

# Labor

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	<b>Labor</b>				
	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,183,400	6,253,900	6,639,500	4,951,000	4,994,300
<b>Total General Fund</b>	<b>5,183,400</b>	<b>6,253,900</b>	<b>6,639,500</b>	<b>4,951,000</b>	<b>4,994,300</b>
<b>Restricted Funds</b>					
Balance Forward	9,941,200	622,900	1,087,100	622,900	1,078,300
Current Receipts	103,646,200	118,043,100	121,746,200	116,188,800	118,211,500
Non-Revenue Receipts	99,656,700	108,860,100	111,528,200	108,751,400	110,074,700
<b>Total Restricted Funds</b>	<b>213,244,100</b>	<b>227,526,100</b>	<b>234,361,500</b>	<b>225,563,100</b>	<b>229,364,500</b>
<b>Federal Fund</b>					
Current Receipts	4,162,900	3,666,300	3,666,300	3,666,300	3,666,300
Non-Revenue Receipts	-16,800	-16,800	-16,800	-16,800	-16,800
<b>Total Federal Fund</b>	<b>4,146,100</b>	<b>3,649,500</b>	<b>3,649,500</b>	<b>3,649,500</b>	<b>3,649,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>222,573,600</b>	<b>237,429,500</b>	<b>244,650,500</b>	<b>234,163,600</b>	<b>238,008,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	143,301,500	155,163,600	160,986,000	151,964,800	154,393,300
Operating Expenses	7,263,800	7,588,300	7,571,400	7,530,000	7,521,900
Grants Loans Benefits	71,012,100	73,400,500	75,389,900	73,400,500	75,389,900
Capital Outlay	140,000	190,000	190,000	190,000	190,000
<b>TOTAL EXPENDITURES</b>	<b>221,717,400</b>	<b>236,342,400</b>	<b>244,137,300</b>	<b>233,085,300</b>	<b>237,495,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,950,100	6,253,900	6,639,500	4,951,000	4,994,300
Restricted Funds	212,621,200	226,439,000	233,848,300	224,484,800	228,851,300
Federal Fund	4,146,100	3,649,500	3,649,500	3,649,500	3,649,500
<b>TOTAL EXPENDITURES</b>	<b>221,717,400</b>	<b>236,342,400</b>	<b>244,137,300</b>	<b>233,085,300</b>	<b>237,495,100</b>
<b>EXPENDITURES BY UNIT</b>					
Secretary	4,603,600	4,734,900	4,951,500	4,736,700	4,780,500
General Administration and Program Support	6,608,000	7,097,700	7,415,200	6,373,100	6,403,400
Workplace Standards	84,297,800	87,593,900	90,189,800	86,967,900	89,077,500
Workers' Claims	18,039,100	18,914,600	19,737,300	18,876,000	19,040,800
Occupational Safety and Health Review Commission	770,900	807,000	842,200	806,500	813,100
Workers' Compensation Funding Commission	107,398,000	117,194,300	121,001,300	115,325,100	117,379,800
<b>TOTAL EXPENDITURES</b>	<b>221,717,400</b>	<b>236,342,400</b>	<b>244,137,300</b>	<b>233,085,300</b>	<b>237,495,100</b>

The Labor Cabinet is created pursuant to KRS 336. The Cabinet consists of the Office of the Secretary, the Department of Workers' Claims, and the Department of Workplace Standards. The Office of the Secretary manages and administers the Cabinet. The Department of Workers' Claims administers workers' compensation claims and ensures that employers comply with the insurance, self-insurance and rehabilitation provisions in KRS Chapter 342. The Department of Workplace Standards regulates state and federal laws regarding prevailing wage, employment standards, occupational safety and health and child labor law. Workplace Standards also administers the payment of workers' compensation injury claims by the Special Fund and the Coal Workers' Pneumoconiosis Fund.

Attached to the Labor Cabinet for administrative purposes are the Kentucky Labor Management Advisory Council, the State Labor Relations Board, the Workers' Compensation Funding Commission, the Workers' Compensation Advisory Council, the Kentucky Occupational Safety and Health Review Commission, the Occupational Safety and Health Standards Board, the Prevailing Wage Review Board, the Apprenticeship and Training Council, the Employers' Mutual Insurance Authority, the Workers' Compensation Nominating Commission, and the Workers' Compensation Board.

In addition, the Office of General Administration and Program Support for Shared Services and the Office of Inspector

General are attached to the Labor Cabinet for administrative purposes. These offices provide principal administrative, human resources, budget, auditing, and internal investigation activities for the Labor Cabinet, Energy and Environment Cabinet, and Public Protection Cabinet.

	<b>Labor Secretary</b>				
	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	283,900				
Current Receipts	2,300	2,300	2,300	2,300	2,300
Non-Revenue Receipts	4,128,800	4,592,800	4,809,400	4,594,600	4,638,400
<b>Total Restricted Funds</b>	<b>4,415,000</b>	<b>4,595,100</b>	<b>4,811,700</b>	<b>4,596,900</b>	<b>4,640,700</b>
<b>Federal Fund</b>					
Current Receipts	188,600	139,800	139,800	139,800	139,800
<b>Total Federal Fund</b>	<b>188,600</b>	<b>139,800</b>	<b>139,800</b>	<b>139,800</b>	<b>139,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,603,600</b>	<b>4,734,900</b>	<b>4,951,500</b>	<b>4,736,700</b>	<b>4,780,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,942,700	4,047,400	4,264,000	4,025,500	4,069,300
Operating Expenses	660,900	687,500	687,500	711,200	711,200
<b>TOTAL EXPENDITURES</b>	<b>4,603,600</b>	<b>4,734,900</b>	<b>4,951,500</b>	<b>4,736,700</b>	<b>4,780,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	4,415,000	4,595,100	4,811,700	4,596,900	4,640,700
Federal Fund	188,600	139,800	139,800	139,800	139,800
<b>TOTAL EXPENDITURES</b>	<b>4,603,600</b>	<b>4,734,900</b>	<b>4,951,500</b>	<b>4,736,700</b>	<b>4,780,500</b>
<b>EXPENDITURES BY UNIT</b>					
Secretary	4,603,600	4,734,900	4,951,500	4,736,700	4,780,500
<b>TOTAL EXPENDITURES</b>	<b>4,603,600</b>	<b>4,734,900</b>	<b>4,951,500</b>	<b>4,736,700</b>	<b>4,780,500</b>

The Secretary of Labor manages and administers the duties of the Cabinet.

Funding for the Office of the Secretary is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and group self-insurers.

**Labor**

**General Administration and Program Support**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,358,900	3,932,500	4,222,000	3,193,600	3,219,000
<b>Total General Fund</b>	<b>3,358,900</b>	<b>3,932,500</b>	<b>4,222,000</b>	<b>3,193,600</b>	<b>3,219,000</b>
<b>Restricted Funds</b>					
Balance Forward	1,263,700	622,900	322,700	622,900	313,900
Non-Revenue Receipts	2,686,100	2,791,600	2,797,100	2,791,600	2,797,100
<b>Total Restricted Funds</b>	<b>3,949,800</b>	<b>3,414,500</b>	<b>3,119,800</b>	<b>3,414,500</b>	<b>3,111,000</b>
<b>Federal Fund</b>					
Current Receipts	75,200	75,200	75,200	75,200	75,200
Non-Revenue Receipts	-1,800	-1,800	-1,800	-1,800	-1,800
<b>Total Federal Fund</b>	<b>73,400</b>	<b>73,400</b>	<b>73,400</b>	<b>73,400</b>	<b>73,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,382,100</b>	<b>7,420,400</b>	<b>7,415,200</b>	<b>6,681,500</b>	<b>6,403,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,437,300	5,892,100	6,221,500	5,234,300	5,270,200
Operating Expenses	1,170,700	1,205,600	1,193,700	1,133,300	1,133,200
<b>TOTAL EXPENDITURES</b>	<b>6,608,000</b>	<b>7,097,700</b>	<b>7,415,200</b>	<b>6,367,600</b>	<b>6,403,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,207,700	3,932,500	4,222,000	3,193,600	3,219,000
Restricted Funds	3,326,900	3,091,800	3,119,800	3,100,600	3,111,000
Federal Fund	73,400	73,400	73,400	73,400	73,400
<b>TOTAL EXPENDITURES</b>	<b>6,608,000</b>	<b>7,097,700</b>	<b>7,415,200</b>	<b>6,367,600</b>	<b>6,403,400</b>
<b>EXPENDITURES BY UNIT</b>					
Office of General Admin & Program Support Shared Services	5,959,500	6,378,900	6,664,100	5,793,000	5,845,300
Inspector General Shared Services	648,500	718,800	751,100	574,600	558,100
<b>TOTAL EXPENDITURES</b>	<b>6,608,000</b>	<b>7,097,700</b>	<b>7,415,200</b>	<b>6,367,600</b>	<b>6,403,400</b>

Attached to the Labor Cabinet for administrative purposes, General Administration and Program Support for Shared Services includes the Office of Administrative and Program Support for Shared Services and the Office of Inspector General for Shared Services. Both offices provide the Public Protection Cabinet, Labor Cabinet and Energy and Environment Cabinet agencies with the centralized administrative resources necessary to carry out their mission.

The Office of Administrative and Program Support for Shared Services serves as a central point of contact for fiscal, personnel, payroll, budget and operations for the three Cabinets. The Division of Information Services within the Office of Administrative and Program Support for Shared Services is a central point of contact for information technology services for the Public Protection Cabinet and Energy and Environment Cabinet.

The Office of Inspector General for Shared Services is the lead investigative agency for the three Cabinets.

**Labor  
Workplace Standards**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,824,500	2,321,400	2,417,500	1,757,400	1,775,300
<b>Total General Fund</b>	<b>1,824,500</b>	<b>2,321,400</b>	<b>2,417,500</b>	<b>1,757,400</b>	<b>1,775,300</b>
<b>Restricted Funds</b>					
Balance Forward	3,893,900				
Current Receipts	800,000	800,000	800,000	800,000	800,000
Non-Revenue Receipts	73,977,400	81,036,200	83,536,000	80,974,200	83,065,900
<b>Total Restricted Funds</b>	<b>78,671,300</b>	<b>81,836,200</b>	<b>84,336,000</b>	<b>81,774,200</b>	<b>83,865,900</b>
<b>Federal Fund</b>					
Current Receipts	3,899,100	3,451,300	3,451,300	3,451,300	3,451,300
Non-Revenue Receipts	-15,000	-15,000	-15,000	-15,000	-15,000
<b>Total Federal Fund</b>	<b>3,884,100</b>	<b>3,436,300</b>	<b>3,436,300</b>	<b>3,436,300</b>	<b>3,436,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>84,379,900</b>	<b>87,593,900</b>	<b>90,189,800</b>	<b>86,967,900</b>	<b>89,077,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	11,081,100	11,748,100	12,357,900	11,175,700	11,296,700
Operating Expenses	2,204,600	2,395,300	2,392,000	2,341,700	2,340,900
Grants Loans Benefits	71,012,100	73,400,500	75,389,900	73,400,500	75,389,900
Capital Outlay		50,000	50,000	50,000	50,000
<b>TOTAL EXPENDITURES</b>	<b>84,297,800</b>	<b>87,593,900</b>	<b>90,189,800</b>	<b>86,967,900</b>	<b>89,077,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,742,400	2,321,400	2,417,500	1,757,400	1,775,300
Restricted Funds	78,671,300	81,836,200	84,336,000	81,774,200	83,865,900
Federal Fund	3,884,100	3,436,300	3,436,300	3,436,300	3,436,300
<b>TOTAL EXPENDITURES</b>	<b>84,297,800</b>	<b>87,593,900</b>	<b>90,189,800</b>	<b>86,967,900</b>	<b>89,077,500</b>
<b>EXPENDITURES BY UNIT</b>					
Employment Standards	1,742,400	2,321,400	2,417,500	1,757,400	1,775,300
Workers' Compensation Funds	71,513,400	74,024,700	76,051,100	74,005,600	76,002,500
Occupational Safety and Health	10,578,600	10,775,300	11,225,300	10,745,700	10,837,600
Commissioner's Office	463,400	472,500	495,900	459,200	462,100
<b>TOTAL EXPENDITURES</b>	<b>84,297,800</b>	<b>87,593,900</b>	<b>90,189,800</b>	<b>86,967,900</b>	<b>89,077,500</b>

The Department of Workplace Standards operates under the authority of KRS Chapters 336, 337, 338, 339, 342, 343, and 388.

The Department is comprised of the Division of Occupational Safety and Health Compliance; the Division of Employment Standards, Apprenticeship and Mediation; the Division of Occupational Safety and Health Education and Training; and the Division of Workers' Compensation Funds.

The Division of Workers' Compensation Funds is responsible for the administration and legal representation of the Special Fund and Coal Workers' Pneumoconiosis Fund and the maintenance of records regarding the payment of workers' compensation injury claims by these funds.

