,086,300
Debt Service	1,662,100	12,764,900	24,037,600	189,000	2,754,500
Capital Outlay	847,100	1,555,500	856,000	946,100	856,000
<b>TOTAL EXPENDITURES</b>	<b>46,477,800</b>	<b>60,976,200</b>	<b>73,978,800</b>	<b>46,612,300</b>	<b>50,681,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	10,589,900	18,261,000	27,789,200	3,897,100	4,491,400
Restricted Funds	35,887,900	42,715,200	46,189,600	42,715,200	46,189,600
<b>TOTAL EXPENDITURES</b>	<b>46,477,800</b>	<b>60,976,200</b>	<b>73,978,800</b>	<b>46,612,300</b>	<b>50,681,000</b>
<b>EXPENDITURES BY UNIT</b>					
Kentucky Fair and Exposition Center	40,118,400	43,566,500	44,984,000	41,807,800	43,070,800
Kentucky International Convention Center	4,697,300	4,644,800	4,957,200	4,615,500	4,855,700
Debt Service	1,662,100	12,764,900	24,037,600	189,000	2,754,500
<b>TOTAL EXPENDITURES</b>	<b>46,477,800</b>	<b>60,976,200</b>	<b>73,978,800</b>	<b>46,612,300</b>	<b>50,681,000</b>

The Kentucky State Fair Board authorized in KRS 247 is composed of 15 members: the Governor, the Commissioner of Agriculture, the Dean of the College of Agriculture at the University of Kentucky, and 12 members appointed by the Governor. The Board manages and administers the funds, buildings, grounds, and equipment of both the Kentucky Exposition Center and the Kentucky International Convention Center in Louisville. A president is appointed by the Board to manage these centers and Fair Board properties.

**Kentucky Exposition Center** - The Kentucky Exposition Center provides facilities and services for conventions, trade shows, agricultural activities, athletic events, concerts, and cultural and commercial productions year-round. At this site, the State Fair Board produces its three major expositions during the year: the Kentucky State Fair, the National Farm Machinery Show, and the North American International Livestock Exposition.

The Kentucky Exposition Center is a completely air-conditioned complex that includes 1.2 million square feet of exhibit and meeting space at ground level. It includes the 19,000-seat Freedom Hall Coliseum, identical East and West Exhibit Halls, East and West Exposition Wings, the South and North Wing Exposition facilities and Conference Centers, a smaller exposition pavilion, a 600-seat amphitheater, a 5,000-seat Livestock and Horse Show Arena, and a 37,000-seat stadium. Also serving the Kentucky Exposition Center are the adjacent Crowne Plaza, Hilton Gardens Inn, Cracker Barrel restaurant, Thorton's gas station and Executive Bowl, all of which are long-term lessees of the State Fair Board.

**Kentucky International Convention Center** - The Kentucky International Convention Center provides facilities and services for intermediate-sized conventions, trade shows, association events, concerts, and cultural and commercial productions year-round. This facility is an integral and interdependent part of the overall redevelopment of downtown Louisville by both government and private enterprises.

The Center includes approximately 200,000 square feet of exhibit space, a 30,000 square foot ballroom, and nearly 70,000 square feet of meeting space along both sides of Third Street. The exhibit and meeting areas are linked by public concourses spanning Third Street.

The Center is served by the Hyatt and Cowger Parking Garages, which provide 1,300 enclosed parking spaces. The Cowger Garage also includes commercial space which is leased on a long-term basis.

**Policy**

The Executive Budget includes General Fund resources in the amount of \$10,500,000 in fiscal year 2014 and \$2,200,000 in fiscal year 2015 to cover the cumulative and ongoing revenue shortfall due to the loss of University of Louisville Basketball, loss of the Executive East, loss of the Six Flags Kentucky Kingdom lease and a decline in State Fair revenue.

The Executive Budget reallocates debt service in the amount of \$2,955,900 in fiscal year 2015 and \$4,420,600 in fiscal year 2016 from the State Fair Board to the Finance and Administration Cabinet.

The Executive Budget provides General Fund of \$189,000 in fiscal year 2015 and \$2,754,500 in fiscal year 2016 for debt service on new bonds included in the capital budget.

**Tourism, Arts and Heritage  
Fish and Wildlife Resources**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	81,474,600	80,874,600	80,274,600	80,874,600	80,580,400
Current Receipts	54,518,800	56,078,800	56,078,800	56,078,800	56,078,800
Non-Revenue Receipts	-21,648,800	-21,648,800	-21,648,800	-21,648,800	-21,648,800
<b>Total Restricted Funds</b>	<b>114,344,600</b>	<b>115,304,600</b>	<b>114,704,600</b>	<b>115,304,600</b>	<b>115,010,400</b>
<b>Federal Funds</b>					
Balance Forward	10,547,300	10,547,300	10,547,300	10,547,300	11,270,000
Current Receipts	18,657,200	18,617,700	17,630,400	18,617,700	17,630,400
<b>Total Federal Funds</b>	<b>29,204,500</b>	<b>29,165,000</b>	<b>28,177,700</b>	<b>29,165,000</b>	<b>28,900,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>143,549,100</b>	<b>144,469,600</b>	<b>142,882,300</b>	<b>144,469,600</b>	<b>143,910,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	35,743,600	38,789,600	40,886,300	38,060,700	38,907,000
Operating Expenses	11,534,100	10,695,300	9,795,200	10,395,700	9,286,000
Grants Loans Benefits	2,803,400	2,803,400	1,001,100	2,803,400	1,001,100
Capital Outlay	2,046,100	1,359,400	977,800	1,359,400	977,800
<b>TOTAL EXPENDITURES</b>	<b>52,127,200</b>	<b>53,647,700</b>	<b>52,660,400</b>	<b>52,619,200</b>	<b>50,171,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	33,470,000	35,030,000	35,030,000	34,724,200	33,800,600
Federal Funds	18,657,200	18,617,700	17,630,400	17,895,000	16,371,300
<b>TOTAL EXPENDITURES</b>	<b>52,127,200</b>	<b>53,647,700</b>	<b>52,660,400</b>	<b>52,619,200</b>	<b>50,171,900</b>
<b>EXPENDITURES BY UNIT</b>					
Administration and Support	5,675,000	5,961,900	6,324,000	6,223,700	6,417,600
Wildlife Management	15,132,600	15,529,900	15,167,800	15,144,500	14,306,600
Fisheries Management	10,823,400	11,011,900	10,024,600	10,796,900	9,551,400
Information and Education	6,809,900	7,156,000	7,156,000	6,980,400	6,791,500
Law Enforcement	13,686,300	13,988,000	13,988,000	13,473,700	13,104,800
<b>TOTAL EXPENDITURES</b>	<b>52,127,200</b>	<b>53,647,700</b>	<b>52,660,400</b>	<b>52,619,200</b>	<b>50,171,900</b>

The Department of Fish and Wildlife Resources, established by KRS Chapter 150, is responsible for the conservation and management of fish and wildlife resources in Kentucky. A Departmental Commissioner is appointed by the Fish and Wildlife Commission. The Commission, which is responsible for Department policy, is a nine member bipartisan body appointed by the Governor from a list of candidates provided by sportsmen and women in each of nine districts.

Financial support of the Department is derived from the sale of hunting and fishing licenses, federal grants, interest income, fines and penalties assessed by the courts for violation of game and fish laws, and numerous other miscellaneous receipts.

The Department owns approximately 130,000 acres of land in Kentucky which are used to further its program activities. The acreage includes the State Game Farm, approximately 80 major wildlife management areas, two warm water hatcheries, and three summer camps. An additional 700,000 plus acres of land and water are under lease or license by the Department for wildlife management activities. The Daniel Boone National Forest provides an additional 600,000 acres of land for public use.

The Department consists of five program areas: Administration and Support, Wildlife Management, Fisheries Management, Information and Education, and Law Enforcement.

**Wildlife Management** - The Wildlife Management program manages, develops, and maintains statewide game and non-game populations consistent with habitat availability on state owned lands, licensed wildlife management areas, and privately owned lands. Additionally, Wildlife Management conducts statewide surveys to determine the relative abundance of game and non-game wildlife, formulates hunting regulations based upon biological data and recreational demands, restores viable native wildlife species by restocking in suitable habitat, and evaluates the impact of land, water resource, and other construction projects on wildlife resources. Technical guidance is provided to private landowners for improvement of wildlife habitat. A fish and wildlife electronic information system is being maintained for use by state agencies that includes geographic information such as land types, vegetation conditions, and wildlife populations.

**Fisheries Management** - The Fisheries Management program manages Kentucky fishery resources to provide optimum fishing opportunities for anglers through research, surveys, fish stocking, regulation, and technical biological guidance. Fishery biologists manage and develop fish populations and their associated habitats in major impoundments, streams, rivers, and 100,000 acres of

small lakes and ponds. In addition, technical guidance is provided to private pond owners. Research biologists provide support to management through evaluation of stocking and regulatory practices. The Environmental Section of the Fisheries Division manages the Kentucky Wetland Stream Mitigation Fund (referred to as the fees in-lieu of program) authorized by KRS 150.255 and by agreement with the U.S. Army Corps of Engineers. Corps 404 permits require mitigation when projects fill stream or wetland habitat. Funds are derived when 404 permit applicants can elect to pay a fee to satisfy mitigation requirements. These fees are used for identifying and restoring degraded streams with eroding banks and impacted habitat to stable conditions or restoring wetlands that have been drained.

**Information and Education** - The Information and Education program is responsible for educating and informing the public about our wildlife resources and the importance of conservation, and the recreational opportunities the fish and wildlife resources provide. The information and education program is essential to provide the general and sporting public timely and accurate information directly and through the media. Additionally, the dissemination of regulatory information is necessary for the sporting public to comply with applicable laws and regulations. The program also provides classroom instruction on wildlife conservation, hunter education, aquatic education; operates the Salato Wildlife Education Center; and administers three summer camps for children.

**Law Enforcement** - The Law Enforcement program enforces fish, wildlife, and boating laws. Officers assist other federal, state, and local agencies in enforcement of all criminal laws in the Commonwealth. Officers also provide assistance to the public during times of natural disasters such as floods, forest fires, and severe winter weather.

**Administration and Support** - Three separate divisions are included in the Administration and Support program area. The Division of Administrative Services manages the day-to-day operations of the Department including maintaining accounting records, ensuring proper purchasing and inventory procedures, and administering hunting and fishing license sales and revenue collections. The Public Affairs Division facilitates public involvement in departmental policy and regulations. The Engineering Division provides the labor and technical engineering services required for small construction projects, such as building small bridges, buildings, boat ramps, and roads. In addition, Engineering is responsible for surveying all property owned or being purchased by the Department.

## **Policy**

The Executive Budget includes Restricted Funds in fiscal year 2014-2015 and 2015-2016 for a \$3,100 training incentive stipend for Conservation Officers. These funds are provided from the Fish and Game Fund.