The Division of Occupational Safety and Health Compliance ensures that employers are preventing hazards to the safety and health of all employees arising from exposure to harmful conditions and practices in the work environment. Penalties collected by the Division are returned to the General Fund.

The Division of Occupational Safety and Health Education and Training promotes voluntary compliance with the Kentucky Occupational Safety and Health rules and regulations by providing training, on-site consultations, technical data, and technical and informational materials. The Division also gathers and monitors statistical data concerning job injuries and illnesses, and acts as a liaison between the Cabinet and the Kentucky Occupational Safety and Health Standards Board.

The Division of Employment Standards, Apprenticeship and Mediation is responsible for enforcing areas of Kentucky labor laws including minimum wage, overtime, prevailing wage, child labor, wage discrimination based on sex, apprenticeship and training and mediation.

The Department of Workplace Standards is funded with restricted agency receipts garnered through the Workers' Compensation Funding Commission under the authority of KRS 342; federal funding received from the U.S. Department of Labor, Occupational Safety and Health Administration; and General Fund dollars that support only the Division of Employment Standards, Apprenticeship and Mediation Services.

**Labor  
Workers' Claims**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,318,000				
Current Receipts	200,000	200,000	200,000	200,000	200,000
Non-Revenue Receipts	16,521,100	18,714,600	19,537,300	18,676,000	18,840,800
<b>Total Restricted Funds</b>	<b>18,039,100</b>	<b>18,914,600</b>	<b>19,737,300</b>	<b>18,876,000</b>	<b>19,040,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>18,039,100</b>	<b>18,914,600</b>	<b>19,737,300</b>	<b>18,876,000</b>	<b>19,040,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	15,047,100	15,824,800	16,647,200	15,747,800	15,912,300
Operating Expenses	2,852,000	2,949,800	2,950,100	2,988,200	2,988,500
Capital Outlay	140,000	140,000	140,000	140,000	140,000
<b>TOTAL EXPENDITURES</b>	<b>18,039,100</b>	<b>18,914,600</b>	<b>19,737,300</b>	<b>18,876,000</b>	<b>19,040,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	18,039,100	18,914,600	19,737,300	18,876,000	19,040,800
<b>TOTAL EXPENDITURES</b>	<b>18,039,100</b>	<b>18,914,600</b>	<b>19,737,300</b>	<b>18,876,000</b>	<b>19,040,800</b>
<b>EXPENDITURES BY UNIT</b>					
Workers' Claims	18,039,100	18,914,600	19,737,300	18,876,000	19,040,800
<b>TOTAL EXPENDITURES</b>	<b>18,039,100</b>	<b>18,914,600</b>	<b>19,737,300</b>	<b>18,876,000</b>	<b>19,040,800</b>

The Department of Workers' Claims operates under the authority of KRS Chapters 11, 342, and 336. The Department enforces statutes with regard to workers' compensation coverage for Kentucky's 2.1 million employees, administers workers' compensation claims and ensures that employers comply with the insurance, self-insurance, and rehabilitation provisions in KRS Chapter 342.

The Department has four divisions. The Division of Claims Processing processes injury claims. The Division of Information and Research collects, stores and retrieves data and disseminates information for the Department. The Division of Security and Compliance handles electronic filings for coverage, enforcement investigations and self-insurance issues. The Division of Ombudsman and Workers' Compensation Specialist Services provides services to employees, employers, insurance carriers, and medical providers.

The Office of Administrative Law Judges conducts hearings; supervises the presentation of evidence and renders final decisions, orders or awards regarding workers' compensation claims.

The Workers' Compensation Board is attached to the Department for administrative purposes. The Board rules on appeals of decisions rendered by administrative law judges in the Kentucky Workers Claims' and Compensation system pursuant to KRS 342.213 and KRS 342.285. The board consists of three members appointed by the Governor to four-year terms. These members must possess the qualifications of appeals court justices and are held to those same professional ethical standards of behavior and compensation. A decision from two of the three board members constitutes a decision of the board.

The Workers' Compensation Advisory Council and the Workers' Compensation Nominating Commission established by KRS Chapter 342 are attached to the Department for administrative purposes.

Funding for the Department of Workers' Claims is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and self-insureds.

**Labor**  
**Occupational Safety and Health Review Commission**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	77,100				
Non-Revenue Receipts	693,800	807,000	842,200	806,500	813,100
<b>Total Restricted Funds</b>	<b>770,900</b>	<b>807,000</b>	<b>842,200</b>	<b>806,500</b>	<b>813,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>770,900</b>	<b>807,000</b>	<b>842,200</b>	<b>806,500</b>	<b>813,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	725,400	762,100	797,300	761,600	768,200
Operating Expenses	45,500	44,900	44,900	44,900	44,900
<b>TOTAL EXPENDITURES</b>	<b>770,900</b>	<b>807,000</b>	<b>842,200</b>	<b>806,500</b>	<b>813,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	770,900	807,000	842,200	806,500	813,100
<b>TOTAL EXPENDITURES</b>	<b>770,900</b>	<b>807,000</b>	<b>842,200</b>	<b>806,500</b>	<b>813,100</b>
<b>EXPENDITURES BY UNIT</b>					
Occupational Safety and Health Review Commission	770,900	807,000	842,200	806,500	813,100
<b>TOTAL EXPENDITURES</b>	<b>770,900</b>	<b>807,000</b>	<b>842,200</b>	<b>806,500</b>	<b>813,100</b>

The Kentucky Occupational Safety and Health Review Commission is an independent quasi judicial administrative agency which hears and rules on appeals of citations, pursuant to KRS 338.071 and KRS 338.081, issued by the Labor Cabinet's Division of Occupational Safety and Health Compliance.

The Commission receives and processes over 200 cases per year and holds hearings throughout the state. Written findings of fact, conclusions of law, and the recommended decisions issued by the hearing officers may be appealed to the Commission and then to Franklin Circuit Court.

Funding for the Commission is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and self-insureds.

**Labor**

**Workers' Compensation Funding Commission**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	3,104,600		764,400		764,400
Current Receipts	102,643,900	117,040,800	120,743,900	115,186,500	117,209,200
Non-Revenue Receipts	1,649,500	917,900	6,200	903,000	-80,600
<b>Total Restricted Funds</b>	<b>107,398,000</b>	<b>117,958,700</b>	<b>121,514,500</b>	<b>116,089,500</b>	<b>117,893,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>107,398,000</b>	<b>117,958,700</b>	<b>121,514,500</b>	<b>116,089,500</b>	<b>117,893,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	107,067,900	116,889,100	120,698,100	115,019,900	117,076,600
Operating Expenses	330,100	305,200	303,200	305,200	303,200
<b>TOTAL EXPENDITURES</b>	<b>107,398,000</b>	<b>117,194,300</b>	<b>121,001,300</b>	<b>115,325,100</b>	<b>117,379,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	107,398,000	117,194,300	121,001,300	115,325,100	117,379,800
<b>TOTAL EXPENDITURES</b>	<b>107,398,000</b>	<b>117,194,300</b>	<b>121,001,300</b>	<b>115,325,100</b>	<b>117,379,800</b>
<b>EXPENDITURES BY UNIT</b>					
Workers' Compensation Funding Commission	1,995,900	2,098,900	2,187,200	2,084,000	2,100,400
Benefit Reserve	98,346,700	104,859,500	106,562,600	103,005,200	103,027,900
KCWP Fund	7,055,400	10,235,900	12,251,500	10,235,900	12,251,500
<b>TOTAL EXPENDITURES</b>	<b>107,398,000</b>	<b>117,194,300</b>	<b>121,001,300</b>	<b>115,325,100</b>	<b>117,379,800</b>

The Workers' Compensation Funding Commission was created through the passage of House Bill 1 by the 1987 Extraordinary Session of the General Assembly. House Bill 928, passed by the 1994 General Assembly, transferred the Commission to the Labor Cabinet for administrative purposes. The agency has the public purpose of controlling, investing, and managing the funds collected pursuant to KRS Chapter 342.

The Commission is governed by a seven-member Board of Directors. Board members include the Secretaries of Labor, Economic Development, and Finance and Administration Cabinets. In addition, the Governor appoints four members who represent labor, insurance companies writing workers' compensation insurance, employers, and self-insured employers and groups.

The Commission collects two separate assessments as required by KRS Chapter 342. One assessment is imposed on Kentucky Workers' Compensation premiums received by all insurance carriers and group self-insurers, and on a calculation-based premium equivalent for employers carrying their own risk. A second assessment is imposed on such premiums received from employers engaged in the severance or processing of coal. These funds are to be used to fund and pre-fund the liabilities of the Special Fund and the Coal Workers' Pneumoconiosis Fund; finance the administration and operations of the Special Fund and the Coal Workers' Pneumoconiosis Fund; finance the administration and operations of the Funding Commission; finance all programs in the Labor Cabinet except the Division of Employment Standards, Apprenticeship and Mediation; and pay the liabilities and fund the operating budget for the Uninsured Employers' Fund in the Office of the Attorney General.

These assessments are credited to the Commission's Benefit Reserve Fund, and the excess of collections over Special Fund liabilities, the Coal Workers' Pneumoconiosis Fund liabilities, and budgeted expenditures are invested according to the Commission's policies and in compliance with KRS Chapter 386. The agency may perform or contract for audits of those entities subject to assessments, and may coordinate with other governmental agencies to ensure compliance with the statutes relating to Workers' Compensation funding.

The Board is required to engage a certified public accountant to conduct an annual examination of the Commission's affairs and report the findings to the Governor and the Auditor of Public Accounts.

Included in the operating expenses are the fund transfers that represent the amounts the Commission will transfer to the Labor Cabinet and the Uninsured Employers' Fund for those programs statutorily supported by assessments.

The Commission maintains a diverse financial long-term investment portfolio and has an agreement with the Office of Financial Management, within the Finance and Administration Cabinet, for short-term overnight investment advantages.

# Personnel

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**Personnel**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	959,600	940,400	940,400	873,200	873,200
<b>Total General Fund</b>	<b>959,600</b>	<b>940,400</b>	<b>940,400</b>	<b>873,200</b>	<b>873,200</b>
<b>Restricted Funds</b>					
Balance Forward	18,332,200	16,016,800	9,554,300	16,016,800	14,175,500
Current Receipts	51,806,500	54,974,700	55,307,400	54,769,200	55,449,400
Non-Revenue Receipts	7,267,800	8,298,400	8,543,500	7,571,300	7,601,800
Fund Transfers		-5,000,000			
<b>Total Restricted Funds</b>	<b>77,406,500</b>	<b>74,289,900</b>	<b>73,405,200</b>	<b>78,357,300</b>	<b>77,226,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>78,366,100</b>	<b>75,230,300</b>	<b>74,345,600</b>	<b>79,230,500</b>	<b>78,099,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	55,005,400	57,974,000	59,989,500	57,502,000	58,764,600
Operating Expenses	6,191,700	6,569,000	6,612,800	6,487,200	7,032,900
Grants Loans Benefits	916,700	940,700	940,700	873,500	873,500
Capital Outlay	192,300	192,300	192,300	192,300	192,300
<b>TOTAL EXPENDITURES</b>	<b>62,306,100</b>	<b>65,676,000</b>	<b>67,735,300</b>	<b>65,055,000</b>	<b>66,863,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	916,400	940,400	940,400	873,200	873,200
Restricted Funds	61,389,700	64,735,600	66,794,900	64,181,800	65,990,100
<b>TOTAL EXPENDITURES</b>	<b>62,306,100</b>	<b>65,676,000</b>	<b>67,735,300</b>	<b>65,055,000</b>	<b>66,863,300</b>
<b>EXPENDITURES BY UNIT</b>					
General Operations	28,028,200	30,151,000	31,031,100	29,586,000	30,320,800
Public Employees Deferred Compensation Authority	9,161,500	9,333,300	9,469,500	9,315,500	9,340,700
Workers' Compensation Benefits and Reserve	24,200,000	25,251,300	26,294,300	25,280,300	26,328,600
State Group Health Insurance Fund	916,400	940,400	940,400	873,200	873,200
<b>TOTAL EXPENDITURES</b>	<b>62,306,100</b>	<b>65,676,000</b>	<b>67,735,300</b>	<b>65,055,000</b>	<b>66,863,300</b>

The Personnel Cabinet provides human resources management for Kentucky state government agencies. The Cabinet coordinates the personnel and payroll functions for most of state government. It coordinates state employee benefit packages, such as health and life insurance, workers' compensation, and deferred compensation programs. The Cabinet coordinates state government's employee application process, as well as recruiting and retention functions.

Currently, the Personnel Cabinet is comprised of five appropriation units: General Operations, Public Employees Deferred Compensation Authority, Workers' Compensation Benefits and Reserve, the State Group Health Insurance Fund, and the State Salary and Compensation Fund.

The Department of Personnel was created in 1960 under KRS 18.160. At the time of its inception, it was headed by a personnel board consisting of five members appointed by the Governor. The Board had the responsibility to forward to the Governor a list of qualified applicants for the position of Commissioner of Personnel. In 1972, the legislature made the Commissioner of Personnel a direct appointee of the Governor without nominations from the Personnel Board.

In 1982, KRS 18.160 was repealed and re-enacted under KRS chapter 18A.015. Legislation enacted that year also authorized the Department to charge other state agencies their pro rata share of costs associated with the administration of the Executive Branch's personnel-related functions. In 1998, the General Assembly elevated the Department to Cabinet status.

**Personnel**  
**General Operations**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,081,700	493,200	1,055,600	493,200	688,000
Current Receipts	20,026,900	22,265,000	22,637,700	22,059,500	22,779,700
Non-Revenue Receipts	7,412,800	8,448,400	8,698,500	7,721,300	7,756,800
<b>Total Restricted Funds</b>	<b>28,521,400</b>	<b>31,206,600</b>	<b>32,391,800</b>	<b>30,274,000</b>	<b>31,224,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>28,521,400</b>	<b>31,206,600</b>	<b>32,391,800</b>	<b>30,274,000</b>	<b>31,224,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	22,274,000	24,040,100	24,877,100	23,555,000	23,744,800
Operating Expenses	5,561,600	5,918,300	5,961,400	5,838,400	6,383,400
Grants Loans Benefits	300	300	300	300	300
Capital Outlay	192,300	192,300	192,300	192,300	192,300
<b>TOTAL EXPENDITURES</b>	<b>28,028,200</b>	<b>30,151,000</b>	<b>31,031,100</b>	<b>29,586,000</b>	<b>30,320,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	28,028,200	30,151,000	31,031,100	29,586,000	30,320,800
<b>TOTAL EXPENDITURES</b>	<b>28,028,200</b>	<b>30,151,000</b>	<b>31,031,100</b>	<b>29,586,000</b>	<b>30,320,800</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration	2,974,400	3,278,800	3,438,100	3,263,500	3,296,100
Governmental Service Center	893,700	1,427,900	1,476,700	1,416,700	1,433,800
Employee Relations	1,691,900	1,781,400	1,856,900	1,773,800	1,791,100
Employee Insurance	9,578,600	9,976,600	10,219,200	9,803,600	9,856,900
Personnel Administration	12,889,600	13,686,300	14,040,200	13,328,400	13,942,900
<b>TOTAL EXPENDITURES</b>	<b>28,028,200</b>	<b>30,151,000</b>	<b>31,031,100</b>	<b>29,586,000</b>	<b>30,320,800</b>

The General Operations unit includes the Office of the Secretary, the Department of Human Resources Administration and the Department of Employee Insurance.

The Secretary of the Personnel Cabinet is the executive and administrative head of the cabinet and supervises all activities of the cabinet. The Office of the Secretary includes: the Office of Administrative Services, the Office of Legal Services, the Office for Employee Relations, the Office of Diversity and Equality, the Governmental Services Center, and the Center for Strategic Innovation.

The Office of Administrative Services' responsibilities include overseeing the internal operations of the Cabinet, including personnel related matters, budgeting, accounting, property management, and procurement functions.

The Office of Legal Services provides legal services relating to the enforcement and application of state and federal laws and regulations governing employment with both the Cabinet and other Executive Branch agencies.

The Office of Employee Relations administers the Kentucky Employee Assistance Program which provides assistance to troubled employees; life insurance benefits for state employees; the employee suggestion system; a mediation program to help resolve employment problems; the state safety program; and the self-insured Workers' Compensation program. The Workers' Compensation program provides benefits to workers injured on the job and manages a return-to-work program. The program provides coverage for state employees, Murray State University, the Kentucky Community Technical College System, volunteer firefighters, volunteer ambulance personnel, and various local government entities.

The Office of Diversity and Equality is responsible for administering the Equal Employment Opportunity and Diversity Programs, the Minority Management Trainee Program, and the Commonwealth's affirmative action plan established in 18A.138.

The Governmental Services Center is responsible for government-wide training, consultation, and organizational development, including the coordination of the Commonwealth's strategic planning and performance measurement processes. It also has the responsibility of maintaining the employee performance management system.

The Center for Strategic Innovation is responsible for setting the strategic direction for the Cabinet, improving processes, developing services, and planning future service offerings.

The Department of Human Resources Administration consists of three divisions: the Division of Employee Management, the Division of Career Opportunities, and the Division of Technology Services. The responsibilities of this department include recruiting, counseling, and certifying persons for employment with the Commonwealth; maintaining the classification and compensation system; auditing and certifying state payrolls; preparing and maintaining the official personnel and payroll records; and coordinating information technology within the Cabinet. In addition, the development and implementation of the replacement personnel and payroll system is coordinated through the Department of Human Resources Administration.

The Department of Employee Insurance manages state government's self-insured health insurance program, the Kentucky Employees' Health Plan. The Plan provides health insurance coverage for state employees, state and teacher retirees that are not yet Medicare eligible, local boards of education, local health departments, and other public and quasi-public agencies. The Department also provides administrative support to the Group Health Insurance Board under KRS 18A.226 and 18A.227. There are two divisions organized under the department: the Division of Insurance Administration and the Division of Financial and Data Services.

### **Policy**

Included in the above Restricted Fund appropriation in each fiscal year is \$2,692,600 for debt service on bonds previously issued for the Kentucky Human Resources Information System (KHRIS). The Cabinet is authorized to collect a pro rata assessment from all state agencies and other organizations that will use the new personnel and payroll system. The Cabinet shall retain the funds in a Special Project Account, the balance of which will be transferred to the General Fund to cover the debt service payment.

<b>Personnel</b>					
<b>Public Employees Deferred Compensation Authority</b>					
	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	10,637,500	10,133,100	4,334,500	10,133,100	9,352,300
Current Receipts	8,729,600	8,609,700	8,569,700	8,609,700	8,569,700
Non-Revenue Receipts	-72,500	-75,000	-77,500	-75,000	-77,500
Fund Transfers		-5,000,000			
<b>Total Restricted Funds</b>	<b>19,294,600</b>	<b>13,667,800</b>	<b>12,826,700</b>	<b>18,667,800</b>	<b>17,844,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>19,294,600</b>	<b>13,667,800</b>	<b>12,826,700</b>	<b>18,667,800</b>	<b>17,844,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,690,600	8,846,400	8,982,600	8,830,500	8,855,700
Operating Expenses	470,900	486,900	486,900	485,000	485,000
<b>TOTAL EXPENDITURES</b>	<b>9,161,500</b>	<b>9,333,300</b>	<b>9,469,500</b>	<b>9,315,500</b>	<b>9,340,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	9,161,500	9,333,300	9,469,500	9,315,500	9,340,700
<b>TOTAL EXPENDITURES</b>	<b>9,161,500</b>	<b>9,333,300</b>	<b>9,469,500</b>	<b>9,315,500</b>	<b>9,340,700</b>
<b>EXPENDITURES BY UNIT</b>					
Public Employees Deferred Compensation Authority	9,161,500	9,333,300	9,469,500	9,315,500	9,340,700
<b>TOTAL EXPENDITURES</b>	<b>9,161,500</b>	<b>9,333,300</b>	<b>9,469,500</b>	<b>9,315,500</b>	<b>9,340,700</b>

The Kentucky Public Employees Deferred Compensation Authority administers tax sheltered, supplemental retirement savings programs as established in the U.S. Internal Revenue Code Sections 457, 401(k), Roth 401(k), and 403(b) and in accordance with KRS 18A.230-18A.350. These programs are an optional benefit for Kentucky's public employees.

**Personnel**

**Workers' Compensation Benefits and Reserve**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	6,613,000	5,390,500	4,164,200	5,390,500	4,135,200
Current Receipts	23,050,000	24,100,000	24,100,000	24,100,000	24,100,000
Non-Revenue Receipts	-72,500	-75,000	-77,500	-75,000	-77,500
<b>Total Restricted Funds</b>	<b>29,590,500</b>	<b>29,415,500</b>	<b>28,186,700</b>	<b>29,415,500</b>	<b>28,157,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>29,590,500</b>	<b>29,415,500</b>	<b>28,186,700</b>	<b>29,415,500</b>	<b>28,157,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	24,040,800	25,087,500	26,129,800	25,116,500	26,164,100
Operating Expenses	159,200	163,800	164,500	163,800	164,500
<b>TOTAL EXPENDITURES</b>	<b>24,200,000</b>	<b>25,251,300</b>	<b>26,294,300</b>	<b>25,280,300</b>	<b>26,328,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	24,200,000	25,251,300	26,294,300	25,280,300	26,328,600
<b>TOTAL EXPENDITURES</b>	<b>24,200,000</b>	<b>25,251,300</b>	<b>26,294,300</b>	<b>25,280,300</b>	<b>26,328,600</b>
<b>EXPENDITURES BY UNIT</b>					
Workers' Compensation Benefits and Reserve	24,200,000	25,251,300	26,294,300	25,280,300	26,328,600
<b>TOTAL EXPENDITURES</b>	<b>24,200,000</b>	<b>25,251,300</b>	<b>26,294,300</b>	<b>25,280,300</b>	<b>26,328,600</b>

Created in 1990, the Workers' Compensation Benefits and Reserve is state government's self-insured Workers' Compensation program. The program provides coverage to the executive, legislative, and judicial branches of government, but excludes the Transportation Cabinet and all state universities except Murray State University. The program also covers the Kentucky Community and Technical College System, volunteer firefighters, volunteer ambulance personnel, and employees of some county clerk's or sheriff's offices when the county's population is 70,000 or more. Workers' Compensation includes a return-to-work program for injured employees, managed care, and a statewide safety program.

The revenue accruing to the program is derived from participating agencies based upon the claims history of the agency and the number of covered employees. Claims history is calculated based upon a three year running average.

**Personnel**

**State Group Health Insurance Fund**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	959,600	940,400	940,400	873,200	873,200
<b>Total General Fund</b>	<b>959,600</b>	<b>940,400</b>	<b>940,400</b>	<b>873,200</b>	<b>873,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>959,600</b>	<b>940,400</b>	<b>940,400</b>	<b>873,200</b>	<b>873,200</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	916,400	940,400	940,400	873,200	873,200
<b>TOTAL EXPENDITURES</b>	<b>916,400</b>	<b>940,400</b>	<b>940,400</b>	<b>873,200</b>	<b>873,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	916,400	940,400	940,400	873,200	873,200
<b>TOTAL EXPENDITURES</b>	<b>916,400</b>	<b>940,400</b>	<b>940,400</b>	<b>873,200</b>	<b>873,200</b>
<b>EXPENDITURES BY UNIT</b>					
State Group Health Insurance Fund	916,400	940,400	940,400	873,200	873,200
<b>TOTAL EXPENDITURES</b>	<b>916,400</b>	<b>940,400</b>	<b>940,400</b>	<b>873,200</b>	<b>873,200</b>

The State Group Health Insurance Fund provides funding to support a dependent subsidy for quasi-governmental employers participating in the Kentucky Employees' Health Plan.