**Tourism, Arts and Heritage  
Historical Society**

	<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	5,696,700	8,970,500	7,730,500	5,734,800	5,961,400
State Salary and Compensation Allocation	14,700				
<b>Total General Fund</b>	<b>5,711,400</b>	<b>8,970,500</b>	<b>7,730,500</b>	<b>5,734,800</b>	<b>5,961,400</b>
<b>Restricted Funds</b>					
Balance Forward	430,100	418,000	413,400	418,000	418,200
Current Receipts	445,700	458,000	477,500	458,000	477,500
<b>Total Restricted Funds</b>	<b>875,800</b>	<b>876,000</b>	<b>890,900</b>	<b>876,000</b>	<b>895,700</b>
<b>Federal Funds</b>					
Current Receipts	587,900	537,100	363,700	537,100	363,700
<b>Total Federal Funds</b>	<b>587,900</b>	<b>537,100</b>	<b>363,700</b>	<b>537,100</b>	<b>363,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,175,100</b>	<b>10,383,600</b>	<b>8,985,100</b>	<b>7,147,900</b>	<b>7,220,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	4,128,500	4,744,800	4,894,700	4,083,100	4,052,500
Operating Expenses	2,558,600	2,605,400	2,551,600	2,576,600	2,522,400
Grants Loans Benefits	70,000	120,000	120,000	70,000	70,000
Debt Service		2,500,000	1,000,000		138,000
<b>TOTAL EXPENDITURES</b>	<b>6,757,100</b>	<b>9,970,200</b>	<b>8,566,300</b>	<b>6,729,700</b>	<b>6,782,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,711,400	8,970,500	7,730,500	5,734,800	5,961,400
Restricted Funds	457,800	462,600	472,100	457,800	457,800
Federal Funds	587,900	537,100	363,700	537,100	363,700
<b>TOTAL EXPENDITURES</b>	<b>6,757,100</b>	<b>9,970,200</b>	<b>8,566,300</b>	<b>6,729,700</b>	<b>6,782,900</b>
<b>EXPENDITURES BY UNIT</b>					
Oral History and Educational Outreach	148,800	148,800	148,800	148,800	148,800
Research and Publications	95,000	95,000	95,000	95,000	95,000
Museums	21,000	71,000	71,000	21,000	21,000
Administration	6,492,300	9,655,400	8,251,500	6,464,900	6,518,100
<b>TOTAL EXPENDITURES</b>	<b>6,757,100</b>	<b>9,970,200</b>	<b>8,566,300</b>	<b>6,729,700</b>	<b>6,782,900</b>

The Kentucky Historical Society (KHS) engages people in the exploration of the Commonwealth's diverse heritage. Through comprehensive and innovative services, interpretive programs, and stewardship, it provides connections to the past, perspective on the present, and inspiration for the future.

The Kentucky Historical Society's statutory mandate, pursuant to KRS 171.311, is to collect and preserve for future generations materials and information regarding Kentucky's past; to disseminate knowledge and understanding of the state's history; and to produce for people of all backgrounds an increased awareness of, and appreciation for, the Commonwealth and its heritage. The agency operates four divisions: Administration, Research and Publications, Museums, and Oral History and Educational Outreach.

The Administration Division provides overall agency direction, planning, and management. It is comprised of the following functional teams: development, director's office, finance and human resources, and communications (which includes visitor services.)

The Research and Publications Division includes the following functional teams: research and interpretation, museum collections and exhibitions, and the design studio. The research and interpretation team publishes the Society's two journals-*The Register of the Kentucky Historical Society* and *Kentucky Ancestors*-and assists with the publication of the quarterly newsletter, *The Chronicle*. The team also administers the historical marker program and the research fellows program. The museum collections and exhibitions team is responsible for the operation of the Historical Society's three museum facilities-the galleries located in the Thomas D. Clark Center for Kentucky History, the Kentucky Military History Museum, and the Old State Capitol. Since 1999, these facilities have hosted more than 1,000,000 visitors. The team is also responsible for the 200,000+ artifact collection. The design studio is responsible for museum exhibition design and production, along with the design and production of other KHS interpretive and promotional tools.

The Museum Division is responsible for special collections and reference services. The Museum division operates the Martin F. Schmidt Research Library housed in the History Center, which effectively serves genealogists and other researchers. It also cares for an array of manuscripts, maps, 200,000-plus photographs, 8,000 oral history recordings, and rare books.

The Oral History and Educational Outreach Division includes the following units: interpretive education, teacher/student outreach, and community services. Community Services consists of the local history program and the Cemetery Preservation program. Interpretive Education includes school tours, museum theatre, and other educational activities for adults and children. Since 1999, the KHS "history campus" has hosted more than 1,000,000 visitors. The primary outreach programs for students include the Kentucky Junior Historical Society and National History Day. Much of the KHS professional development for teachers is presented through Teaching American History grants awarded by the U.S. Department of Education.

### **Policy**

The Executive Budget provides General Fund of \$138,000 in fiscal year 2016 for debt service on new bonds included in the capital budget.

**Tourism, Arts and Heritage  
Arts 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	2,797,700	3,141,900	3,241,700	2,767,300	2,796,200
State Salary and Compensation Allocation	5,400				
<b>Total General Fund</b>	<b>2,803,100</b>	<b>3,141,900</b>	<b>3,241,700</b>	<b>2,767,300</b>	<b>2,796,200</b>
<b>Restricted Funds</b>					
Balance Forward	626,300	654,500	682,700	654,500	82,700
Current Receipts	179,800	179,800	179,800	179,800	179,800
Fund Transfers				-600,000	
<b>Total Restricted Funds</b>	<b>806,100</b>	<b>834,300</b>	<b>862,500</b>	<b>234,300</b>	<b>262,500</b>
<b>Federal Funds</b>					
Balance Forward	6,600				
Current Receipts	753,200	759,800	759,800	759,800	759,800
<b>Total Federal Funds</b>	<b>759,800</b>	<b>759,800</b>	<b>759,800</b>	<b>759,800</b>	<b>759,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,369,000</b>	<b>4,736,000</b>	<b>4,864,000</b>	<b>3,761,400</b>	<b>3,818,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,291,400	1,629,700	1,729,600	1,392,700	1,421,700
Operating Expenses	593,600	600,700	600,600	568,100	568,000
Grants Loans Benefits	1,829,500	1,822,900	1,822,900	1,717,900	1,717,900
<b>TOTAL EXPENDITURES</b>	<b>3,714,500</b>	<b>4,053,300</b>	<b>4,153,100</b>	<b>3,678,700</b>	<b>3,707,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,803,100	3,141,900	3,241,700	2,767,300	2,796,200
Restricted Funds	151,600	151,600	151,600	151,600	151,600
Federal Funds	759,800	759,800	759,800	759,800	759,800
<b>TOTAL EXPENDITURES</b>	<b>3,714,500</b>	<b>4,053,300</b>	<b>4,153,100</b>	<b>3,678,700</b>	<b>3,707,600</b>
<b>EXPENDITURES BY UNIT</b>					
Arts Council	1,512,400	1,851,200	1,951,000	1,621,800	1,650,700
Support Grants	1,934,100	1,927,500	1,927,500	1,822,500	1,822,500
Arts Marketing	268,000	274,600	274,600	234,400	234,400
<b>TOTAL EXPENDITURES</b>	<b>3,714,500</b>	<b>4,053,300</b>	<b>4,153,100</b>	<b>3,678,700</b>	<b>3,707,600</b>

The Kentucky Arts Council's legislated purpose is to develop and promote a broadly conceived state policy of support for the arts in Kentucky, pursuant to KRS 153.210 to 153.235. As the official state arts agency, the Kentucky Arts Council (KAC) is the sole Kentucky state agency designated to receive partnership funding from the National Endowment for the Arts for any programs related to the arts. All of the KAC's programs, services, initiatives, events and activities support its mission to "create opportunities for the people of Kentucky to value, participate in, and benefit from the arts".

The Kentucky Arts Council manages a multitude of programs, activities and services for the Commonwealth by working in partnership with arts organizations, educational facilities, communities, local government, and individual artists. The work of the KAC encourages the growth and stability of the arts across the state, the promotion of cultural tourism and economic development, the enhancement of quality of life in Kentucky, and the provision of strong arts education programs.

Major program areas include community arts development, arts infrastructure capacity building, individual artists, folk arts, arts education, and arts marketing. The KAC offers an extensive array of technical assistance and training programs, public events, information services and resources, business development services, sales and performance venues, and grant programs to help ensure that the arts community in Kentucky is strong and viable. The grant funds invested by the KAC across the Commonwealth serves as an important catalyst in community building, and leverages significant funding from other sources.

**Tourism, Arts and Heritage  
Heritage 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	729,200	957,000	999,600	736,900	747,300
State Salary and Compensation Allocation	2,400				
<b>Total General Fund</b>	<b>731,600</b>	<b>957,000</b>	<b>999,600</b>	<b>736,900</b>	<b>747,300</b>
<b>Restricted Funds</b>					
Balance Forward	115,200	117,100	119,000	117,100	106,000
Current Receipts	251,000	251,000	251,000	251,000	251,000
<b>Total Restricted Funds</b>	<b>366,200</b>	<b>368,100</b>	<b>370,000</b>	<b>368,100</b>	<b>357,000</b>
<b>Federal Funds</b>					
Balance Forward	70,900				61,300
Current Receipts	701,100	875,800	920,700	875,800	920,700
<b>Total Federal Funds</b>	<b>772,000</b>	<b>875,800</b>	<b>920,700</b>	<b>875,800</b>	<b>982,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,869,800</b>	<b>2,200,900</b>	<b>2,290,300</b>	<b>1,980,800</b>	<b>2,086,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,457,300	1,707,600	1,795,100	1,570,100	1,594,400
Operating Expenses	214,000	294,300	294,300	163,400	163,400
Grants Loans Benefits	81,400	80,000	80,000	80,000	80,000
<b>TOTAL EXPENDITURES</b>	<b>1,752,700</b>	<b>2,081,900</b>	<b>2,169,400</b>	<b>1,813,500</b>	<b>1,837,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	731,600	957,000	1,004,700	736,900	747,300
Restricted Funds	249,100	249,100	249,100	262,100	265,300
Federal Funds	772,000	875,800	915,600	814,500	825,200
<b>TOTAL EXPENDITURES</b>	<b>1,752,700</b>	<b>2,081,900</b>	<b>2,169,400</b>	<b>1,813,500</b>	<b>1,837,800</b>
<b>EXPENDITURES BY UNIT</b>					
Kentucky Heritage Council	1,752,700	2,081,900	2,169,400	1,813,500	1,837,800
<b>TOTAL EXPENDITURES</b>	<b>1,752,700</b>	<b>2,081,900</b>	<b>2,169,400</b>	<b>1,813,500</b>	<b>1,837,800</b>

The Kentucky Heritage Council (the State Historic Preservation Office) administers a comprehensive state historic preservation program with structure in three areas; The Site Protection Program, The Site Identification and Evaluation Program and The Site Development Program.

The Council administers national historic preservation activities in Kentucky, monitors projects and distributes grants involving federal funds, offers programs and services involving all aspects of historic preservation, and provides technical assistance to local governments, the public, and other agencies.

Major program activities include surveying historic sites, nominating sites to the National Register of Historic Places, administering the Kentucky Main Street program in partnership with Renaissance on Main, overseeing federal and state historic preservation tax credit programs and restoration grants programs, conducting archaeological investigations, and reviewing all federally funded, licensed, and permitted projects.

Attached to the Heritage Council for administration and programmatic services are the African American Heritage Commission, Native American Heritage Commission, Military Heritage Commission, and the Kentucky Historic Preservation Review Board. The Kentucky Heritage Council is administered in accordance with KRS 171.3801.