# Postsecondary Education

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**Postsecondary Education**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,164,420,400	1,264,412,700	1,399,388,500	1,116,979,500	1,129,943,500
Current Year Appropriation	2,300,000				
Continuing Approp-General Fund	9,725,000				
<b>Total General Fund</b>	<b>1,176,445,400</b>	<b>1,264,412,700</b>	<b>1,399,388,500</b>	<b>1,116,979,500</b>	<b>1,129,943,500</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	4,707,500	6,072,500	6,072,500	5,806,100	6,276,100
Special Appropriation	1,365,000				
Continuing Approp-Tob Settlement	537,000				
<b>Total Tobacco Fund</b>	<b>6,609,500</b>	<b>6,072,500</b>	<b>6,072,500</b>	<b>5,806,100</b>	<b>6,276,100</b>
<b>Restricted Funds</b>					
Balance Forward	6,630,400	3,204,300	2,629,600	5,368,400	4,790,000
Current Receipts	5,218,035,600	5,561,790,900	5,939,394,400	5,562,115,900	5,939,719,400
Non-Revenue Receipts	13,890,000	16,987,300	17,351,200	13,779,000	13,779,000
<b>Total Restricted Funds</b>	<b>5,238,556,000</b>	<b>5,581,982,500</b>	<b>5,959,375,200</b>	<b>5,581,263,300</b>	<b>5,958,288,400</b>
<b>Federal Fund</b>					
Balance Forward	172,500	172,500	172,500	400	
Current Receipts	901,765,000	930,822,800	961,234,000	930,822,400	961,234,000
Non-Revenue Receipts	-172,100				
<b>Total Federal Fund</b>	<b>901,765,400</b>	<b>930,995,300</b>	<b>961,406,500</b>	<b>930,822,800</b>	<b>961,234,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,323,376,300</b>	<b>7,783,463,000</b>	<b>8,326,242,700</b>	<b>7,634,871,700</b>	<b>8,055,742,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,523,879,300	3,741,744,300	3,962,362,100	3,684,463,000	3,920,784,400
Operating Expenses	2,195,727,200	2,394,473,600	2,594,663,100	2,321,950,100	2,495,514,600
Grants Loans Benefits	1,204,290,900	1,269,231,300	1,304,987,000	1,250,022,800	1,246,299,900
Debt Service	148,134,600	155,753,700	223,905,900	155,090,800	154,088,700
Capital Outlay	203,131,100	219,457,600	237,829,200	218,555,000	236,026,600
<b>TOTAL EXPENDITURES</b>	<b>7,275,163,100</b>	<b>7,780,660,500</b>	<b>8,323,747,300</b>	<b>7,630,081,700</b>	<b>8,052,714,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,133,601,000	1,264,412,700	1,399,388,500	1,116,979,500	1,129,943,500
Tobacco Fund	6,609,500	6,072,500	6,072,500	5,806,100	6,276,100
Restricted Funds	5,233,187,600	5,579,352,900	5,957,052,300	5,576,473,300	5,955,260,600
Federal Fund	901,765,000	930,822,800	961,234,000	930,822,800	961,234,000
<b>TOTAL EXPENDITURES</b>	<b>7,275,163,100</b>	<b>7,780,660,900</b>	<b>8,323,747,300</b>	<b>7,630,081,700</b>	<b>8,052,714,200</b>
<b>EXPENDITURES BY UNIT</b>					
Council on Postsecondary Education	70,528,600	76,395,500	148,239,700	67,135,200	67,651,100
Kentucky Higher Education Assistance Authority	247,613,200	272,970,100	278,690,400	270,706,000	277,529,500
Eastern Kentucky University	363,671,300	376,404,100	386,276,400	367,433,800	353,842,500
Kentucky State University	62,236,100	66,880,100	67,680,100	58,541,000	52,441,100
Morehead State University	255,530,200	267,835,800	276,515,100	262,243,400	256,097,700
Murray State University	189,284,900	198,450,700	205,824,500	192,149,600	182,991,400
Northern Kentucky University	236,415,800	250,235,900	261,177,900	243,768,600	234,350,800
University of Kentucky	3,355,808,700	3,673,155,300	4,010,850,900	3,629,806,400	3,864,587,500
University of Louisville	1,221,311,500	1,263,023,000	1,301,441,600	1,241,451,000	1,228,670,200
Western Kentucky University	393,205,800	408,119,900	419,674,800	398,290,600	382,390,000
Kentucky Community and Technical College System	879,557,000	927,190,500	967,375,900	898,556,100	869,654,500

**EXPENDITURES BY UNIT**

Postsecondary Education

282,507,900

Performance Fund

**TOTAL EXPENDITURES**

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7,275,163,100

7,780,660,900

8,323,747,300

7,630,081,700

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8,052,714,200

**Postsecondary Education**  
**Council on Postsecondary Education**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	42,913,500	48,281,100	120,106,000	39,285,600	39,327,400
Continuing Approp-General Fund	1,196,500				
<b>Total General Fund</b>	<b>44,110,000</b>	<b>48,281,100</b>	<b>120,106,000</b>	<b>39,285,600</b>	<b>39,327,400</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	3,607,500	4,972,500	4,972,500	4,706,100	5,176,100
Special Appropriation	1,365,000				
<b>Total Tobacco Fund</b>	<b>4,972,500</b>	<b>4,972,500</b>	<b>4,972,500</b>	<b>4,706,100</b>	<b>5,176,100</b>
<b>Restricted Funds</b>					
Balance Forward	1,381,500	1,070,400	739,000	1,070,400	737,400
Current Receipts	599,000	599,000	643,000	599,000	643,000
Non-Revenue Receipts	4,109,000	4,109,000	4,109,000	4,109,000	4,109,000
<b>Total Restricted Funds</b>	<b>6,089,500</b>	<b>5,778,400</b>	<b>5,491,000</b>	<b>5,778,400</b>	<b>5,489,400</b>
<b>Federal Fund</b>					
Current Receipts	18,102,500	18,102,500	18,102,500	18,102,500	18,102,500
<b>Total Federal Fund</b>	<b>18,102,500</b>	<b>18,102,500</b>	<b>18,102,500</b>	<b>18,102,500</b>	<b>18,102,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>73,274,500</b>	<b>77,134,500</b>	<b>148,672,000</b>	<b>67,872,600</b>	<b>68,095,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	17,473,700	18,717,400	19,203,800	17,071,400	17,611,500
Operating Expenses	2,098,500	2,115,800	2,150,000	2,049,800	2,040,500
Grants Loans Benefits	50,956,400	55,562,300	57,161,900	48,014,000	47,999,100
Debt Service			69,724,000		
<b>TOTAL EXPENDITURES</b>	<b>70,528,600</b>	<b>76,395,500</b>	<b>148,239,700</b>	<b>67,135,200</b>	<b>67,651,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	42,434,500	48,281,100	120,106,000	39,285,600	39,327,400
Tobacco Fund	4,972,500	4,972,500	4,972,500	4,706,100	5,176,100
Restricted Funds	5,019,100	5,039,400	5,058,700	5,041,000	5,045,100
Federal Fund	18,102,500	18,102,500	18,102,500	18,102,500	18,102,500
<b>TOTAL EXPENDITURES</b>	<b>70,528,600</b>	<b>76,395,500</b>	<b>148,239,700</b>	<b>67,135,200</b>	<b>67,651,100</b>
<b>EXPENDITURES BY UNIT</b>					
Agency Operations	7,652,300	8,687,600	9,097,400	7,263,100	7,304,900
Licensure	354,300	481,500	500,800	483,100	487,200
Pass Through Programs	10,428,600	10,879,600	11,062,400	9,888,300	9,888,300
Federal Programs	5,780,500	5,780,500	5,780,500	5,780,500	5,780,500
Strategic Investment and Incentive Funding Program	46,312,900	50,566,300	121,798,600	43,720,200	44,190,200
<b>TOTAL EXPENDITURES</b>	<b>70,528,600</b>	<b>76,395,500</b>	<b>148,239,700</b>	<b>67,135,200</b>	<b>67,651,100</b>

The Council on Postsecondary Education coordinates public postsecondary education, bringing a statewide perspective to budget and policy issues and planning. The Council both guides the system and serves as an advocate for the postsecondary education sector of the state's education enterprise. The Council licenses private non-profit and proprietary bachelor's degree-granting institutions and operates Kentucky's adult education system, bringing all of Kentucky's postsecondary and adult education providers under one agency.

The Council's statutory responsibilities include:

- development of a strategic plan for an efficient and effective system of postsecondary education that provides statewide access without unnecessary competition and duplication, recognizing both public and independent institutions;

- implementation of the strategic plan through public accountability, including reporting and evaluation of institutional performance;
- approval of the creation, modification, and elimination of programs and degrees and transferability of credits earned;
- approval of tuition rates and admission requirements;
- approval of capital projects and real property acquisitions by institutions;
- training and orientation of new members of institutional governing boards;
- liaison between postsecondary education institutions and the Kentucky Department of Education, the Education Professional Standards Board, the Education and Workforce Development Cabinet, and the Cabinet for Economic Development;
- operation of the Kentucky Virtual High School and the Kentucky Virtual Library;
- coordination and acquisition of technology resources for broadest access and cost efficiency;
- collection of data and research and analysis concerning the overall needs of postsecondary and adult education;
- administration of the statewide adult education and literacy program; and
- assistance in the development of the postsecondary institutions' biennial budget requests and recommendations concerning operating and capital appropriations to the Governor and the General Assembly.

**Postsecondary Education  
Council on Postsecondary Education**

**Agency Operations**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,012,000	8,039,700	8,449,500	6,615,200	6,657,000
<b>Total General Fund</b>	<b>7,012,000</b>	<b>8,039,700</b>	<b>8,449,500</b>	<b>6,615,200</b>	<b>6,657,000</b>
<b>Restricted Funds</b>					
Balance Forward	194,000	87,200	87,300	87,200	87,300
Current Receipts	448,000	448,000	492,000	448,000	492,000
<b>Total Restricted Funds</b>	<b>642,000</b>	<b>535,200</b>	<b>579,300</b>	<b>535,200</b>	<b>579,300</b>
<b>Federal Fund</b>					
Non-Revenue Receipts	400,000	200,000	200,000	200,000	200,000
<b>Total Federal Fund</b>	<b>400,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>8,054,000</b>	<b>8,774,900</b>	<b>9,228,800</b>	<b>7,350,400</b>	<b>7,436,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,510,700	7,573,500	7,949,100	6,215,000	6,266,100
Operating Expenses	1,141,600	1,114,100	1,148,300	1,048,100	1,038,800
<b>TOTAL EXPENDITURES</b>	<b>7,652,300</b>	<b>8,687,600</b>	<b>9,097,400</b>	<b>7,263,100</b>	<b>7,304,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,697,500	8,039,700	8,449,500	6,615,200	6,657,000
Restricted Funds	554,800	447,900	447,900	447,900	447,900
Federal Fund	400,000	200,000	200,000	200,000	200,000
<b>TOTAL EXPENDITURES</b>	<b>7,652,300</b>	<b>8,687,600</b>	<b>9,097,400</b>	<b>7,263,100</b>	<b>7,304,900</b>

Agency Operations include all of the staff and operating expenses necessary to manage the agency and programs of the Council except those funded with Federal grants. Activities of the professional staff include review of academic programs, admission standards, tuition rates, credit transfer procedures, adult education, technology resources and on-line learning; funding for science and technology initiatives; minority outreach; research and data analysis; and licensing of private postsecondary educational institutions. Also included in this budget are the business functions of the agency such as human resources, communications, budget, accounting, and purchasing, as well as board relations.

**Postsecondary Education  
Council on Postsecondary Education**

**Licensure**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,187,500	983,200	651,700	983,200	650,100
Current Receipts	150,000	150,000	150,000	150,000	150,000
<b>Total Restricted Funds</b>	<b>1,337,500</b>	<b>1,133,200</b>	<b>801,700</b>	<b>1,133,200</b>	<b>800,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,337,500</b>	<b>1,133,200</b>	<b>801,700</b>	<b>1,133,200</b>	<b>800,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	349,600	432,000	451,300	433,600	437,700
Operating Expenses	4,700	49,500	49,500	49,500	49,500
<b>TOTAL EXPENDITURES</b>	<b>354,300</b>	<b>481,500</b>	<b>500,800</b>	<b>483,100</b>	<b>487,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	354,300	481,500	500,800	483,100	487,200
<b>TOTAL EXPENDITURES</b>	<b>354,300</b>	<b>481,500</b>	<b>500,800</b>	<b>483,100</b>	<b>487,200</b>

This unit manages the licensure of both independent non-profit and for-profit postsecondary institutions that grant baccalaureate degrees and higher in the Commonwealth of Kentucky. It also approves new degree programs offered by these institutions. Initial licensing and renewal fees are based on the total number of students and the years licensed in the state.

**Postsecondary Education  
Council on Postsecondary Education  
Pass Through Programs**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,349,700	6,769,600	6,952,400	5,778,300	5,778,300
<b>Total General Fund</b>	<b>6,349,700</b>	<b>6,769,600</b>	<b>6,952,400</b>	<b>5,778,300</b>	<b>5,778,300</b>
<b>Restricted Funds</b>					
Current Receipts	1,000	1,000	1,000	1,000	1,000
Non-Revenue Receipts	4,109,000	4,109,000	4,109,000	4,109,000	4,109,000
<b>Total Restricted Funds</b>	<b>4,110,000</b>	<b>4,110,000</b>	<b>4,110,000</b>	<b>4,110,000</b>	<b>4,110,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>10,459,700</b>	<b>10,879,600</b>	<b>11,062,400</b>	<b>9,888,300</b>	<b>9,888,300</b>
<b>EXPENDITURES BY CLASS</b>					
Operating Expenses	5,000	5,000	5,000	5,000	5,000
Grants Loans Benefits	10,423,600	10,874,600	11,057,400	9,883,300	9,883,300
<b>TOTAL EXPENDITURES</b>	<b>10,428,600</b>	<b>10,879,600</b>	<b>11,062,400</b>	<b>9,888,300</b>	<b>9,888,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,318,600	6,769,600	6,952,400	5,778,300	5,778,300
Restricted Funds	4,110,000	4,110,000	4,110,000	4,110,000	4,110,000
<b>TOTAL EXPENDITURES</b>	<b>10,428,600</b>	<b>10,879,600</b>	<b>11,062,400</b>	<b>9,888,300</b>	<b>9,888,300</b>
<b>EXPENDITURES BY UNIT</b>					
Contract Spaces	5,680,100	6,026,400	6,188,700	5,168,900	5,168,900
Professional Education Preparation Program	240,600	258,800	265,900	229,200	229,200
Minority Student College Prep Program	168,100	180,800	185,800	160,200	160,200
State Autism Training Center	120,100	129,300	132,900	114,500	114,500
SREB Doctoral Scholars Program	64,800	125,000	128,400	61,800	61,800
Pass Through - Other	44,900	49,300	50,700	43,700	43,700
Cancer Research Insts Mtchg Fd	4,110,000	4,110,000	4,110,000	4,110,000	4,110,000
<b>TOTAL EXPENDITURES</b>	<b>10,428,600</b>	<b>10,879,600</b>	<b>11,062,400</b>	<b>9,888,300</b>	<b>9,888,300</b>

Funds are appropriated to the Council on Postsecondary Education and subsequently "passed through" to other agencies or entities. The Council monitors the implementation of the programs but is not responsible for actual day to day operations.

The **Contract Spaces Program** provides Kentucky students with access to professional programs in veterinary medicine and optometry through contracts administered by the Southern Regional Education Board and Indiana University. In veterinary medicine, Kentucky contracts for spaces at Auburn University and Tuskegee Institute. For optometry students spaces are available at the Southern College of Optometry, University of Alabama, and Indiana University. Contract fees guarantee a fixed number of spaces in these academic programs for qualified Kentucky residents. Enrolled students are required to pay only the equivalent of the in-state tuition at the host institution. Students are supported for four years. To reserve these spaces and to help defray cost, the Commonwealth pays a contract fee per space to each participating institution.

The **Cancer Research Institutions Matching Fund** is administered by the Council on Postsecondary Education to support cancer-related research that will ultimately reduce the morbidity and mortality from these diseases. The program is funded by a one cent per pack cigarette surtax, and the two research institutions – UK and U of L - provide a dollar for dollar match from external sources.

The **Professional Education Preparation Program (PEPP)** was established in 1980 pursuant to KRS 164.028 through 164.0282. The program assists students and prospective students from rural and inner-city areas experiencing medical and dental workforce shortages to gain admission to and graduate from medical and dental school. All funds appropriated to the Council for the PEPP program are allocated to the University of Kentucky, the University of Louisville, and the

University of Pikeville to conduct pre freshman workshops, undergraduate workshops, student assessment conferences, and MCAT/DAT test assistance with tutoring and summer job placement.

The **Governor's Minority Student College Preparation Program** was established in 1988 to provide academic enrichment activities for middle school students, encourage them to stay in school and to enter college, to make young African-American students aware of the benefits and value of college and make them more likely to consider college as an achievable option, and to prepare these students to be successful in college-level work. The program places emphasis on early intervention in an attempt to overcome problems at the high school level that tend to reduce the pool of minorities interested in attending and prepared to do well in college. Approximately 550 middle and junior high school students will be enrolled in this program each year.

The **Kentucky State Autism Training Center** contracts with the University of Louisville to provide coordinated services for training individuals to deliver services to children diagnosed with autism spectrum disorders.

The **Southern Regional Education Board Doctoral Scholars Program** supports and encourages minority students to pursue doctoral degrees. The program seeks to increase the number of minority faculty members employed as college faculty and executives by increasing the available pool of minority candidates. Students are provided scholarships and other financial support to attend institutions throughout the southern region and in some Midwest states. Kentucky has 35 students currently in the program, including 8 at U of L and 9 at UK. Of the 81 students who have already graduated, 22 are currently employed in Kentucky.

The **Washington Internship Program** provides scholarships for students who spend a semester in Washington, DC in work-study programs in international relations, journalism, law, medicine, public relations, business, the arts, science and technology, education or counseling.

**Postsecondary Education  
Council on Postsecondary Education  
Federal Programs**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>Federal Fund</b>					
Current Receipts	5,780,500	5,780,500	5,780,500	5,780,500	5,780,500
<b>Total Federal Fund</b>	<b>5,780,500</b>	<b>5,780,500</b>	<b>5,780,500</b>	<b>5,780,500</b>	<b>5,780,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>5,780,500</b>	<b>5,780,500</b>	<b>5,780,500</b>	<b>5,780,500</b>	<b>5,780,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,399,300	3,497,800	3,589,300	3,475,100	3,490,000
Operating Expenses	456,000	456,000	456,000	456,000	456,000
Grants Loans Benefits	1,925,200	1,826,700	1,735,200	1,849,400	1,834,500
<b>TOTAL EXPENDITURES</b>	<b>5,780,500</b>	<b>5,780,500</b>	<b>5,780,500</b>	<b>5,780,500</b>	<b>5,780,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Fund	5,780,500	5,780,500	5,780,500	5,780,500	5,780,500
<b>TOTAL EXPENDITURES</b>	<b>5,780,500</b>	<b>5,780,500</b>	<b>5,780,500</b>	<b>5,780,500</b>	<b>5,780,500</b>

The Council on Postsecondary Education administers two federal programs in addition to the Adult Education related grants: Improving Educator Quality State Grant Program and Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) Kentucky.

The Improving Educator Quality State Grant program focuses on preparing, training, and recruiting high-quality teachers. The Council on Postsecondary Education provides competitive grants to partnerships comprised of schools of education and arts and sciences, along with one or more high-need local school districts.

The Gaining Early Awareness and Readiness program is a federal initiative that encourages young people to stay in school, study hard and take courses that prepare them to succeed in college. The program provides a range of services to low-income students by supporting new or expanded activities that strengthen schools. GEAR UP grants are awarded to states as well as partnerships comprising schools, postsecondary institutions and non-school partners. GEAR UP state grants stress early intervention and provide scholarships. Each grant dollar must be matched through a combination of state, local, and private funds.

**Postsecondary Education  
Council on Postsecondary Education  
Strategic Investment and Incentive Funding Program**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	29,551,800	33,471,800	104,704,100	26,892,100	26,892,100
Continuing Approp-General Fund	1,196,500				
<b>Total General Fund</b>	<b>30,748,300</b>	<b>33,471,800</b>	<b>104,704,100</b>	<b>26,892,100</b>	<b>26,892,100</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	3,607,500	4,972,500	4,972,500	4,706,100	5,176,100
Special Appropriation	1,365,000				
<b>Total Tobacco Fund</b>	<b>4,972,500</b>	<b>4,972,500</b>	<b>4,972,500</b>	<b>4,706,100</b>	<b>5,176,100</b>
<b>Federal Fund</b>					
Current Receipts	12,322,000	12,322,000	12,322,000	12,322,000	12,322,000
Non-Revenue Receipts	-400,000	-200,000	-200,000	-200,000	-200,000
<b>Total Federal Fund</b>	<b>11,922,000</b>	<b>12,122,000</b>	<b>12,122,000</b>	<b>12,122,000</b>	<b>12,122,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>47,642,800</b>	<b>50,566,300</b>	<b>121,798,600</b>	<b>43,720,200</b>	<b>44,190,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	7,214,100	7,214,100	7,214,100	6,947,700	7,417,700
Operating Expenses	491,200	491,200	491,200	491,200	491,200
Grants Loans Benefits	38,607,600	42,861,000	44,369,300	36,281,300	36,281,300
Debt Service			69,724,000		
<b>TOTAL EXPENDITURES</b>	<b>46,312,900</b>	<b>50,566,300</b>	<b>121,798,600</b>	<b>43,720,200</b>	<b>44,190,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	29,418,400	33,471,800	104,704,100	26,892,100	26,892,100
Tobacco Fund	4,972,500	4,972,500	4,972,500	4,706,100	5,176,100
Federal Fund	11,922,000	12,122,000	12,122,000	12,122,000	12,122,000
<b>TOTAL EXPENDITURES</b>	<b>46,312,900</b>	<b>50,566,300</b>	<b>121,798,600</b>	<b>43,720,200</b>	<b>44,190,200</b>
<b>EXPENDITURES BY UNIT</b>					
Research Challenge Trust Fund	4,972,500	4,972,500	14,469,500	4,706,100	5,176,100
Regional University Excellence Trust Fund			1,900,000		
Technology Initiative Trust Fund	3,891,800	4,187,400	9,545,600	3,708,500	3,708,500
Physical Facilities Trust Fund			52,606,000		
Workforce Development Trust Fund			478,000		
Adult Education and Literacy Funding Program	30,713,100	31,895,600	33,093,700	29,025,700	29,025,700
Science and Technology Funding Program	5,333,800	5,582,700	5,736,200	4,944,300	4,944,300
Special Initiatives Funding Program	1,401,700	3,928,100	3,969,600	1,335,600	1,335,600
<b>TOTAL EXPENDITURES</b>	<b>46,312,900</b>	<b>50,566,300</b>	<b>121,798,600</b>	<b>43,720,200</b>	<b>44,190,200</b>

The **Strategic Investment and Incentive Funding Program** was created in the Kentucky Postsecondary Education Improvement Act of 1997, codified as KRS 164.7911. This program consists of appropriations for the Research Challenge Trust Fund and the Technology Initiative Trust Fund, as well as three programs established by the Council through the budget process: the Adult Education and Literacy Funding Program, the Science and Technology Funding Program, and the Special Initiatives Funding Program. These appropriations are made to the Council, which is responsible for establishing criteria and distributing these funds to postsecondary institutions in a manner that will allow the Commonwealth to accomplish the goals established in KRS 164.003(2).

**Adult Education and Literacy Funding Program**

Adult Education and Literacy aims to improve the educational status of adult Kentuckians who do not have a high school

diploma, who function at low levels of literacy or who want to learn the English language. Kentucky Adult Education contracts with local boards of education, community and technical colleges, community-based organizations, education consortia, public and private non-profit organizations and correctional institutions to provide adult education and literacy services in a variety of settings and locations. Every Kentucky county has a comprehensive adult education provider that offers all levels of adult education instruction, family literacy, and employability and life skills instruction. Many providers also offer English as a Second Language classes and workplace education. By statute, funds are allocated using a formula based on the number of adults in each county functioning at low literacy levels.

### **Research Challenge Trust Fund**

Tobacco Settlement – Phase I funds support competitive grants to researchers at the Brown Cancer Center at U of L and the Markey Cancer at UK. Funds are granted by the lung cancer research governance board established in KRS 164.476 to fund research into the causes, detection and treatment of lung cancer.

### **Science and Technology Funding Program**

The Science and Technology Funding program supports the initiatives established by the Kentucky Innovation Act in KRS 164.6011 through 164.6043. The **Experimental Program to Stimulate Competitive Research (EPSCoR)** program, a highly collaborative and successful federal research and development program initiated by the National Science Foundation in 1978, leverages state matching funds to bring additional federal research dollars to Kentucky. The Science and Technology Funding Program also provides funding for the **Science and Engineering Foundation**. The Science and Engineering Foundation, modeled on the National Science Foundation, makes investments in peer-reviewed science and engineering research. The **Knowledge-Based Economy Academic Program** supports postsecondary education programs in engineering and information technology. The Council on Postsecondary Education directed the public universities and colleges to work together to design a statewide strategy to educate more engineers, to integrate engineering education more closely into the technology-driven New Economy, and to recruit more women and minorities into engineering. Students at Western Kentucky University, Murray State University, the University of Louisville, and the University of Kentucky are enrolled in joint engineering classes.

### **Special Initiatives Funding Program**

The Council on Postsecondary Education allocates funds to institutions for activities that support the goals of Senate Bill 1 in the 2009 session of the General Assembly. These include professional development of faculty and revision of the pedagogic curriculum and assessment standards of colleges of education.

### **Technology Initiative Trust Fund**

This program includes funding for the Kentucky Postsecondary Education Network (KPEN), the Kentucky Virtual Campus and Virtual Library, the College Level Learning Assessment, the College Access Initiative, and faculty development activities that improve teaching and develop best practices, particularly for distance learning situations.