**Tourism, Arts and Heritage  
Kentucky Center for the Arts**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	802,400	1,626,200	1,739,900	1,225,200	1,321,700
<b>Total General Fund</b>	<b>802,400</b>	<b>1,626,200</b>	<b>1,739,900</b>	<b>1,225,200</b>	<b>1,321,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>802,400</b>	<b>1,626,200</b>	<b>1,739,900</b>	<b>1,225,200</b>	<b>1,321,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	138,800	185,300	100,300	100,300	100,300
Operating Expenses	236,000	446,300	446,300	220,800	220,800
Grants Loans Benefits	427,600	881,600	895,300	807,600	807,600
Debt Service		113,000	298,000	96,500	193,000
<b>TOTAL EXPENDITURES</b>	<b>802,400</b>	<b>1,626,200</b>	<b>1,739,900</b>	<b>1,225,200</b>	<b>1,321,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	802,400	1,626,200	1,739,900	1,225,200	1,321,700
<b>TOTAL EXPENDITURES</b>	<b>802,400</b>	<b>1,626,200</b>	<b>1,739,900</b>	<b>1,225,200</b>	<b>1,321,700</b>
<b>EXPENDITURES BY UNIT</b>					
Kentucky Center for the Arts	374,800	744,600	844,600	417,600	514,100
Governor's School for the Arts	427,600	881,600	895,300	807,600	807,600
<b>TOTAL EXPENDITURES</b>	<b>802,400</b>	<b>1,626,200</b>	<b>1,739,900</b>	<b>1,225,200</b>	<b>1,321,700</b>

Kentucky Center for the Arts ("The Kentucky Center") is the Commonwealth's premier performing arts center. The Kentucky Center serves over 400,000 people each year. It is the performance home of the state's largest orchestra, opera, ballet, Broadway and children's theatre productions. In addition, The Kentucky Center presents a variety of national and international artists.

The Kentucky Center houses three theaters: the 2,406-seat Robert S. Whitney Hall, the 619-seat Moritz von Bomhard Theater, and the 139-seat Boyd Martin Experimental Theater. The facility features a multi-tiered lobby, rehearsal halls, and spaces for social and business events.

The Kentucky Center provides a wide range of nationally recognized educational programs, including professional development for teachers, partnerships with schools and community centers, and opportunities for artists to work in classrooms. The Center is also a leader in providing award-winning access services that make the theater experience possible for patrons with disabilities. The Kentucky Center, in partnership with the Kentucky Arts Council, provides access and technical consulting services for arts and cultural organizations across Kentucky. The Kentucky Center's management also provides theatrical consulting services throughout the state.

The Governor's School for the Arts (GSA) is a model program, recognized nationally by the President's Committee on the Arts and Humanities and the National Endowment of the Arts. GSA was established in 1987 to address the needs of an underserved Kentucky population: Kentucky's artistically gifted and talented young people. Whereas opportunities for advanced academic work has been widely available to Kentucky's academically gifted students, opportunities to pursue advanced work in the arts have been considerably more limited, particularly for geographically and/or economically marginalized students. GSA not only plays a vital role in preparing students for their pursuit of careers in the arts, but also prepares them for all facets of professional life requiring leadership, critical thinking, exceptional communication skills and understanding of the multi-cultural world. GSA is a model program, recognized nationally by the President's Committee on the Arts & Humanities and the National Endowment for the Arts. The school currently serves 200 students.

**Policy**

The Executive Budget includes General Fund support in the amount of \$380,000 in fiscal year 2015 and fiscal year 2016 for an additional 100 students to attend the Governor's School for the Arts.

The Executive Budget includes General Fund support in the amount of \$96,500 in fiscal year 2015 and \$193,000 in fiscal year 2016 for debt service on new bonds included in the capital budget.

# Transportation

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	<b>Transportation</b>				
	<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	5,678,200	8,200,000	8,246,200	5,135,300	6,023,300
Continuing Approp.-General Fund	299,400				
<b>Total General Fund</b>	<b>5,977,600</b>	<b>8,200,000</b>	<b>8,246,200</b>	<b>5,135,300</b>	<b>6,023,300</b>
<b>Restricted Funds</b>					
Balance Forward	165,118,300	28,022,800	20,853,100	26,385,300	20,329,600
Current Receipts	130,730,800	127,561,700	125,043,800	127,337,400	124,006,400
Non-Revenue Receipts	1,250,896,000	-55,000	-55,000	246,597,300	99,945,000
Fund Transfers	-9,137,300	-1,460,500	-1,464,800	-14,310,500	-14,064,800
<b>Total Restricted Funds</b>	<b>1,537,607,800</b>	<b>154,069,000</b>	<b>144,377,100</b>	<b>386,009,500</b>	<b>230,216,200</b>
<b>Federal Funds</b>					
Balance Forward	33,000				
Current Receipts	617,385,300	727,412,000	730,234,700	726,762,100	729,132,800
Non-Revenue Receipts	2,500				
<b>Total Federal Funds</b>	<b>617,420,800</b>	<b>727,412,000</b>	<b>730,234,700</b>	<b>726,762,100</b>	<b>729,132,800</b>
<b>Road Fund</b>					
Regular Appropriation	1,461,496,100	1,529,851,300	1,534,142,300	1,528,721,200	1,516,387,200
Surplus Expenditure Plan	17,718,000				
Other	-397,700				
<b>Total Road Fund</b>	<b>1,478,816,400</b>	<b>1,529,851,300</b>	<b>1,534,142,300</b>	<b>1,528,721,200</b>	<b>1,516,387,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,639,822,600</b>	<b>2,419,532,300</b>	<b>2,417,000,300</b>	<b>2,646,628,100</b>	<b>2,481,759,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	449,741,700	491,265,100	511,130,300	468,895,400	475,988,200
Operating Expenses	289,681,400	324,347,500	313,321,200	290,948,700	292,693,300
Grants Loans Benefits	294,384,200	266,932,800	262,526,200	271,858,900	272,555,500
Debt Service	209,686,300	222,691,300	228,120,200	232,555,900	273,318,600
Capital Outlay	1,620,100	4,788,100	4,731,900	1,645,100	1,587,100
Construction	2,342,378,300	1,085,178,600	1,084,343,200	1,356,918,700	1,152,946,200
<b>TOTAL EXPENDITURES</b>	<b>3,587,492,000</b>	<b>2,395,203,400</b>	<b>2,404,173,000</b>	<b>2,622,822,700</b>	<b>2,469,088,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,977,600	8,200,000	8,246,200	5,135,300	6,023,300
Restricted Funds	1,511,222,500	133,215,900	135,025,600	365,679,900	221,021,400
Federal Funds	617,420,800	727,412,000	730,234,700	726,762,100	729,132,800
Road Fund	1,452,871,100	1,526,375,500	1,530,666,500	1,525,245,400	1,512,911,400
<b>TOTAL EXPENDITURES</b>	<b>3,587,492,000</b>	<b>2,395,203,400</b>	<b>2,404,173,000</b>	<b>2,622,822,700</b>	<b>2,469,088,900</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	70,229,500	76,886,300	78,573,200	72,868,300	74,012,900
Aviation	18,611,300	14,056,300	14,146,400	8,385,700	8,873,700
Debt Service	142,216,300	150,559,500	159,043,900	150,559,500	166,911,900
Highways	2,858,936,000	1,673,866,900	1,679,620,100	1,897,399,700	1,723,135,200
Public Transportation	49,538,800	32,459,600	32,785,400	30,744,900	31,082,100
Revenue Sharing	406,604,500	397,590,900	389,212,800	419,274,000	420,059,400
Vehicle Regulation	41,355,600	49,783,900	50,791,200	43,590,600	45,013,700
<b>TOTAL EXPENDITURES</b>	<b>3,587,492,000</b>	<b>2,395,203,400</b>	<b>2,404,173,000</b>	<b>2,622,822,700</b>	<b>2,469,088,900</b>

The Transportation Cabinet is responsible for maintaining and improving transportation services in the Commonwealth. All modes of transportation are addressed by the Cabinet, including air transportation, railroads, waterways, public transit, and highways. The Secretary of Transportation, who is appointed by the Governor, heads the organization. The duties and responsibilities of the Cabinet are found in Titles XV and XVI of the Kentucky Revised Statutes.

The Cabinet receives funding from the state Road Fund, proceeds from highway bonds issued by the Kentucky Turnpike Authority, and federal aid apportionments for highways. Other revenue sources include agency receipts, non-highway federal aid, the state General Fund, and a federal fund leveraging mechanism titled Grant Anticipation Revenue Vehicle (GARVEE) bonds. The revenue

components of the Road Fund are the motor fuels tax, motor vehicle usage tax, license and privilege taxes, interest income, and miscellaneous departmental fees, permits, and sales.

Seven major budget units comprise the Transportation Cabinet: General Administration and Support, Aviation, Public Transportation, Revenue Sharing, Highways, Vehicle Regulation, and Debt Service.

Organizationally, the agency is divided into four departments: Aviation, Vehicle Regulation, Rural and Municipal Aid, and Highways. Each department is headed by a commissioner directly responsible to the Secretary. Other organizational units include the Office of Support Services, the Office of Transportation Delivery, the Office of Audits, the Office of Human Resource Management, the Office of Information Technology, the Office of Legal Services, the Office of Public Affairs, the Office of Budget and Fiscal Management, the Office for Civil Rights and Small Business Development, and the Office of Inspector General. These units report to the Office of the Secretary. The following offices report to the State Highway Engineer in the Department of Highways: the Office of Project Development, the Office of Project Delivery and Preservation, the Office of Highway Safety, and Highway District Offices One through Twelve. The Office of Local Programs and the Office of Rural and Secondary Roads report to the Commissioner of Rural and Municipal Aid.

The Transportation Cabinet has its origin as an agency of the Commonwealth of Kentucky in 1912 when the General Assembly established the Department of Highways. Legislation in 1974 created the Department of Transportation by consolidating the Departments of Highways, Motor Transportation, and Aeronautics, plus certain transportation-related functions of the Department of Public Safety and the Department of Revenue. The 1982 General Assembly established the Transportation Cabinet as the successor to the Department of Transportation, and it assumed all of the duties formerly associated with the Department.

### **Policy**

The 2009 General Assembly amended KRS Chapter 48 to require the General Assembly to pass a separate bill for the Transportation Cabinet budget. In addition, the General Assembly is required to pass the Biennial Highway Construction Plan as a separate bill and the last four years of the six-year road plan as a joint resolution.