**Postsecondary Education**  
**Kentucky Higher Education Assistance Authority**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	205,302,000	236,626,900	241,626,800	237,244,000	242,244,000
Current Year Appropriation	2,300,000				
Continuing Approp-General Fund	8,528,500				
<b>Total General Fund</b>	<b>216,130,500</b>	<b>236,626,900</b>	<b>241,626,800</b>	<b>237,244,000</b>	<b>242,244,000</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Continuing Approp-Tob Settlement	537,000				
<b>Total Tobacco Fund</b>	<b>1,637,000</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>1,100,000</b>
<b>Restricted Funds</b>					
Balance Forward	5,248,900	2,133,900	1,890,600	4,298,000	4,052,600
Current Receipts	19,054,500	22,087,800	22,687,600	22,412,800	23,012,600
Non-Revenue Receipts	9,781,000	12,878,300	13,242,200	9,670,000	9,670,000
<b>Total Restricted Funds</b>	<b>34,084,400</b>	<b>37,100,000</b>	<b>37,820,400</b>	<b>36,380,800</b>	<b>36,735,200</b>
<b>Federal Fund</b>					
Balance Forward	172,500	172,500	172,500	400	
Current Receipts	59,300	33,800	33,800	33,400	33,800
Non-Revenue Receipts	-172,100				
<b>Total Federal Fund</b>	<b>59,700</b>	<b>206,300</b>	<b>206,300</b>	<b>33,800</b>	<b>33,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>251,911,600</b>	<b>275,033,200</b>	<b>280,753,500</b>	<b>274,758,600</b>	<b>280,113,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	15,883,300	16,669,200	17,025,000	16,196,000	16,233,700
Operating Expenses	2,884,600	2,841,700	2,841,700	2,841,700	2,841,700
Grants Loans Benefits	227,663,200	252,277,400	257,641,200	250,486,500	257,271,600
Debt Service	744,900	744,600	745,300	744,600	745,300
Capital Outlay	437,200	437,200	437,200	437,200	437,200
<b>TOTAL EXPENDITURES</b>	<b>247,613,200</b>	<b>272,970,100</b>	<b>278,690,400</b>	<b>270,706,000</b>	<b>277,529,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	216,130,500	236,626,900	241,626,800	237,244,000	242,244,000
Tobacco Fund	1,637,000	1,100,000	1,100,000	1,100,000	1,100,000
Restricted Funds	29,786,400	35,209,400	35,929,800	32,328,200	34,151,700
Federal Fund	59,300	33,800	33,800	33,800	33,800
<b>TOTAL EXPENDITURES</b>	<b>247,613,200</b>	<b>272,970,100</b>	<b>278,690,400</b>	<b>270,706,000</b>	<b>277,529,500</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	19,500,000	20,242,700	20,599,200	19,769,500	19,807,900
College Access Program	67,167,100	85,219,800	87,048,500	60,128,900	60,128,900
Kentucky Coal County College Completion Program	2,000,000	3,000,000	3,000,000	2,000,000	2,000,000
Work Study Program	400,000	400,000	400,000	400,000	400,000
Kentucky Tuition Grant	32,503,400	42,930,300	43,851,500	32,744,300	32,744,400
Workforce Development and Training				27,442,000	31,552,900
Teacher Scholarships	1,804,200	1,802,800	1,802,800	2,090,200	2,090,300
Ky National Guard Tuition	7,354,000	50,000	50,000	7,448,100	7,448,100
Osteopathic Medicine Scholarship	600,000	872,500	872,500	606,000	626,000
Ky Educational Excellence Scholarships	111,993,300	114,658,300	117,272,200	114,658,300	117,272,300
Early Childhood Development Scholarships	1,690,400	1,153,400	1,153,400	1,153,400	1,153,400

**EXPENDITURES BY UNIT**

Kentucky's Affordable Prepaid Tuition (KAPT)	450,000	450,000	450,000	450,000	450,000
Coal County Scholarship for Pharmacy Students	800,000	800,000	800,000	585,000	625,000
Early Graduation Scholarship Certificate	575,000	575,000	575,000	575,000	575,000
Other Programs	775,800	815,300	815,300	655,300	655,300
<b>TOTAL EXPENDITURES</b>	<b>247,613,200</b>	<b>272,970,100</b>	<b>278,690,400</b>	<b>270,706,000</b>	<b>277,529,500</b>

The mission of the Kentucky Higher Education Assistance Authority (KHEAA) is to increase educational attainment by providing student financial aid and other assistance to Kentuckians preparing for and attending college. KHEAA administers state grants, scholarships, work study and college savings programs for postsecondary students. The agency is the designated guarantor of insured student loans and disseminates college planning and financial aid information.

The Kentucky Higher Education Assistance Authority administers the following student aid programs:

The College Access Program awards grants to Kentucky's financially needy undergraduate students enrolled in a public or private non-profit college, public technical college, or proprietary school.

The Kentucky Tuition Grant program provides need-based grants to qualified Kentucky students who choose to attend one of the Commonwealth's 26 participating independent colleges and is designed to assist full-time students with tuition charges at these schools.

The Kentucky Educational Excellence Scholarships (KEES) program provides merit-based scholarships to eligible high school students based on their yearly grade point average and supplemental awards based on their highest ACT (or equivalent SAT) score attained by their high school graduation date. The scholarships can be used to pay the expenses of each year of college or technical training.

The Teacher Scholarship program is designed to assist financially needy Kentucky students with the costs incurred while seeking initial teacher certification. Recipients must agree to render qualified teaching service in the Commonwealth.

The Kentucky National Guard Tuition Award program provides tuition assistance to active members of the Kentucky National Guard to attend Kentucky's state-supported postsecondary educational institutions. The Department of Military Affairs selects the recipients and KHEAA forwards funds to the schools to be disbursed to the students.

The Osteopathic Medicine Scholarship program provides tuition equalization awards to eligible students who attend the University of Pikeville College of Osteopathic Medicine. Recipients must agree to provide medical services in Kentucky one year for each year they receive a scholarship, or repay their tuition grants.

The Coal County Pharmacy Scholarship Program provides tuition awards to eligible students at Kentucky colleges who agree to provide pharmacy services in a coal-producing county of Kentucky for one year for each year they receive the scholarship, or repay their tuition grants.

The Early Childhood Development Scholarship program provides tuition assistance to Kentucky residents pursuing a credential, certificate, or degree in early childhood education. It was established to upgrade the professional development of child-care workers and trainers who do not have access to state or federal professional development funds.

The Go Higher Grant program provides a financial incentive for non-traditional students who are enrolled on a less than full time basis and are therefore ineligible for most aid programs.

The John R. Justice program, supported by a Federal grant, provides student loan repayment assistance for public defenders and prosecutors who commit to continued employment for at least three years after graduation from law school.

The Kentucky Coal County College Completion Scholarship is awarded to coal county residents who have earned at least 60 credit hours toward a bachelor's degree and are enrolled at least half-time at a postsecondary institution located in a coal-producing county.

The Early Graduation Scholarship is awarded to students who graduate high school in three years. It can be used at any public or non-profit, independent institution the academic year immediately following graduation and is equal to one-half of the state portion of the average statewide per pupil guaranteed base funding level (SEEK allowance).

## Policy

The 2016-2018 Executive Budget includes a current year appropriation of \$2,300,000 in General Fund for the Kentucky National Guard Tuition Award. The budget also provides \$2,500,000 in additional General Fund in fiscal year 2016-2017 and in fiscal year 2017-2018 to support increased enrollments of Guard members.

The 2016-2018 Executive Budget includes a current year appropriation of \$754,500 in restricted funds for outreach programs formerly supported by a Federal grant and administrative expenses.

Notwithstanding KRS 154A.130(4), the Executive Budget provides General Fund of \$105,320,100 in fiscal year 2016-2017 and \$106,149,200 in fiscal year 2017-2018 for the Kentucky Educational Excellence Scholarships (KEES). Included in the restricted funds appropriation is \$9,338,200 in fiscal year 2016-2017 and \$11,123,100 in fiscal year 2017-2018 for KEES.

The 2016-2018 Executive Budget provides General Fund of \$27,442,000 in fiscal year 2016-2017 and \$31,552,900 in fiscal year 2017-2018 in the Workforce Development and Training program for student financial aid for participation in workforce development and training programs.

**Postsecondary Education**

**Postsecondary Education Institutions**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	916,204,900	979,504,700	1,037,655,700	840,449,900	848,372,100
<b>Total General Fund</b>	916,204,900	979,504,700	1,037,655,700	840,449,900	848,372,100
<b>Restricted Funds</b>					
Current Receipts	5,198,382,100	5,539,104,100	5,916,063,800	5,539,104,100	5,916,063,800
<b>Total Restricted Funds</b>	5,198,382,100	5,539,104,100	5,916,063,800	5,539,104,100	5,916,063,800
<b>Federal Fund</b>					
Current Receipts	883,603,200	912,686,500	943,097,700	912,686,500	943,097,700
<b>Total Federal Fund</b>	883,603,200	912,686,500	943,097,700	912,686,500	943,097,700
<b>TOTAL SOURCE OF FUNDS</b>	6,998,190,200	7,431,295,300	7,896,817,200	7,292,240,500	7,707,533,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,490,522,300	3,706,357,700	3,926,133,300	3,651,195,600	3,886,939,200
Operating Expenses	2,190,744,100	2,389,516,100	2,589,671,400	2,317,058,600	2,490,632,400
Grants Loans Benefits	925,671,300	961,391,600	990,183,900	951,522,300	941,029,200
Debt Service	147,389,700	155,009,100	153,436,600	154,346,200	153,343,400
Capital Outlay	202,693,900	219,020,400	237,392,000	218,117,800	235,589,400
<b>TOTAL EXPENDITURES</b>	6,957,021,300	7,431,294,900	7,896,817,200	7,292,240,500	7,707,533,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	875,036,000	979,504,700	1,037,655,700	840,449,900	848,372,100
Restricted Funds	5,198,382,100	5,539,104,100	5,916,063,800	5,539,104,100	5,916,063,800
Federal Fund	883,603,200	912,686,500	943,097,700	912,686,500	943,097,700
<b>TOTAL EXPENDITURES</b>	6,957,021,300	7,431,295,300	7,896,817,200	7,292,240,500	7,707,533,600
<b>EXPENDITURES BY UNIT</b>					
Eastern Kentucky University	363,671,300	376,404,100	386,276,400	367,433,800	353,842,500
Kentucky State University	62,236,100	66,880,100	67,680,100	58,541,000	52,441,100
Morehead State University	255,530,200	267,835,800	276,515,100	262,243,400	256,097,700
Murray State University	189,284,900	198,450,700	205,824,500	192,149,600	182,991,400
Northern Kentucky University	236,415,800	250,235,900	261,177,900	243,768,600	234,350,800
University of Kentucky	3,355,808,700	3,673,155,300	4,010,850,900	3,629,806,400	3,864,587,500
University of Louisville	1,221,311,500	1,263,023,000	1,301,441,600	1,241,451,000	1,228,670,200
Western Kentucky University	393,205,800	408,119,900	419,674,800	398,290,600	382,390,000
Kentucky Community and Technical College System	879,557,000	927,190,500	967,375,900	898,556,100	869,654,500
Postsecondary Education Performance Fund					282,507,900
<b>TOTAL EXPENDITURES</b>	6,957,021,300	7,431,295,300	7,896,817,200	7,292,240,500	7,707,533,600

**Postsecondary Education  
Eastern Kentucky University**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	68,033,800	70,881,100	73,728,400	61,910,800	41,294,500
<b>Total General Fund</b>	<b>68,033,800</b>	<b>70,881,100</b>	<b>73,728,400</b>	<b>61,910,800</b>	<b>41,294,500</b>
<b>Restricted Funds</b>					
Current Receipts	195,249,400	201,038,500	207,018,900	201,038,500	207,018,900
<b>Total Restricted Funds</b>	<b>195,249,400</b>	<b>201,038,500</b>	<b>207,018,900</b>	<b>201,038,500</b>	<b>207,018,900</b>
<b>Federal Fund</b>					
Current Receipts	103,449,600	104,484,500	105,529,100	104,484,500	105,529,100
<b>Total Federal Fund</b>	<b>103,449,600</b>	<b>104,484,500</b>	<b>105,529,100</b>	<b>104,484,500</b>	<b>105,529,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>366,732,800</b>	<b>376,404,100</b>	<b>386,276,400</b>	<b>367,433,800</b>	<b>353,842,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	179,385,000	182,722,700	186,159,100	182,722,700	186,159,100
Operating Expenses	63,233,000	69,948,200	73,638,400	61,405,400	42,058,700
Grants Loans Benefits	111,502,300	114,004,100	116,567,100	113,577,000	115,712,900
Debt Service	7,594,600	7,735,900	7,881,500	7,735,900	7,881,500
Capital Outlay	1,956,400	1,992,800	2,030,300	1,992,800	2,030,300
<b>TOTAL EXPENDITURES</b>	<b>363,671,300</b>	<b>376,403,700</b>	<b>386,276,400</b>	<b>367,433,800</b>	<b>353,842,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	64,972,300	70,881,100	73,728,400	61,910,800	41,294,500
Restricted Funds	195,249,400	201,038,500	207,018,900	201,038,500	207,018,900
Federal Fund	103,449,600	104,484,500	105,529,100	104,484,500	105,529,100
<b>TOTAL EXPENDITURES</b>	<b>363,671,300</b>	<b>376,404,100</b>	<b>386,276,400</b>	<b>367,433,800</b>	<b>353,842,500</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	91,747,000	96,676,315	99,025,530	88,987,300	69,154,200
Research	1,056,600	1,044,900	1,058,500	1,044,900	1,058,500
Public Service	51,059,900	54,360,300	55,045,100	54,360,300	55,045,100
Libraries	3,567,400	5,529,900	5,694,300	5,529,900	5,694,300
Academic Support	21,137,500	20,629,465	21,381,130	20,487,100	21,096,400
Student Services	21,657,800	20,652,025	21,949,350	19,940,200	20,525,700
Institutional Support	32,410,200	36,640,300	37,722,900	36,640,300	37,722,900
Operation and Maintenance of Plant	23,350,100	19,167,000	19,737,200	19,167,000	19,737,200
Scholarships and Fellowships	85,013,700	84,142,395	85,988,690	83,715,300	85,134,500
Mandatory Transfers	7,509,000				
Non-Mandatory Transfers	750,900	13,464,100	13,859,500	13,464,100	13,859,500
Auxilliary Enterprises	24,411,200	24,097,400	24,814,200	24,097,400	24,814,200
<b>TOTAL EXPENDITURES</b>	<b>363,671,300</b>	<b>376,404,100</b>	<b>386,276,400</b>	<b>367,433,800</b>	<b>353,842,500</b>

Eastern Kentucky University, originally founded as a training school for teachers, has grown into a comprehensive postsecondary institution with approximately 16,000 students. In addition to the main campus in Richmond, ECU operates regional campuses at Corbin, Danville, Manchester and Somerset.

Baccalaureate degree programs are offered in liberal arts and sciences, business and technology, education, health sciences, and the university's program of distinction, justice and public safety. Each academic program requires students to demonstrate effective communication, creativity and critical thinking skills.

Advanced degrees are offered in education, psychology and technology, and doctoral programs in educational leadership, nursing practice and occupational therapy.

Phase 2 of ECU's science building, which will house biology and geosciences, will open in Fall 2017, making it the largest science facility on any campus in Kentucky.

**Postsecondary Education  
Kentucky State University**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	23,429,600	29,660,100	29,460,100	21,321,000	14,221,100
<b>Total General Fund</b>	<b>23,429,600</b>	<b>29,660,100</b>	<b>29,460,100</b>	<b>21,321,000</b>	<b>14,221,100</b>
<b>Restricted Funds</b>					
Current Receipts	20,545,300	18,220,000	19,220,000	18,220,000	19,220,000
<b>Total Restricted Funds</b>	<b>20,545,300</b>	<b>18,220,000</b>	<b>19,220,000</b>	<b>18,220,000</b>	<b>19,220,000</b>
<b>Federal Fund</b>					
Current Receipts	19,315,500	19,000,000	19,000,000	19,000,000	19,000,000
<b>Total Federal Fund</b>	<b>19,315,500</b>	<b>19,000,000</b>	<b>19,000,000</b>	<b>19,000,000</b>	<b>19,000,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>63,290,400</b>	<b>66,880,100</b>	<b>67,680,100</b>	<b>58,541,000</b>	<b>52,441,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	37,233,600	39,632,800	40,087,000	35,671,400	32,692,700
Operating Expenses	16,613,600	18,795,700	19,064,500	14,818,000	12,780,300
Grants Loans Benefits	7,117,900	7,219,200	7,284,600	6,819,200	5,724,100
Debt Service	350,000	350,000	350,000	350,000	350,000
Capital Outlay	921,000	882,400	894,000	882,400	894,000
<b>TOTAL EXPENDITURES</b>	<b>62,236,100</b>	<b>66,880,100</b>	<b>67,680,100</b>	<b>58,541,000</b>	<b>52,441,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	22,375,300	29,660,100	29,460,100	21,321,000	14,221,100
Restricted Funds	20,545,300	18,220,000	19,220,000	18,220,000	19,220,000
Federal Fund	19,315,500	19,000,000	19,000,000	19,000,000	19,000,000
<b>TOTAL EXPENDITURES</b>	<b>62,236,100</b>	<b>66,880,100</b>	<b>67,680,100</b>	<b>58,541,000</b>	<b>52,441,100</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	11,258,000	11,288,300	11,618,400	10,788,300	8,946,000
Research	6,049,500	7,353,600	7,428,200	5,797,200	4,735,800
Public Service	7,417,600	8,282,200	8,373,600	7,108,100	5,779,500
Academic Support	3,032,900	2,906,300	2,943,600	2,906,300	2,943,600
Student Services	5,882,100	7,836,700	7,783,500	5,636,700	4,573,300
Institutional Support	12,080,600	12,986,800	13,125,800	10,478,200	10,640,100
Operation and Maintenance of Plant	6,302,300	6,039,300	6,117,000	6,039,300	4,910,000
Scholarships and Fellowships	8,020,500	8,085,800	8,161,900	7,685,800	7,784,700
Auxilliary Enterprises	2,192,600	2,101,100	2,128,100	2,101,100	2,128,100
<b>TOTAL EXPENDITURES</b>	<b>62,236,100</b>	<b>66,880,100</b>	<b>67,680,100</b>	<b>58,541,000</b>	<b>52,441,100</b>

Like other comprehensive universities, Kentucky State University was founded as a training school for teachers. An historically black university, it is also a land grant institution charged with educating and improving the lives of Kentucky's rural residents. The Cooperative Extension Program complements the research activities of the divisions of agriculture and natural resources, aquaculture, environmental studies and sustainable systems, food and animal science and family and consumer science and provides an avenue for technology transfer of research findings that are relevant to Kentuckians, especially those with limited resources living in rural areas.

In addition to its teaching and agriculture departments, KSU offers traditional liberal arts courses, business, computer science, public administration, nursing and pre-professional education for medicine, dentistry, law, engineering and other fields. Kentucky State provides an opportunity for students, including non-traditional students, who otherwise would not have access to college education.

The Lexington Legends recently partnered with KSU to sponsor ten students to attend professional baseball's winter meetings in Nashville, TN, where they participated in a job fair for positions in promotions, sales, community relations, media relations and broadcasting.

**Postsecondary Education  
Morehead State University**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	43,339,500	45,031,300	46,723,100	39,438,900	26,305,700
<b>Total General Fund</b>	<b>43,339,500</b>	<b>45,031,300</b>	<b>46,723,100</b>	<b>39,438,900</b>	<b>26,305,700</b>
<b>Restricted Funds</b>					
Current Receipts	114,426,500	120,719,600	125,861,500	120,719,600	125,861,500
<b>Total Restricted Funds</b>	<b>114,426,500</b>	<b>120,719,600</b>	<b>125,861,500</b>	<b>120,719,600</b>	<b>125,861,500</b>
<b>Federal Fund</b>					
Current Receipts	99,714,500	102,084,900	103,930,500	102,084,900	103,930,500
<b>Total Federal Fund</b>	<b>99,714,500</b>	<b>102,084,900</b>	<b>103,930,500</b>	<b>102,084,900</b>	<b>103,930,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>257,480,500</b>	<b>267,835,800</b>	<b>276,515,100</b>	<b>262,243,400</b>	<b>256,097,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	96,094,700	103,076,400	108,516,900	101,892,600	106,149,300
Operating Expenses	35,974,800	36,391,100	37,151,600	35,883,100	36,135,600
Grants Loans Benefits	101,509,300	106,517,900	108,953,600	102,617,300	91,919,800
Debt Service	8,522,900	8,522,900	8,522,900	8,522,900	8,522,900
Capital Outlay	13,428,500	13,327,500	13,370,100	13,327,500	13,370,100
<b>TOTAL EXPENDITURES</b>	<b>255,530,200</b>	<b>267,835,800</b>	<b>276,515,100</b>	<b>262,243,400</b>	<b>256,097,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	41,389,200	45,031,300	46,723,100	39,438,900	26,305,700
Restricted Funds	114,426,500	120,719,600	125,861,500	120,719,600	125,861,500
Federal Fund	99,714,500	102,084,900	103,930,500	102,084,900	103,930,500
<b>TOTAL EXPENDITURES</b>	<b>255,530,200</b>	<b>267,835,800</b>	<b>276,515,100</b>	<b>262,243,400</b>	<b>256,097,700</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	44,746,300	49,065,600	51,536,300	44,319,100	40,690,600
Research	5,131,800	4,449,100	3,593,700	4,449,100	3,593,700
Public Service	9,232,000	8,909,600	9,813,000	8,909,600	9,813,000
Libraries	3,499,200	3,627,600	3,753,200	3,627,600	3,753,200
Academic Support	11,924,400	13,730,100	14,061,100	13,307,100	13,215,200
Student Services	19,062,700	19,782,100	20,810,100	19,359,200	17,468,900
Institutional Support	17,058,700	17,670,400	18,308,900	17,670,400	15,813,600
Operation and Maintenance of Plant	10,350,400	10,750,700	11,141,700	10,750,700	11,141,700
Scholarships and Fellowships	102,431,800	106,517,900	108,953,600	106,517,900	106,064,300
Mandatory Transfers	3,594,600	3,733,600	3,869,400	3,733,600	3,869,400
Non-Mandatory Transfers	9,300,700	9,660,400	10,011,700	9,660,400	10,011,700
Auxilliary Enterprises	19,197,600	19,938,700	20,662,400	19,938,700	20,662,400
<b>TOTAL EXPENDITURES</b>	<b>255,530,200</b>	<b>267,835,800</b>	<b>276,515,100</b>	<b>262,243,400</b>	<b>256,097,700</b>

Morehead State University enrolled 10,839 students for the fall semester of 2015, including 60 high school juniors enrolled in the inaugural class of the Craft Academy for Excellence in Science and Mathematics.

Morehead's in-state undergraduate tuition is low compared to state peer institutions, and it enrolls the largest percentage of Pell-eligible students. The University strives to provide high quality education while increasing efficiency and productivity. Morehead was the first Kentucky institution to offer a complete degree program on-line.

Morehead's program of distinction is space science. Morehead faculty and undergraduate students have collaborated with students and scientists from around the world to build and launch satellites to explore and carry on important investigations in space. A 21-meter tracking antenna is located on the campus.

**Postsecondary Education**

**Murray State University**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	48,025,100	50,004,000	51,982,900	43,702,900	29,149,800
<b>Total General Fund</b>	<b>48,025,100</b>	<b>50,004,000</b>	<b>51,982,900</b>	<b>43,702,900</b>	<b>29,149,800</b>
<b>Restricted Funds</b>					
Current Receipts	124,728,800	129,754,600	135,149,500	129,754,600	135,149,500
<b>Total Restricted Funds</b>	<b>124,728,800</b>	<b>129,754,600</b>	<b>135,149,500</b>	<b>129,754,600</b>	<b>135,149,500</b>
<b>Federal Fund</b>					
Current Receipts	18,692,100	18,692,100	18,692,100	18,692,100	18,692,100
<b>Total Federal Fund</b>	<b>18,692,100</b>	<b>18,692,100</b>	<b>18,692,100</b>	<b>18,692,100</b>	<b>18,692,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>191,446,000</b>	<b>198,450,700</b>	<b>205,824,500</b>	<b>192,149,600</b>	<b>182,991,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	117,638,500	121,928,100	127,661,600	122,664,300	113,506,100
Operating Expenses	50,005,400	52,057,600	54,267,600	50,005,400	50,005,400
Grants Loans Benefits	12,288,100	14,449,200	14,449,200	10,127,000	10,127,000
Debt Service	7,312,200	7,975,100	7,405,400	7,312,200	7,312,200
Capital Outlay	2,040,700	2,040,700	2,040,700	2,040,700	2,040,700
<b>TOTAL EXPENDITURES</b>	<b>189,284,900</b>	<b>198,450,700</b>	<b>205,824,500</b>	<b>192,149,600</b>	<b>182,991,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	45,864,000	50,004,000	51,982,900	43,702,900	29,149,800
Restricted Funds	124,728,800	129,754,600	135,149,500	129,754,600	135,149,500
Federal Fund	18,692,100	18,692,100	18,692,100	18,692,100	18,692,100
<b>TOTAL EXPENDITURES</b>	<b>189,284,900</b>	<b>198,450,700</b>	<b>205,824,500</b>	<b>192,149,600</b>	<b>182,991,400</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	65,279,400	70,207,400	73,379,800	68,144,100	67,135,600
Research	1,855,000	1,888,100	1,921,200	1,855,000	1,855,000
Public Service	7,857,300	8,051,600	8,245,900	7,857,300	7,857,300
Libraries	3,001,300	3,209,200	3,443,100	3,001,300	3,001,300
Academic Support	7,287,100	7,650,500	7,808,900	7,287,100	7,287,100
Student Services	16,885,800	17,518,600	17,924,900	16,885,800	14,848,400
Institutional Support	21,514,000	22,680,800	23,847,600	21,514,000	19,040,000
Operation and Maintenance of Plant	25,044,500	25,709,600	26,561,800	25,044,500	21,406,200
Scholarships and Fellowships	14,109,600	14,109,600	14,109,600	14,109,600	14,109,600
Mandatory Transfers	7,178,400	7,178,400	7,178,400	7,178,400	7,178,400
Non-Mandatory Transfers	1,494,000	1,494,000	1,494,000	1,494,000	1,494,000
Auxilliary Enterprises	17,778,500	18,752,900	19,909,300	17,778,500	17,778,500
<b>TOTAL EXPENDITURES</b>	<b>189,284,900</b>	<b>198,450,700</b>	<b>205,824,500</b>	<b>192,149,600</b>	<b>182,991,400</b>

Murray State University's 53.1 percent graduation rate is the best among Kentucky's comprehensive universities, as is the retention rate of 72.4 percent. In addition to the main campus in Calloway County, Murray operates regional campuses at Paducah, Madisonville, Hopkinsville, Henderson and Fort Campbell. Cooperation agreements with local community and technical colleges make it possible for students in those locations to earn a four-year degree in education, business, social work or nursing. MSU faculty also provide instructional support for the University of Kentucky's engineering program in Paducah.