**Transportation  
General Administration and 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	500,000	500,000	500,000		
<b>Total General Fund</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>		
<b>Restricted Funds</b>					
Balance Forward	108,500	103,800	99,100	103,800	99,100
Current Receipts	1,984,400	2,079,500	2,144,300	1,984,400	1,984,400
<b>Total Restricted Funds</b>	<b>2,092,900</b>	<b>2,183,300</b>	<b>2,243,400</b>	<b>2,088,200</b>	<b>2,083,500</b>
<b>Road Fund</b>					
Regular Appropriation	67,740,400	74,302,100	75,924,200	70,879,200	72,023,800
<b>Total Road Fund</b>	<b>67,740,400</b>	<b>74,302,100</b>	<b>75,924,200</b>	<b>70,879,200</b>	<b>72,023,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>70,333,300</b>	<b>76,985,400</b>	<b>78,667,600</b>	<b>72,967,400</b>	<b>74,107,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	26,935,500	31,596,800	33,222,500	28,820,900	29,332,700
Operating Expenses	35,894,000	37,864,500	37,983,700	36,815,700	36,928,800
Grants Loans Benefits	1,400	1,400	1,400	1,400	1,400
Debt Service	6,800,000	6,800,000	6,800,000	6,606,700	7,184,400
Capital Outlay	541,600	566,600	508,600	566,600	508,600
Construction	57,000	57,000	57,000	57,000	57,000
<b>TOTAL EXPENDITURES</b>	<b>70,229,500</b>	<b>76,886,300</b>	<b>78,573,200</b>	<b>72,868,300</b>	<b>74,012,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	500,000	500,000	500,000		
Restricted Funds	1,989,100	2,084,200	2,149,000	1,989,100	1,989,100
Road Fund	67,740,400	74,302,100	75,924,200	70,879,200	72,023,800
<b>TOTAL EXPENDITURES</b>	<b>70,229,500</b>	<b>76,886,300</b>	<b>78,573,200</b>	<b>72,868,300</b>	<b>74,012,900</b>
<b>EXPENDITURES BY UNIT</b>					
Office of the Secretary	592,000	660,800	705,100	148,700	162,100
Office of Public Affairs	707,400	778,000	823,600	763,800	777,800
Inspector General	873,700	1,259,600	1,307,000	907,000	915,900
Budget & Fiscal Management	3,396,400	3,866,200	4,079,900	3,650,700	3,718,600
Legal Services	5,272,500	5,675,300	5,882,900	5,616,500	5,702,900
Office of Human Resource Management	3,831,500	4,416,000	4,620,100	4,046,700	4,114,300
Office of Support Services	22,555,600	23,572,500	23,922,400	22,698,400	23,430,600
Technology	28,045,000	31,137,500	31,427,500	29,743,100	29,805,300
Office of Civil Rights & Small Business Development	899,600	1,141,300	1,200,900	956,200	971,400
Office of Audits	4,055,800	4,379,100	4,603,800	4,337,200	4,414,000
<b>TOTAL EXPENDITURES</b>	<b>70,229,500</b>	<b>76,886,300</b>	<b>78,573,200</b>	<b>72,868,300</b>	<b>74,012,900</b>

The General Administration and Support appropriation unit provides management and administrative services and ensures efficient day-to-day operations. This unit includes the Office of Secretary and nine other offices.

The Office of Budget and Fiscal Management, the Office for Civil Rights and Small Business Development, the Office of Legal Services, the Office of Public Affairs, the Office of Inspector General, the Office of Human Resource Management, the Office of Support Services, the Office of Audits, and the Office of Information Technology provide leadership, management, and staff support to the Transportation Cabinet and provide the Secretary with the managerial tools necessary to operate the Cabinet.

The Office of the Secretary is the central point of contact with the general public and external organizations and serves as the main policymaking arm of the Cabinet. The Office of Budget and Fiscal Management and the Office of Audits manage the planning and use of the Cabinet's financial resources. The Office for Civil Rights and Small Business Development conducts programs to provide women and minorities an equal opportunity for employment and to compete for highway construction contracts. The Office of Legal Services provides the agency with the required legal representation before administrative boards and all levels of the court system. The Office of Public Affairs is responsible for the Cabinet's communications with employees, the news media, and the general public. The Office of Inspector General exists to provide the Cabinet a mechanism for both employees and Kentuckians to report incidences

of wrongdoing regarding the Cabinet's service. The Office of Human Resource Management is responsible for the Cabinet's human resources policies and personnel utilization and development programs. The Office of Support Services provides oversight and management of the Cabinet's statewide facilities, including all ongoing capital projects not associated with highway construction. Beginning in April 2013, the Office of Support Services began providing production print services for the Executive Branch through its Division of Graphic Design and Printing, a function previously performed by the Commonwealth Office of Technology. The Office of Information Technology is responsible for the technological application development and system support functions for the Cabinet.

	<b>Transportation Aviation</b>				
	<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		1,021,800	1,068,000		456,000
<b>Total General Fund</b>		1,021,800	1,068,000		456,000
<b>Restricted Funds</b>					
Balance Forward	6,604,200	437,700	329,500	149,600	81,700
Current Receipts	11,804,600	11,804,600	11,804,600	11,804,600	11,804,600
Non-Revenue Receipts	-14,800				
Fund Transfers	-3,464,800	-1,460,500	-1,464,800	-6,960,500	-6,964,800
<b>Total Restricted Funds</b>	14,929,200	10,781,800	10,669,300	4,993,700	4,921,500
<b>Federal Funds</b>					
Balance Forward	33,000				
Current Receipts	1,025,100	611,700	611,700	611,700	611,700
Non-Revenue Receipts	2,500				
<b>Total Federal Funds</b>	1,060,600	611,700	611,700	611,700	611,700
<b>Road Fund</b>					
Regular Appropriation	2,771,100	1,970,500	1,974,800	2,862,000	2,884,500
<b>Total Road Fund</b>	2,771,100	1,970,500	1,974,800	2,862,000	2,884,500
<b>TOTAL SOURCE OF FUNDS</b>	18,760,900	14,385,800	14,323,800	8,467,400	8,873,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	2,589,800	3,173,900	3,346,600	2,860,000	2,913,600
Operating Expenses	1,641,800	1,316,800	1,317,700	1,388,600	1,389,500
Grants Loans Benefits	12,322,200	7,442,400	7,354,600	2,123,000	2,096,200
Debt Service	1,904,800	1,970,500	1,974,800	1,894,500	2,354,800
Construction	152,700	152,700	152,700	119,600	119,600
<b>TOTAL EXPENDITURES</b>	18,611,300	14,056,300	14,146,400	8,385,700	8,873,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		1,021,800	1,068,000		456,000
Restricted Funds	14,779,600	10,452,300	10,491,900	4,912,000	4,921,500
Federal Funds	1,060,600	611,700	611,700	611,700	611,700
Road Fund	2,771,100	1,970,500	1,974,800	2,862,000	2,884,500
<b>TOTAL EXPENDITURES</b>	18,611,300	14,056,300	14,146,400	8,385,700	8,873,700
<b>EXPENDITURES BY UNIT</b>					
Commonwealth Aviation	13,874,600	9,222,700	9,218,400	3,722,700	4,174,400
Capital City Airport	2,831,900	2,863,100	2,953,200	2,768,500	2,800,500
Aviation Administration	1,904,800	1,970,500	1,974,800	1,894,500	1,898,800
<b>TOTAL EXPENDITURES</b>	18,611,300	14,056,300	14,146,400	8,385,700	8,873,700

In accordance with KRS Chapter 183, the Transportation Cabinet supports the Commonwealth's Aviation program. There are two divisions within the Department of Aviation: Commonwealth Aviation and Capital City Airport. The Commonwealth Aviation division is charged with the Air Regulatory program and the Airport Development program. The Air Regulatory program is responsible for inspecting and determining the safety and efficiency of all of the Commonwealth's public use airport and heliport facilities. Pursuant to KRS 183.861, the Kentucky Airport Zoning Commission protects the navigable airspace within the state by evaluating applications for construction, issuing permits, and maintaining updated airport zoning maps. The Commission is attached to the Air Regulatory program for administrative purposes. The Airport Development program provides for administration, planning and management of airport construction, and maintenance of local airports. Airport Development also provides technical and financial assistance to the state's 59 public use airports, including updating and distributing the state aeronautical charts and airport directories.

The Capital City Airport is a public use airport located in Frankfort, Kentucky. Capital City Airport is home to 81 aircraft, including the fleet owned and operated by state government and the National Guard located in Frankfort.

## Policy

The Executive Budget provides General Fund in the amount of \$456,000 in fiscal year 2016 for debt service on new bonds included in the capital budget.

The Executive Budget suspends the provisions of KRS 183.525 and transfers \$468,000 in fiscal year 2015 and \$468,000 in fiscal year 2016 from the Kentucky Aviation Economic Development Fund to the General Fund to support General Fund supported aviation bonds authorized by the 2005 General Assembly.

The Executive Budget suspends the provisions of KRS 183.525 and transfers \$992,500 in fiscal year 2015 and \$996,800 in fiscal year 2016 from the Kentucky Aviation Economic Development Fund to the Road Fund to support Road Fund supported aviation bonds authorized by the 2008 General Assembly.

	<b>Transportation Debt Service</b>				
	<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>Road Fund</b>					
Regular Appropriation	168,161,600	154,035,300	162,519,700	154,035,300	170,387,700
<b>Total Road Fund</b>	<b>168,161,600</b>	<b>154,035,300</b>	<b>162,519,700</b>	<b>154,035,300</b>	<b>170,387,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>168,161,600</b>	<b>154,035,300</b>	<b>162,519,700</b>	<b>154,035,300</b>	<b>170,387,700</b>
<b>EXPENDITURES BY CLASS</b>					
Debt Service	142,216,300	150,559,500	159,043,900	150,559,500	166,911,900
<b>TOTAL EXPENDITURES</b>	<b>142,216,300</b>	<b>150,559,500</b>	<b>159,043,900</b>	<b>150,559,500</b>	<b>166,911,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Road Fund	142,216,300	150,559,500	159,043,900	150,559,500	166,911,900
<b>TOTAL EXPENDITURES</b>	<b>142,216,300</b>	<b>150,559,500</b>	<b>159,043,900</b>	<b>150,559,500</b>	<b>166,911,900</b>
<b>EXPENDITURES BY UNIT</b>					
Economic Development Lease Rental	142,216,300	150,559,500	159,043,900	150,559,500	166,911,900
<b>TOTAL EXPENDITURES</b>	<b>142,216,300</b>	<b>150,559,500</b>	<b>159,043,900</b>	<b>150,559,500</b>	<b>166,911,900</b>

The Debt Service program is the budget entity through which lease rental payments are made on the revenue bonds the Commonwealth has issued to finance major highway construction projects.

KRS Chapter 175 authorizes the Turnpike Authority of Kentucky to issue revenue bonds to construct, maintain, repair, and operate designated roads of the Toll Road System, the Resource Recovery Road System, and the Economic Development Road System.

The first of these systems, the Toll Road System, was constructed during the mid-1960s and early 1970s. All of the Toll Road bonds that were issued to construct the state's parkways are now retired.

The Resource Recovery Road System began in the late 1970s, and most of the system's roads were built during the 1980s. The most significant project was KY 80. The final lease rental payment for the Resource Recovery Road bonds was made in fiscal year 2008-2009.

The Economic Development Road System was established and funded through a series of bond issues. The first was a \$300 million issue sold in 1984. The second was a relatively small sale of \$36.6 million in 1987. The third and largest was a \$600 million program which was implemented in bond sales during 1990, 1993, and 1995. The projects constructed with the \$600 million series were designated as "Revitalization Projects" and are now complete. The fourth issue was authorized by the 1998 General Assembly in the amount of \$200 million. The bonds were sold in 1999 and projects funded with those proceeds are now complete. The 2005 General Assembly authorized the fifth series of Economic Development Road bonds in the amount of \$450 million. The bond projects associated with the 2005 series were split to support three initiatives: \$300 million for projects in the adopted Six-Year Highway Plan; \$100 million to fund County Road Aid projects; and \$50 million to support Municipal Road Aid projects. The 2006 General Assembly authorized an additional \$350 million in Economic Development Road Bonds. The entire 2006 series was authorized to support projects in the adopted Six-Year Highway Plan. The seventh issue was authorized by the 2008 General Assembly in the amount of \$50 million for projects associated with Base Re-alignment and Closure (BRAC) activities in and around Fort Knox. The 2009 General Assembly authorized bonds in the amount of \$400 million to support projects in the adopted Six-Year Highway Plan. The 2010 Special Session of the General Assembly authorized \$112 million in BRAC bonds to complete the projects in Fort Knox and \$400 million in bonds for projects included in the Biennial Highway Construction Plan. All but \$200 million of the \$400 million in bonds authorized by the 2010 Special Session of the General Assembly have been issued.

Through lease agreements with the Turnpike Authority of Kentucky and the Asset and Liability Commission, the Transportation Cabinet provides funds to pay the Toll Road, Resource Recovery Road, and the Economic Development Road revenue bonds. In the Debt Service program, funds are reserved exclusively for semi-annual lease rental payments to meet the principal and interest requirements of these outstanding bonds, along with any administrative costs of the Turnpike Authority.

### Policy

The American Recovery and Reinvestment Act of 2009 created a new debt instrument for tax-exempt municipal bond issuers, called Build America Bonds. Municipal bond issuers could issue Build America Bonds for eligible tax-exempt purposes on a permanent basis only. The Commonwealth was eligible for a subsidy for bonds issued as Build America Bonds prior to December 31, 2010. Subsidies from the Build America Bonds shall lapse to the Road Fund. The amount of the Road Fund lapse is \$3,475,800 in each fiscal year.

	<b>Transportation Highways</b>				
	<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				216,000	648,000
<b>Total General Fund</b>				216,000	648,000
<b>Restricted Funds</b>					
Balance Forward	148,814,900	19,587,900	12,638,800	19,587,900	14,888,200
Current Receipts	99,344,000	94,749,600	92,030,800	94,642,100	91,299,200
Non-Revenue Receipts	1,251,000,000			250,000,000	100,000,000
<b>Total Restricted Funds</b>	1,499,158,900	114,337,500	104,669,600	364,230,000	206,187,400
<b>Federal Funds</b>					
Current Receipts	570,069,000	698,590,300	701,069,200	697,940,400	699,967,300
<b>Total Federal Funds</b>	570,069,000	698,590,300	701,069,200	697,940,400	699,967,300
<b>Road Fund</b>					
Regular Appropriation	791,578,000	873,577,900	875,302,100	849,901,500	822,567,800
Surplus Expenditure Plan	17,718,000				
<b>Total Road Fund</b>	809,296,000	873,577,900	875,302,100	849,901,500	822,567,800
<b>TOTAL SOURCE OF FUNDS</b>	2,878,523,900	1,686,505,700	1,681,040,900	1,912,287,900	1,729,370,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	398,043,000	429,592,600	446,398,900	412,454,600	418,580,400
Operating Expenses	232,130,900	263,638,100	252,585,000	232,689,800	233,415,900
Grants Loans Benefits	10,744,300	10,744,300	10,744,300	10,744,300	10,744,300
Debt Service	53,980,700	58,477,300	55,415,700	68,693,200	92,063,700
Capital Outlay	1,078,500	1,078,500	1,078,500	1,078,500	1,078,500
Construction	2,162,958,600	910,336,100	913,397,700	1,171,739,300	967,252,400
<b>TOTAL EXPENDITURES</b>	2,858,936,000	1,673,866,900	1,679,620,100	1,897,399,700	1,723,135,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund				216,000	648,000
Restricted Funds	1,479,571,000	101,698,700	103,248,800	349,341,800	199,952,100
Federal Funds	570,069,000	698,590,300	701,069,200	697,940,400	699,967,300
Road Fund	809,296,000	873,577,900	875,302,100	849,901,500	822,567,800
<b>TOTAL EXPENDITURES</b>	2,858,936,000	1,673,866,900	1,679,620,100	1,897,399,700	1,723,135,200
<b>EXPENDITURES BY UNIT</b>					
Research	4,817,400	4,817,400	4,817,400	4,817,400	4,817,400
Construction	2,395,652,200	1,153,638,000	1,157,718,800	1,404,938,600	1,225,375,300
Maintenance	326,900,400	379,492,400	377,170,600	358,410,900	362,439,100
Engineering Administration	13,338,100	15,597,800	16,387,600	14,216,600	14,497,600
Planning	15,204,900	15,813,500	16,232,600	15,220,100	15,230,300
Highway Operations	28,238,300	32,243,600	33,915,900	30,206,100	30,774,400
Equipment Services	64,536,300	61,474,200	62,321,300	59,083,300	59,408,500
Highway Safety	10,248,400	10,790,000	11,055,900	10,506,700	10,592,600
<b>TOTAL EXPENDITURES</b>	2,858,936,000	1,673,866,900	1,679,620,100	1,897,399,700	1,723,135,200

The Highways appropriation unit is the largest program in the Transportation Cabinet. There are eight programs in the Department of Highways: Research, Construction, Maintenance, Engineering Administration, Highway Planning, Highway Operations, Highway Safety and Equipment Services. The Construction program is divided into five subprograms: Bond Funded Construction, State Funded Construction, Federal Funded Construction, Toll Bond Funded Construction, and the TIFIA Loan program.

The Department of Highways is responsible for the construction, reconstruction, and maintenance of the State Primary Road System through authority granted by KRS 177.020. The Department is headed by a commissioner who is appointed by the Governor on recommendation of the Secretary of Transportation. This agency administers all of the programs within the Highways appropriation unit.

Combined travel by all motor vehicles over Kentucky's 78,000 miles of roads and streets equals over 47.6 billion vehicle-miles. The State Primary Road System carries about 85 percent of all traffic. This network consists of approximately 27,500 miles of interstate highways, resource recovery roads, parkways, economic development roads, primary, secondary, rural, and unclassified roads, and approximately 9,000 state maintained bridges. Kentucky's interstate system, consisting of approximately 800 miles, carries 27 percent of all travel.

	<b>Transportation Highways Research</b>				
	<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>Federal Funds</b>					
Current Receipts	3,383,400	3,383,400	3,383,400	3,383,400	3,383,400
<b>Total Federal Funds</b>	<b>3,383,400</b>	<b>3,383,400</b>	<b>3,383,400</b>	<b>3,383,400</b>	<b>3,383,400</b>
<b>Road Fund</b>					
Regular Appropriation	1,434,000	1,434,000	1,434,000	1,434,000	1,434,000
<b>Total Road Fund</b>	<b>1,434,000</b>	<b>1,434,000</b>	<b>1,434,000</b>	<b>1,434,000</b>	<b>1,434,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,817,400</b>	<b>4,817,400</b>	<b>4,817,400</b>	<b>4,817,400</b>	<b>4,817,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	4,527,400	4,527,400	4,527,400	4,527,400	4,527,400
Operating Expenses	290,000	290,000	290,000	290,000	290,000
<b>TOTAL EXPENDITURES</b>	<b>4,817,400</b>	<b>4,817,400</b>	<b>4,817,400</b>	<b>4,817,400</b>	<b>4,817,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Funds	3,383,400	3,383,400	3,383,400	3,383,400	3,383,400
Road Fund	1,434,000	1,434,000	1,434,000	1,434,000	1,434,000
<b>TOTAL EXPENDITURES</b>	<b>4,817,400</b>	<b>4,817,400</b>	<b>4,817,400</b>	<b>4,817,400</b>	<b>4,817,400</b>

The Research program is primarily a problem-solving service available to the Department of Highways. The program provides studies of traffic safety and operations, pavement mechanics and performance, materials characteristics and behavior, and transportation policies. The Research function is mandated by the Commonwealth's use of federal highway funds in accordance with Title 23 of the Federal Code which requires the use of 25 percent of funds for highway research and development. The Transportation Cabinet partners with the University of Kentucky Transportation Center to carry out research functions. The partnership conducts workshops on highway maintenance and management; traffic engineering, computerized signalization, signal technician certification, incident management/traffic mitigation, and provides on-demand technical assistance. The program maintains a lending library, including both written and audio-visual materials. The program also publishes a quarterly newsletter.

The Research program funds the Kentucky Transportation Center at one-tenth of one percent of the motor fuels tax collections, not to exceed \$190,000 per year from the State Road Fund pursuant to KRS 177.320(4). An additional \$100,000 per year from the Revenue Sharing appropriation unit is transferred to the Kentucky Transportation Center.

	<b>Transportation Highways Construction</b>				
	<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				216,000	648,000
<b>Total General Fund</b>				216,000	648,000
<b>Restricted Funds</b>					
Balance Forward	135,215,400	13,031,700	9,313,800	13,031,700	9,172,300
Current Receipts	38,156,100	32,811,700	29,339,600	32,704,200	28,608,000
Non-Revenue Receipts	1,251,000,000			250,000,000	100,000,000
<b>Total Restricted Funds</b>	1,424,371,500	45,843,400	38,653,400	295,735,900	137,780,300
<b>Federal Funds</b>					
Current Receipts	548,652,900	676,524,300	678,551,200	676,524,300	678,551,200
<b>Total Federal Funds</b>	548,652,900	676,524,300	678,551,200	676,524,300	678,551,200
<b>Road Fund</b>					
Regular Appropriation	417,941,500	440,584,100	441,935,000	441,634,700	409,327,400
Surplus Expenditure Plan	17,718,000				
<b>Total Road Fund</b>	435,659,500	440,584,100	441,935,000	441,634,700	409,327,400
<b>TOTAL SOURCE OF FUNDS</b>	2,408,683,900	1,162,951,800	1,159,139,600	1,414,110,900	1,226,306,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	193,262,400	192,961,200	197,042,000	192,642,700	194,195,800
Operating Expenses	35,293,200	35,280,100	35,280,100	35,280,100	35,280,100
Grants Loans Benefits	10,744,300	10,744,300	10,744,300	10,744,300	10,744,300
Debt Service	53,980,700	58,477,300	55,415,700	68,693,200	92,063,700
Construction	2,102,371,600	856,175,100	859,236,700	1,097,578,300	893,091,400
<b>TOTAL EXPENDITURES</b>	2,395,652,200	1,153,638,000	1,157,718,800	1,404,938,600	1,225,375,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund				216,000	648,000
Restricted Funds	1,411,339,800	36,529,600	37,232,600	286,563,600	136,848,700
Federal Funds	548,652,900	676,524,300	678,551,200	676,524,300	678,551,200
Road Fund	435,659,500	440,584,100	441,935,000	441,634,700	409,327,400
<b>TOTAL EXPENDITURES</b>	2,395,652,200	1,153,638,000	1,157,718,800	1,404,938,600	1,225,375,300
<b>EXPENDITURES BY UNIT</b>					
Bond Funded Construction	1,101,111,200	11,301,000	12,004,000	11,335,000	11,620,100
State Funded Construction	399,620,400	404,309,000	405,494,600	405,564,200	373,698,500
Federal Funded Construction	609,920,600	738,028,000	740,220,200	738,039,400	740,056,700
Toll Bond Funded Construction	185,000,000				
TIFIA Loan	100,000,000			250,000,000	100,000,000
<b>TOTAL EXPENDITURES</b>	2,395,652,200	1,153,638,000	1,157,718,800	1,404,938,600	1,225,375,300

The Construction program is the largest single funding component within the Highways appropriation unit. It encompasses all construction and major reconstruction of roadways in the State Primary Road System. The Construction Program is divided into five sub-programs: Bond Funded Construction, State Funded Construction, Federal Funded Construction, Toll Bond Funded Construction, and the TIFIA Loan program. KRS 45.750(3) exempts road projects, including associated equipment and land acquisition purchases, from the capital construction statutes outlined in KRS Chapter 45.760 - 45.810.

Several different road systems constructed in the Commonwealth over the last 40 years have used Bond Funded Construction. General obligation bonds were sold to finance the original construction of the Interstate System. The Turnpike Authority of Kentucky sold revenue bonds to fund construction of the toll road system that crisscrosses the state. Tolls on these parkways were removed once the bonds were paid. Currently no tolls exist on Kentucky parkways. Resource recovery bonds were sold in the late 1970s for construction of the Resource Recovery Road System, a network of highways over which coal resources could be efficiently hauled. The Turnpike Authority received authorization to sell bonds in 1984, 1987, 1990, 1993, 1995, 1999, 2005, 2006, 2008, 2009, and 2010 for projects identified as part of the Economic Development Road System. The Authority received authorization in 2008 and 2010 to issue bonds to support road projects specifically related to the Base Re-alignment and Closure (BRAC) activities in and

around Fort Knox. All of the roads constructed using proceeds from Turnpike Authority bonds are built by the Cabinet on behalf of the Authority, and then are leased to the Cabinet until the bonds are retired. At that time they are transferred to the Cabinet and become a part of the state highway system.

The State Funded Construction program provides for many highway improvement needs, emergency needs, industrial access roads, parkway and primary road pavement rehabilitation, and other projects for which federal funding is not available. The state resurfacing program is a part of this sub-program area and provides for resurfacing of roads in the state maintained highway system. The Highway Construction Contingency account, authorized in KRS 45.247, is also included in the State-Funded Construction program.

The Federal Construction program addresses the major construction, reconstruction, and rehabilitation needs for nearly 12,000 miles of interstate, primary, secondary, urban systems, and Appalachian routes across the state. This funding is provided under Titles 23 and 40 of the US Code. From fiscal year 2005 to fiscal year 2008, \$440 million in Grant Anticipation Revenue Vehicle (GARVEE) bonds were appropriated to support interstate projects along I-64, I-75, and I-65. In addition, GARVEE bonds totaling \$336 million were authorized in 2008 and 2010 for the Louisville Bridges project which is estimated to cost over \$2.6 billion. The 2010 Special Session of the General Assembly authorized \$330 million in GARVEE bonds for the US-68/KY-80 Lake Barkley and Kentucky Lake Bridges Project. For display purposes, the GARVEE bonds are located in the Bond Funded Construction program. However, the debt service to support the GARVEE bonds is located in the Federal Fund Construction program.

House Bill 4 during the 2009 Special Session of the General Assembly created the Kentucky Public Transportation Infrastructure Authority (KPTIA) to facilitate the construction, financing, operation, and oversight of mega-projects. According to the Federal Highway Administration, mega-projects are projects that have a total cost of \$500 million or more. The Authority has the power to finance mega-projects through the use of tolls, funds from any GARVEE, funds appropriated by the state or federal government, and any other funds pledged for their purpose. The Toll Bond Funded program and the TIFIA Loan program provide funding for one of KPTIA's projects, the Louisville-Southern Indiana Ohio River Bridges mega project. The Commonwealth is working jointly with the state of Indiana on this \$2.6 billion project, which consists of two bridges - the Downtown I-65 bridge and the East End I-265 bridge. Kentucky is responsible for the completion of the downtown bridge and is financing a portion of the total cost with toll bonds and a TIFIA loan backed by the federal government.

The American Recovery and Reinvestment Act of 2009 provided \$421.1 million in additional federal funds for use on federal-aid eligible highways. Unlike traditional federal highway funds, which the Commonwealth matches with toll credits, these funds required no state match and were programmed to support "shovel-ready" projects. Of the total award amount, \$380.4 million flowed through the Transportation Cabinet, with the balance flowing directly to four local Metropolitan Planning Organizations: Northern Kentucky, Henderson, Lexington and Louisville. The funds available to the Cabinet were split between transportation enhancement projects (\$12.6 million) and infrastructure investment projects (\$367.8 million). These additional funds were made available in the spring of 2009 and must be spent by September 30, 2015.

## **Policy**

The Executive Budget provides General Fund in the amount of \$216,000 in fiscal year 2015 and \$648,000 in fiscal year 2016 for debt service on new bonds included in the capital budget.

The Executive Budget authorizes the Secretary of Transportation to continue the Cash Management program, formerly known as the Pre-financing Road Projects program, authorized by the Appropriations Act since the 2000-2002 biennium. The Cash Management program allows the Cabinet to expedite projects in the Biennial Highway Construction Plan by managing Road Fund cash, while ensuring that expenditures remain within enacted appropriations.

A current year appropriation in the amount of \$100,000,000 in Restricted Funds is included for the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Program. A portion of the Louisville-Southern Indiana Ohio River Bridges project is being funded from a TIFIA loan backed by the federal government.

	<b>Transportation Highways Maintenance</b>				
	<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>					
Current Receipts	3,687,900	3,687,900	3,687,900	3,687,900	3,687,900
<b>Total Restricted Funds</b>	<b>3,687,900</b>	<b>3,687,900</b>	<b>3,687,900</b>	<b>3,687,900</b>	<b>3,687,900</b>
<b>Road Fund</b>					
Regular Appropriation	323,212,500	375,804,500	373,482,700	354,723,000	358,751,200
<b>Total Road Fund</b>	<b>323,212,500</b>	<b>375,804,500</b>	<b>373,482,700</b>	<b>354,723,000</b>	<b>358,751,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>326,900,400</b>	<b>379,492,400</b>	<b>377,170,600</b>	<b>358,410,900</b>	<b>362,439,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	136,053,000	158,252,500	167,155,300	147,112,600	150,573,200
Operating Expenses	160,212,100	190,604,600	179,380,000	160,663,000	161,230,600
Capital Outlay	300,000	300,000	300,000	300,000	300,000
Construction	30,335,300	30,335,300	30,335,300	50,335,300	50,335,300
<b>TOTAL EXPENDITURES</b>	<b>326,900,400</b>	<b>379,492,400</b>	<b>377,170,600</b>	<b>358,410,900</b>	<b>362,439,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	3,687,900	3,687,900	3,687,900	3,687,900	3,687,900
Road Fund	323,212,500	375,804,500	373,482,700	354,723,000	358,751,200
<b>TOTAL EXPENDITURES</b>	<b>326,900,400</b>	<b>379,492,400</b>	<b>377,170,600</b>	<b>358,410,900</b>	<b>362,439,100</b>

Kentucky has invested approximately \$19 billion in its highway infrastructure which is comprised of right-of-way, roadways, and bridges. KRS 176.050 assigns the responsibility for operating and maintaining this highway infrastructure to the Department of Highways. The Maintenance program's role is to operate and maintain the roadways, bridges, rest areas, and traffic control devices on all state-maintained highways. Two organizational units under the Office of Project Delivery and Preservation administer the Maintenance program: the Division of Maintenance and the Division of Traffic Operations. The duties of this unit are explained in Kentucky Revised Statutes 175.580, 175.610, 176.050, 176.051, 177.020, 177.410, 177.530, 177.550, 177.830-890, 177.905-990, and 180.290.

The Division of Maintenance responsibilities are broken down into two areas. The Roadway Preservation program maintains approximately 15,000 miles of state primary highways and 13,000 miles of rural secondary highways. The Pavement and Operations Management personnel inspect and evaluate pavement conditions on over 27,000 miles of state-maintained roads, determine strategies for improvement, estimate funding needs, and recommend annual priorities. The Bridge Preservation program is responsible for all state-maintained bridges, except those on the Rural Secondary system.

Revolving Maintenance serves as a materials revolving mechanism for refurbishing damaged guardrail. Damaged guardrail is shipped to Frankfort, straightened and re-galvanized, and is placed back into service as needs arise.

Capital Improvements is a subset of the Division of Maintenance for coordinating with the Kentucky State Police vehicle accident data in order to establish priorities for installing new guardrail in locations it does not currently exist.

The Rest Area Operations/Maintenance program provides sanitary and accessible restroom facilities and other convenient services for motorists traveling through the state. There are 26 rest area and welcome center locations and two truck rest haven locations.

The Division of Traffic Operations is responsible for the installation and maintenance of traffic control devices on over 27,000 miles of highways. This division uses a multitude of Intelligent Transportation Systems to communicate, control, detect and process data to effectively move traffic through the state in the safest manner possible.

## Policy

The Executive Budget recognizes the importance of maintaining the Commonwealth's current roadway infrastructure and has provided additional Road Fund support totaling \$40 million over the biennium to support the ongoing efforts of the Cabinet to keep the motoring public moving safely and efficiently over the roads of Kentucky.

**Transportation  
Highways  
Engineering Administration**

	<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>Road Fund</b>					
Regular Appropriation	13,338,100	15,597,800	16,387,600	14,216,600	14,497,600
<b>Total Road Fund</b>	<b>13,338,100</b>	<b>15,597,800</b>	<b>16,387,600</b>	<b>14,216,600</b>	<b>14,497,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>13,338,100</b>	<b>15,597,800</b>	<b>16,387,600</b>	<b>14,216,600</b>	<b>14,497,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	9,679,900	11,870,500	12,581,700	10,489,300	10,691,700
Operating Expenses	2,879,700	2,948,800	3,027,400	2,948,800	3,027,400
Capital Outlay	778,500	778,500	778,500	778,500	778,500
<b>TOTAL EXPENDITURES</b>	<b>13,338,100</b>	<b>15,597,800</b>	<b>16,387,600</b>	<b>14,216,600</b>	<b>14,497,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Road Fund	13,338,100	15,597,800	16,387,600	14,216,600	14,497,600
<b>TOTAL EXPENDITURES</b>	<b>13,338,100</b>	<b>15,597,800</b>	<b>16,387,600</b>	<b>14,216,600</b>	<b>14,497,600</b>

There are nine divisions organized under the State Highway Engineer's Office.

The Division of Construction supervises highway construction projects, providing administrative support for central office and district construction projects. It also assists the Division of Materials staff in sampling and testing materials used in construction projects.

The Division of Materials establishes standards and controls relating to the quality of materials for the construction, maintenance, and operation of highways and bridges. The Division also develops, coordinates, and controls testing procedures that are conducted in the field.

The Division of Structural Design develops and prepares contract plans for all highway structures, as well as any special structures that the Transportation Cabinet builds as part of Kentucky's system of roads. The Division also designs and prepares plans for structural repair and rehabilitation of existing bridges, as well as the design of all overhead sign structures.

The Division of Highway Design, in conjunction with the district design offices, is responsible for the required design activities of the Cabinet's Six-Year Road Plan projects, including the preparation, assembly, and reproduction of construction plans for a project's award.

The Division of Environmental Analysis provides all environmental studies and documents required by federal agencies for federal-aid transportation projects and for state funded projects that require federal permits. The division ensures compliance with all federal laws and regulations.

The Division of Right-of-Way and Utilities acquires property required for the construction and reconstruction of highways. This function involves obtaining title reports, performing appraisals and appraisal reviews, conducting negotiations, providing relocation assistance, facilitating property management, and initiating condemnation procedures on properties affected by proposed projects.

The Division of Program Management is responsible for developing Kentucky's Biennial Six-Year Road Plan.

The Division of Planning provides the day-to-day administration and support for personnel involved in the Highway Planning program activities, including management, clerical support, training, and other overhead expenditures.

The Division of Professional Services is responsible for procuring the Cabinet's professional services relating to road contracts. This division advertises for engineering services, administers the pre-qualification process for consulting services, provides assistance to selection committees for contract awards, negotiates fees for consulting work sought by the Cabinet, and routinely confers with the Finance and Administration Cabinet and the Legislative Research Commission with respect to contract awards.

	<b>Transportation Highways Planning</b>				
	<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>Federal Funds</b>					
Current Receipts	12,498,000	13,083,200	13,487,400	12,498,000	12,498,000
<b>Total Federal Funds</b>	<b>12,498,000</b>	<b>13,083,200</b>	<b>13,487,400</b>	<b>12,498,000</b>	<b>12,498,000</b>
<b>Road Fund</b>					
Regular Appropriation	2,706,900	2,730,300	2,745,200	2,722,100	2,732,300
<b>Total Road Fund</b>	<b>2,706,900</b>	<b>2,730,300</b>	<b>2,745,200</b>	<b>2,722,100</b>	<b>2,732,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>15,204,900</b>	<b>15,813,500</b>	<b>16,232,600</b>	<b>15,220,100</b>	<b>15,230,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	11,115,800	11,718,600	12,129,300	11,125,200	11,127,000
Operating Expenses	4,089,100	4,094,900	4,103,300	4,094,900	4,103,300
<b>TOTAL EXPENDITURES</b>	<b>15,204,900</b>	<b>15,813,500</b>	<b>16,232,600</b>	<b>15,220,100</b>	<b>15,230,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Funds	12,498,000	13,083,200	13,487,400	12,498,000	12,498,000
Road Fund	2,706,900	2,730,300	2,745,200	2,722,100	2,732,300
<b>TOTAL EXPENDITURES</b>	<b>15,204,900</b>	<b>15,813,500</b>	<b>16,232,600</b>	<b>15,220,100</b>	<b>15,230,300</b>

The Planning program is responsible for administrative and technical support and implements transportation planning activities statewide. The program is charged with a variety of statewide planning initiatives including: rail planning, carpooling, alternative fuel, bikeway, pedway, and ferry operations. In addition, it coordinates the Kentucky Scenic Highway and Byway System, manages the traffic data collection and processing equipment, maintains the Highway Information System, and coordinates air quality conformity with several state and federal agencies.

Highway Planning evaluates state-maintained streets and highways to ensure that available federal and state funds are utilized to maximum efficiency. The Planning unit maintains an inventory of all roadway classifications and prepares city, county, and state road maps for sale and distribution. The program also furnishes statistics required by the Federal Highway Administration and state and local government decision-makers.

Metropolitan Planning maintains and distributes federal funding to nine metropolitan planning organizations (MPOs) to implement the continuing, comprehensive, and cooperative planning process, which is mandated by federal law. The MPOs study the impact of transportation operations in urbanized areas concerning congestion management, air quality, environmental issues, public involvement, land use and development, and public transportation.

Area Development Districts (ADDs) Assistance administers a regional planning and public participation process in the state's 15 ADDs as part of the Cabinet's overall statewide transportation planning process, as required by 23 USC and 23 CFR 450. The Cabinet contracts with each ADD for activities in support of the regional and statewide planning process, including public involvement, data collection, analysis, identification of needs, project recommendations, regional prioritization of projects, and technical assistance and review.

**Transportation  
Highways  
Highway Operations**

	<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>Road Fund</b>					
Regular Appropriation	28,238,300	32,243,600	33,915,900	30,206,100	30,774,400
<b>Total Road Fund</b>	<b>28,238,300</b>	<b>32,243,600</b>	<b>33,915,900</b>	<b>30,206,100</b>	<b>30,774,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>28,238,300</b>	<b>32,243,600</b>	<b>33,915,900</b>	<b>30,206,100</b>	<b>30,774,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	28,062,300	32,027,900	33,635,100	29,990,400	30,493,600
Operating Expenses	176,000	215,700	280,800	215,700	280,800
<b>TOTAL EXPENDITURES</b>	<b>28,238,300</b>	<b>32,243,600</b>	<b>33,915,900</b>	<b>30,206,100</b>	<b>30,774,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Road Fund	28,238,300	32,243,600	33,915,900	30,206,100	30,774,400
<b>TOTAL EXPENDITURES</b>	<b>28,238,300</b>	<b>32,243,600</b>	<b>33,915,900</b>	<b>30,206,100</b>	<b>30,774,400</b>

In accordance with KRS Chapter 176, the Highway Operations program provides leadership, management, and central administrative support and funding for central office and district operations for the Transportation Cabinet's Department of Highways. The Commissioner of Highways oversees the Department, which includes the State Highway Engineer's Office, three offices which include 14 divisions, and 12 district offices across the state. In the 12 district offices, the Chief District Engineer manages the road project functions and reports to the State Highway Engineer.

The State Highway Engineer's Office manages and coordinates the engineering functions of the Cabinet, reviews management, engineering, and personnel reports and recommendations from the engineering and professional divisions, staff and Deputy State Highway Engineers. In addition, the Office administers the Cabinet's Engineering Scholarship program and the Engineering Graduate Training program, coordinates the Research program, and manages special projects, such as the Louisville Bridges project.

Contract procurement activities are also a part of the Highway Operations program and include prequalifying road contractors, advertising bids for road construction projects, awarding contracts, and issuing work orders and monitoring required contract provisions.

**Transportation  
Highways  
Equipment 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>Restricted Funds</b>					
Balance Forward	13,581,800	6,545,500	3,321,300	6,545,500	5,712,200
Current Receipts	57,500,000	58,250,000	59,000,000	58,250,000	59,000,000
<b>Total Restricted Funds</b>	<b>71,081,800</b>	<b>64,795,500</b>	<b>62,321,300</b>	<b>64,795,500</b>	<b>64,712,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>71,081,800</b>	<b>64,795,500</b>	<b>62,321,300</b>	<b>64,795,500</b>	<b>64,712,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	11,395,000	13,747,200	14,578,000	12,356,300	12,665,200
Operating Expenses	22,889,600	23,901,300	23,917,600	22,901,300	22,917,600
Construction	30,251,700	23,825,700	23,825,700	23,825,700	23,825,700
<b>TOTAL EXPENDITURES</b>	<b>64,536,300</b>	<b>61,474,200</b>	<b>62,321,300</b>	<b>59,083,300</b>	<b>59,408,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	64,536,300	61,474,200	62,321,300	59,083,300	59,408,500
<b>TOTAL EXPENDITURES</b>	<b>64,536,300</b>	<b>61,474,200</b>	<b>62,321,300</b>	<b>59,083,300</b>	<b>59,408,500</b>

The mission of the Equipment Services program is to provide highway construction and maintenance equipment for use by the Department of Highways. The unit purchases and maintains all the Cabinet's trucks, heavy equipment, and various pieces of support machinery. This program provides its services through the central office garage in Frankfort and a network of 12 repair garages located throughout the state.

	<b>Transportation Highways Highway Safety</b>				
	<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	17,700	10,700	3,700	10,700	3,700
Current Receipts			3,300		3,300
<b>Total Restricted Funds</b>	<b>17,700</b>	<b>10,700</b>	<b>7,000</b>	<b>10,700</b>	<b>7,000</b>
<b>Federal Funds</b>					
Current Receipts	5,534,700	5,599,400	5,647,200	5,534,700	5,534,700
<b>Total Federal Funds</b>	<b>5,534,700</b>	<b>5,599,400</b>	<b>5,647,200</b>	<b>5,534,700</b>	<b>5,534,700</b>
<b>Road Fund</b>					
Regular Appropriation	4,706,700	5,183,600	5,401,700	4,965,000	5,050,900
<b>Total Road Fund</b>	<b>4,706,700</b>	<b>5,183,600</b>	<b>5,401,700</b>	<b>4,965,000</b>	<b>5,050,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>10,259,100</b>	<b>10,793,700</b>	<b>11,055,900</b>	<b>10,510,400</b>	<b>10,592,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	3,947,200	4,487,300	4,750,100	4,210,700	4,306,500
Operating Expenses	6,301,200	6,302,700	6,305,800	6,296,000	6,286,100
<b>TOTAL EXPENDITURES</b>	<b>10,248,400</b>	<b>10,790,000</b>	<b>11,055,900</b>	<b>10,506,700</b>	<b>10,592,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	7,000	7,000	7,000	7,000	7,000
Federal Funds	5,534,700	5,599,400	5,647,200	5,534,700	5,534,700
Road Fund	4,706,700	5,183,600	5,401,700	4,965,000	5,050,900
<b>TOTAL EXPENDITURES</b>	<b>10,248,400</b>	<b>10,790,000</b>	<b>11,055,900</b>	<b>10,506,700</b>	<b>10,592,600</b>

The Office of Transportation Safety is headed by an Executive Director who reports directly to the State Highway Engineer. The Office includes the Division of Incident Management and the Division of Highway Safety Programs. The Motorcycle Advisory Commission for Highway Safety is attached for administrative purposes.

The Division of Incident Management manages the Transportation Operations Center and coordinates highway incident management including providing information to travelers and providing assistance to stranded motorists and law enforcement agencies at the scene of highway incidents.

The Division of Highway Safety Programs is charged with coordinating efforts to reduce fatalities, injuries, and crashes on Kentucky's highway systems.

**Transportation  
Public Transportation**

	<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	5,178,200	6,678,200	6,678,200	4,919,300	4,919,300
Continuing Approp.-General Fund	299,400				
<b>Total General Fund</b>	<b>5,477,600</b>	<b>6,678,200</b>	<b>6,678,200</b>	<b>4,919,300</b>	<b>4,919,300</b>
<b>Restricted Funds</b>					
Current Receipts	500,000	440,000	440,000	484,200	495,600
<b>Total Restricted Funds</b>	<b>500,000</b>	<b>440,000</b>	<b>440,000</b>	<b>484,200</b>	<b>495,600</b>
<b>Federal Funds</b>					
Current Receipts	43,561,200	25,341,400	25,667,200	25,341,400	25,667,200
<b>Total Federal Funds</b>	<b>43,561,200</b>	<b>25,341,400</b>	<b>25,667,200</b>	<b>25,341,400</b>	<b>25,667,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>49,538,800</b>	<b>32,459,600</b>	<b>32,785,400</b>	<b>30,744,900</b>	<b>31,082,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,724,800	1,949,100	2,043,700	1,818,900	1,848,700
Operating Expenses	96,800	96,800	96,800	96,800	96,800
Grants Loans Benefits	47,717,200	30,413,700	30,644,900	28,829,200	29,136,600
<b>TOTAL EXPENDITURES</b>	<b>49,538,800</b>	<b>32,459,600</b>	<b>32,785,400</b>	<b>30,744,900</b>	<b>31,082,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,477,600	6,678,200	6,678,200	4,919,300	4,919,300
Restricted Funds	500,000	440,000	440,000	484,200	495,600
Federal Funds	43,561,200	25,341,400	25,667,200	25,341,400	25,667,200
<b>TOTAL EXPENDITURES</b>	<b>49,538,800</b>	<b>32,459,600</b>	<b>32,785,400</b>	<b>30,744,900</b>	<b>31,082,100</b>
<b>EXPENDITURES BY UNIT</b>					
Public Transportation	48,674,000	31,594,800	31,920,600	29,857,100	30,182,900
Multi-Modal Transportation	424,800	424,800	424,800	403,600	403,600
Human Services Delivery	440,000	440,000	440,000	484,200	495,600
<b>TOTAL EXPENDITURES</b>	<b>49,538,800</b>	<b>32,459,600</b>	<b>32,785,400</b>	<b>30,744,900</b>	<b>31,082,100</b>

The Public Transportation appropriation unit is comprised of three programs: Public Transportation, Multi-Modal, and Human Services Transportation Delivery. The Public Transportation program offers technical and financial assistance to public transportation providers and the metropolitan planning organizations throughout the state through the following federal programs: Sections 5303, 5307, 5309, 5310, 5311, 5316, and 5317. Federal Funds, combined with General Fund and local matching funds, allow public transit authorities to acquire buses and vans.

The American Recovery and Reinvestment Act of 2009 provided \$51.5 million in additional federal funds for the Section 5307 Urban Transit and Section 5311 Rural Transit programs. Unlike traditional federal transit funds, these funds required no state match. Of that amount, \$21.4 million flowed through the Transportation Cabinet, with the balance flowing directly to local transit agencies. These additional funds were made available in the spring of 2009 and have been fully expended by the Cabinet.

Also included in the Public Transportation program is funding for Non-public School Transportation, a program that provides grants to non-public schools so that they may offer bus service to their students.

The Multi-Modal program partners with the 15 area development districts with respect to regional and statewide transportation planning processes. This partnership generates public involvement with respect to identifying and prioritizing needs and assists in the project recommendation process, including the coordination of the Statewide Transportation Plan, the State Transportation Improvement program, and the Six-Year Highway Plan.

The Human Service Transportation Delivery program is a partnership between the Transportation Cabinet, the Medicaid program, the Office for Vocational Rehabilitation, and the Office for the Blind. This partnership provides non-emergency medical transportation, jobs access transportation, and transportation to day care facilities.

**Policy**

The Executive Budget provides for the use of Toll Credits to be used by the Office of Transportation Delivery and public transit authorities as the match for federal funds.

	<b>Transportation Revenue Sharing</b>				
	<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	1,519,900				
<b>Total Restricted Funds</b>	<b>1,519,900</b>				
<b>Road Fund</b>					
Regular Appropriation	405,482,300	397,590,900	389,212,800	419,274,000	420,059,400
Other	-397,700				
<b>Total Road Fund</b>	<b>405,084,600</b>	<b>397,590,900</b>	<b>389,212,800</b>	<b>419,274,000</b>	<b>420,059,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>406,604,500</b>	<b>397,590,900</b>	<b>389,212,800</b>	<b>419,274,000</b>	<b>420,059,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	3,348,400	3,992,500	4,236,700	3,475,600	3,505,900
Operating Expenses	4,547,000	4,734,600	4,559,300	4,734,600	4,559,300
Grants Loans Benefits	219,499,100	214,231,000	209,681,000	226,061,000	226,477,000
Construction	179,210,000	174,632,800	170,735,800	185,002,800	185,517,200
<b>TOTAL EXPENDITURES</b>	<b>406,604,500</b>	<b>397,590,900</b>	<b>389,212,800</b>	<b>419,274,000</b>	<b>420,059,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	1,519,900				
Road Fund	405,084,600	397,590,900	389,212,800	419,274,000	420,059,400
<b>TOTAL EXPENDITURES</b>	<b>406,604,500</b>	<b>397,590,900</b>	<b>389,212,800</b>	<b>419,274,000</b>	<b>420,059,400</b>
<b>EXPENDITURES BY UNIT</b>					
County Road Aid	154,689,500	150,150,100	146,947,600	158,476,600	158,769,400
Rural Secondary	185,812,400	182,149,400	178,264,400	192,250,400	192,605,600
Municipal Aid	64,448,400	63,177,900	61,830,400	66,681,400	66,804,600
Energy Recovery	903,000	903,000	903,000	903,000	903,000
Rural and Municipal Aid	751,200	1,210,500	1,267,400	962,600	976,800
<b>TOTAL EXPENDITURES</b>	<b>406,604,500</b>	<b>397,590,900</b>	<b>389,212,800</b>	<b>419,274,000</b>	<b>420,059,400</b>

There are five components of the Revenue Sharing program: the County Road Aid program, authorized by KRS 179.410 - 179.440; the Rural Secondary Aid program, authorized by KRS 177.320; the Municipal Road Aid program, authorized by KRS 177.365 – 177.366; the Energy Recovery Road program, authorized by KRS 177.977-177.978; and other Special Programs.

The County Road Aid, Rural Secondary Aid, and Municipal Aid programs receive a portion of the state's motor fuels tax collections. The County Road Aid program receives 18.3 percent of motor fuels tax collections which is distributed to counties for the construction, reconstruction and maintenance of county roads and bridges. The Rural Secondary Aid program receives 22.2 percent of motor fuels tax collections, and funds are used to repair and maintain rural and secondary roads. Funds for both programs are allocated through a formula known as the "formula of fifths," as stated in KRS 177.360. Each county receives a portion of the statewide total as follows: one-fifth is divided evenly among all counties, one-fifth is divided proportionately based on the amount of rural population in each county, one-fifth is distributed on the basis of rural road mileage in each county, and two-fifths is apportioned according to each county's share of the total land area in the state.

The Municipal Road Aid program is funded by 7.7 percent of motor fuels tax collections. Distribution is made through a formula based upon the population contained in each city or unincorporated urban area.

Pursuant to KRS 183.220(3), effective July 1, 2005, one cent (\$0.01) and effective July 1, 2006, two and one-tenth cents (\$0.021), of the tax collected under the motor fuel tax are excluded from the calculations of revenue sharing distributions as prescribed in KRS 177.320(1) (the Rural Secondary program), KRS 177.320(2) (the County Road Aid program), and KRS 177.365 (the Municipal Road Aid program).

Forty percent of the revenues collected from extended vehicle weight fees support the Energy Recovery Road System. Funds are distributed to the counties for the county-maintained portion of that system. The fund distribution is based on (1) the ratio of miles of roads in each county within this system to the total system miles, and (2) the ratio of the total tons of coal transported over the roads in each county to the total tons reported for the entire state. The Transportation Cabinet has the authority to expend the remaining 60 percent on the roads in the system.

The Special Programs budget unit includes the Commissioner's Office, the Office of Local Programs, the Kentucky Bicycle and Bikeway Commission, and the Bicycle and Pedestrian Program.

**Policy**

The Motor Fuels revenue estimate for the fiscal biennium 2014-2016, upon which the Road Fund appropriations in the Revenue Sharing program are based, is \$929,700,000 in fiscal year 2015 and \$931,300,000 for fiscal year 2016.

**Transportation  
Vehicle Regulation**

	Revised FY 2014	Requested FY2015	Requested FY2016	Recommended FY 2015	Recommended FY 2016
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	8,070,800	7,893,400	7,785,700	6,544,000	5,260,600
Current Receipts	17,097,800	18,488,000	18,624,100	18,422,100	18,422,600
Non-Revenue Receipts	-89,200	-55,000	-55,000	-3,402,700	-55,000
Fund Transfers	-5,672,500			-7,350,000	-7,100,000
<b>Total Restricted Funds</b>	19,406,900	26,326,400	26,354,800	14,213,400	16,528,200
<b>Federal Funds</b>					
Current Receipts	2,730,000	2,868,600	2,886,600	2,868,600	2,886,600
<b>Total Federal Funds</b>	2,730,000	2,868,600	2,886,600	2,868,600	2,886,600
<b>Road Fund</b>					
Regular Appropriation	25,762,700	28,374,600	29,208,700	31,769,200	28,464,000
<b>Total Road Fund</b>	25,762,700	28,374,600	29,208,700	31,769,200	28,464,000
<b>TOTAL SOURCE OF FUNDS</b>	47,899,600	57,569,600	58,450,100	48,851,200	47,878,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	17,100,200	20,960,200	21,881,900	19,465,400	19,806,900
Operating Expenses	15,370,900	16,696,700	16,778,700	15,223,200	16,303,000
Grants Loans Benefits	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000
Debt Service	4,784,500	4,884,000	4,885,800	4,802,000	4,803,800
Capital Outlay		3,143,000	3,144,800		
<b>TOTAL EXPENDITURES</b>	41,355,600	49,783,900	50,791,200	43,590,600	45,013,700
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	12,862,900	18,540,700	18,695,900	8,952,800	13,663,100
Federal Funds	2,730,000	2,868,600	2,886,600	2,868,600	2,886,600
Road Fund	25,762,700	28,374,600	29,208,700	31,769,200	28,464,000
<b>TOTAL EXPENDITURES</b>	41,355,600	49,783,900	50,791,200	43,590,600	45,013,700
<b>EXPENDITURES BY UNIT</b>					
Commissioner	1,113,800	1,491,600	1,562,500	1,179,900	1,198,600
Drivers Licensing	13,182,500	13,934,200	14,294,300	14,341,100	14,483,700
Motor Carriers	4,985,700	6,919,500	7,138,400	6,701,000	6,778,000
Motor Vehicle Licensing	19,887,700	24,468,900	24,661,900	19,080,000	20,234,800
Customer Service	1,196,500	1,860,200	1,979,800	1,247,700	1,260,000
Motor Vehicle Commission	989,400	1,109,500	1,154,300	1,040,900	1,058,600
<b>TOTAL EXPENDITURES</b>	41,355,600	49,783,900	50,791,200	43,590,600	45,013,700

The Department of Vehicle Regulation includes the Commissioner's Office and the following divisions: Driver Licensing, Motor Carriers, Motor Vehicle Licensing, and Customer Service. The Motor Vehicle Commission is also attached to the Department for administrative purposes.

Under KRS Chapters 186, 187, 189A, 218A, 281A, and KRS 159.051, the Division of Driver Licensing maintains driver history records for approximately three million drivers. The Division issues licenses to commercial drivers who meet statutory requirements. The Division also enforces driver's license suspensions, revocations, and driver limitation programs. It operates State Traffic School programs, including the Graduated Licensing program.

The Division of Motor Vehicle Licensing provides for the titling and registration of motor vehicles and boats in accordance with KRS Chapters 186, 186A, 235, and 376. It maintains the Automated Vehicle Information System (AVIS) and controls title distribution functions. Registration and title applications are initiated through local county clerks' offices. KRS 186.240(3) requires the Cabinet to issue a new reflectorized license plate on a schedule to be determined by the Cabinet. A fifty-cent (\$.50) fee for each reflectorized plate issued is retained in a Restricted Fund to pay for the new plates. In 2007, KRS 186.040 was amended to add an additional \$3 to the registration fee which shall be distributed as follows: \$1 for AVIS replacement activities, \$1 for county clerk hardware and software improvement, and \$1 for a county clerk revenue supplement for collection and administration of Road Fund taxes.

Pursuant to KRS Chapter 190, the Kentucky Motor Vehicle Commission licenses and regulates motor vehicle manufacturers, dealers, and salespersons. It is funded through license fees that are deposited into a Restricted Fund account.

**Policy**

The fiscal year 2014 enacted budget increased the fund transfer from the Department by \$3,500,000 above the Governor's Recommendation with no associated reduction to the Restricted Funds appropriation. For that reason, the full amount of the budgeted fund transfer amount is not displayed above.

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# Statewide

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**Statewide  
Budget Reserve Trust 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>					
Surplus Expenditure Plan	25,600,900				
Continuing Approp.-General Fund	121,722,500	98,294,200	98,294,200	98,294,200	98,294,200
Other	-49,029,200				
<b>Total General Fund</b>	<b>98,294,200</b>	<b>98,294,200</b>	<b>98,294,200</b>	<b>98,294,200</b>	<b>98,294,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>98,294,200</b>	<b>98,294,200</b>	<b>98,294,200</b>	<b>98,294,200</b>	<b>98,294,200</b>

The Budget Reserve Trust Fund is the Commonwealth's "Rainy Day Fund." KRS 48.705 provides for deposits to the Budget Reserve Trust Fund from direct appropriations, excess receipts, and unexpended appropriations, up to five percent of actual General Fund revenue receipts. These funds are appropriated and available in the event that actual General Fund revenue receipts during the biennium are not sufficient to meet the General Fund appropriation levels authorized in the budget. These funds are also available as a resource for Necessary Governmental Expenses when there is no General Fund surplus.

**Policy**

The current unobligated balance of the Budget Reserve Trust Fund is \$98,294,200. A deposit of \$25,600,900 was made in July, 2013 from the fiscal year 2013 General Fund surplus.

The Executive Budget directs any General Fund surplus to the Budget Reserve Trust Fund through the General Fund Surplus Expenditure Plan, after allowing for sufficient resources for items authorized as necessary government expenses.