In addition to teacher education programs, Murray State University also offers baccalaureate and masters degrees in business, health sciences, agriculture, liberal arts, sciences, engineering and technology. The program of distinction is telecommunications systems management (TSM) and is available at the main campus as well as on-line. About 60% of the students in the TSM Masters degree program are studying on-line. MSU also has an acclaimed on-line MBA program, the largest in the Commonwealth.

**Postsecondary Education  
Northern Kentucky University**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	48,537,600	55,970,700	63,403,800	49,503,400	36,576,700
<b>Total General Fund</b>	<b>48,537,600</b>	<b>55,970,700</b>	<b>63,403,800</b>	<b>49,503,400</b>	<b>36,576,700</b>
<b>Restricted Funds</b>					
Current Receipts	173,213,000	177,415,800	180,924,700	177,415,800	180,924,700
<b>Total Restricted Funds</b>	<b>173,213,000</b>	<b>177,415,800</b>	<b>180,924,700</b>	<b>177,415,800</b>	<b>180,924,700</b>
<b>Federal Fund</b>					
Current Receipts	16,849,400	16,849,400	16,849,400	16,849,400	16,849,400
<b>Total Federal Fund</b>	<b>16,849,400</b>	<b>16,849,400</b>	<b>16,849,400</b>	<b>16,849,400</b>	<b>16,849,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>238,600,000</b>	<b>250,235,900</b>	<b>261,177,900</b>	<b>243,768,600</b>	<b>234,350,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	138,715,600	154,491,300	164,142,000	141,142,900	125,719,600
Operating Expenses	47,117,800	44,257,200	45,418,500	51,760,300	57,655,800
Grants Loans Benefits	35,196,700	35,835,500	35,655,500	35,416,100	35,416,100
Debt Service	12,430,900	12,430,900	12,440,900	12,430,900	12,440,900
Capital Outlay	2,954,800	3,221,000	3,521,000	3,018,400	3,118,400
<b>TOTAL EXPENDITURES</b>	<b>236,415,800</b>	<b>250,235,900</b>	<b>261,177,900</b>	<b>243,768,600</b>	<b>234,350,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	46,353,400	55,970,700	63,403,800	49,503,400	36,576,700
Restricted Funds	173,213,000	177,415,800	180,924,700	177,415,800	180,924,700
Federal Fund	16,849,400	16,849,400	16,849,400	16,849,400	16,849,400
<b>TOTAL EXPENDITURES</b>	<b>236,415,800</b>	<b>250,235,900</b>	<b>261,177,900</b>	<b>243,768,600</b>	<b>234,350,800</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	76,142,900	82,963,900	89,134,200	83,495,700	77,045,100
Research	1,296,000	1,447,400	1,497,800	1,296,000	1,296,000
Public Service	11,430,700	11,748,800	11,916,200	11,430,700	11,430,700
Libraries	6,186,700	6,581,800	6,826,000	6,186,700	6,186,700
Academic Support	18,403,300	19,622,200	20,362,600	18,403,300	17,579,100
Student Services	21,703,500	23,145,300	23,899,300	21,703,500	21,703,500
Institutional Support	29,810,100	31,590,900	32,667,100	29,810,100	27,667,100
Operation and Maintenance of Plant	18,983,600	20,018,700	21,432,300	18,983,600	18,983,600
Scholarships and Fellowships	30,244,800	30,583,600	30,583,600	30,244,800	30,244,800
Mandatory Transfers	6,210,800	6,210,800	6,210,800	6,210,800	6,210,800
Non-Mandatory Transfers	55,900	55,900	55,900	55,900	55,900
Auxilliary Enterprises	15,947,500	16,266,600	16,592,100	15,947,500	15,947,500
<b>TOTAL EXPENDITURES</b>	<b>236,415,800</b>	<b>250,235,900</b>	<b>261,177,900</b>	<b>243,768,600</b>	<b>234,350,800</b>

Northern Kentucky University is the only one of Kentucky's comprehensive universities that did not start as an institution for training teachers. NKU began as a community college under the University of Kentucky and became an autonomous institution by an act of the General Assembly in 1968. Upper division courses were offered beginning in 1971, the same year that Salmon P. Chase College of Law merged with what was then known as Northern Kentucky State College. Today there are over 15,000 students enrolled. Although about one-third are non-residents, the Kentuckians among them come from 106 of the state's 120 counties. Boone, Kenton and Campbell counties in northern Kentucky account for 7,533 students. Due to limited dormitory space, 86% of undergraduates commute.

Between 45% and 50% of NKU's first time, full-time students are first generation college-goers. The university seeks to provide support services that make it possible for all members of its diverse student body to succeed. Academic advisors

use a web-based system to proactively identify students who are “off path” for timely degree completion and suggest changes to guide students to a degree. Another particular focus is on transfer students, reflecting NKU’s continuing connection with Gateway Community and Technical College. Gateway2NKU maintains 39 program pathways for seamless transfer between the institutions. Social work pathway participants, for example, graduate in three semesters after transfer to NKU

### **Policy**

The Executive Budget provides an additional \$5,334,200 in General Fund in fiscal year 2016-2017 and \$10,668,400 in fiscal year 2017-2018 to address disparities in the allocation of state appropriations among the comprehensive postsecondary education institutions.

**Postsecondary Education**  
**University of Kentucky**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	279,611,300	297,795,200	315,979,100	254,446,300	169,715,700
<b>Total General Fund</b>	<b>279,611,300</b>	<b>297,795,200</b>	<b>315,979,100</b>	<b>254,446,300</b>	<b>169,715,700</b>
<b>Restricted Funds</b>					
Current Receipts	2,859,905,700	3,133,535,600	3,439,190,500	3,133,535,600	3,439,190,500
<b>Total Restricted Funds</b>	<b>2,859,905,700</b>	<b>3,133,535,600</b>	<b>3,439,190,500</b>	<b>3,133,535,600</b>	<b>3,439,190,500</b>
<b>Federal Fund</b>					
Current Receipts	228,874,200	241,824,500	255,681,300	241,824,500	255,681,300
<b>Total Federal Fund</b>	<b>228,874,200</b>	<b>241,824,500</b>	<b>255,681,300</b>	<b>241,824,500</b>	<b>255,681,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,368,391,200</b>	<b>3,673,155,300</b>	<b>4,010,850,900</b>	<b>3,629,806,400</b>	<b>3,864,587,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,543,222,600	1,675,697,700	1,825,157,500	1,659,113,900	1,707,259,300
Operating Expenses	1,400,030,700	1,549,885,100	1,712,620,300	1,524,220,000	1,686,455,100
Grants Loans Benefits	186,593,500	198,283,100	207,995,800	197,883,100	207,195,800
Debt Service	76,173,200	84,327,800	83,169,400	84,327,800	83,169,400
Capital Outlay	149,788,700	164,961,600	181,907,900	164,261,600	180,507,900
<b>TOTAL EXPENDITURES</b>	<b>3,355,808,700</b>	<b>3,673,155,300</b>	<b>4,010,850,900</b>	<b>3,629,806,400</b>	<b>3,864,587,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	267,028,800	297,795,200	315,979,100	254,446,300	169,715,700
Restricted Funds	2,859,905,700	3,133,535,600	3,439,190,500	3,133,535,600	3,439,190,500
Federal Fund	228,874,200	241,824,500	255,681,300	241,824,500	255,681,300
<b>TOTAL EXPENDITURES</b>	<b>3,355,808,700</b>	<b>3,673,155,300</b>	<b>4,010,850,900</b>	<b>3,629,806,400</b>	<b>3,864,587,500</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	417,734,300	442,762,700	456,520,400	691,732,000	926,513,100
Research	324,009,400	341,596,300	360,169,400	324,009,400	324,009,400
Public Service	398,112,100	420,116,500	443,866,500	398,112,100	398,112,100
Libraries	26,486,400	27,068,700	27,714,200	26,486,400	26,486,400
Academic Support	89,496,900	92,641,900	96,105,300	89,496,900	89,496,900
Student Services	43,668,000	44,834,500	46,134,300	43,668,000	43,668,000
Institutional Support	172,351,500	176,187,500	180,521,300	172,351,500	172,351,500
Operation and Maintenance of Plant	80,682,600	83,571,000	88,577,300	80,682,600	80,682,600
Scholarships and Fellowships	186,593,500	198,283,100	207,995,800	186,593,500	186,593,500
Mandatory Transfers	19,921,900	28,076,500	26,918,100	19,921,900	19,921,900
Auxilliary Enterprises	227,489,100	241,853,300	261,782,500	227,489,100	227,489,100
Hospitals	1,369,263,000	1,576,163,300	1,814,545,800	1,369,263,000	1,369,263,000
<b>TOTAL EXPENDITURES</b>	<b>3,355,808,700</b>	<b>3,673,155,300</b>	<b>4,010,850,900</b>	<b>3,629,806,400</b>	<b>3,864,587,500</b>

The University of Kentucky is Commonwealth's flagship institution of higher education. It is one of the nation's top research universities and also has an important land grant mission for a state where agriculture is a major economic sector. UK is one of only seven universities in the United States with schools of agriculture, engineering, law, medicine and pharmacy on a single campus. It also maintains professional programs in dentistry, architecture, business, economics, education and social professions.

In fall 2015 UK enrolled 30,704 students, including 82% of last year's freshman class who returned as sophomores, the highest retention rate ever.

The University campus is undergoing dramatic physical change. The Academic Science Building, constructed with a contribution of \$65 million from UK Athletics, will open later this year. Renovation of the Gatton College of Business and Economics that will increase the footprint of the building by 40% is being paid for entirely by private philanthropy. In

partnership with EdR 6,500 new beds have been constructed for on-campus housing, with 2015 applications at 132% of capacity. Up to 2,500 additional beds are planned. The new UK Student Center is under construction, aided by a \$20 million donation.

University researchers employ 8,114 Kentuckians who generate over \$21 million in state and local taxes annually. Currently on-going investigations include problems of aging, cancer, cardiovascular and neuro-generative diseases; renewable fuels and plant-based alternatives for industrial manufacturing; drug development and delivery system design; plant bio-tech; equine health; and materials for medical devices and implants.

**Postsecondary Education**

**University of Louisville**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	140,416,300	148,131,900	157,186,900	126,559,900	84,415,500
<b>Total General Fund</b>	<b>140,416,300</b>	<b>148,131,900</b>	<b>157,186,900</b>	<b>126,559,900</b>	<b>84,415,500</b>
<b>Restricted Funds</b>					
Current Receipts	974,383,300	1,001,343,000	1,029,921,100	1,001,343,000	1,029,921,100
<b>Total Restricted Funds</b>	<b>974,383,300</b>	<b>1,001,343,000</b>	<b>1,029,921,100</b>	<b>1,001,343,000</b>	<b>1,029,921,100</b>
<b>Federal Fund</b>					
Current Receipts	112,770,400	113,548,100	114,333,600	113,548,100	114,333,600
<b>Total Federal Fund</b>	<b>112,770,400</b>	<b>113,548,100</b>	<b>114,333,600</b>	<b>113,548,100</b>	<b>114,333,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,227,570,000</b>	<b>1,263,023,000</b>	<b>1,301,441,600</b>	<b>1,241,451,000</b>	<b>1,228,670,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	714,876,300	736,535,600	759,155,800	731,266,900	706,474,000
Operating Expenses	335,753,600	357,145,200	372,943,600	340,841,900	352,854,000
Grants Loans Benefits	129,417,300	129,417,300	129,417,300	129,417,300	129,417,300
Debt Service	18,835,700	17,496,300	17,496,300	17,496,300	17,496,300
Capital Outlay	22,428,600	22,428,600	22,428,600	22,428,600	22,428,600
<b>TOTAL EXPENDITURES</b>	<b>1,221,311,500</b>	<b>1,263,023,000</b>	<b>1,301,441,600</b>	<b>1,241,451,000</b>	<b>1,228,670,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	134,157,800	148,131,900	157,186,900	126,559,900	84,415,500
Restricted Funds	974,383,300	1,001,343,000	1,029,921,100	1,001,343,000	1,029,921,100
Federal Fund	112,770,400	113,548,100	114,333,600	113,548,100	114,333,600
<b>TOTAL EXPENDITURES</b>	<b>1,221,311,500</b>	<b>1,263,023,000</b>	<b>1,301,441,600</b>	<b>1,241,451,000</b>	<b>1,228,670,200</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	367,796,400	387,434,000	401,363,000	389,275,300	405,995,600
Research	146,088,800	151,754,700	157,635,400	146,088,800	138,924,300
Public Service	110,576,200	114,537,800	118,662,100	110,576,200	110,576,200
Libraries	20,632,700	21,149,500	21,696,600	20,632,700	20,632,700
Academic Support	141,721,500	146,787,000	152,060,700	141,721,500	134,557,000
Student Services	32,840,900	34,014,800	35,236,800	32,840,900	32,840,900
Institutional Support	97,066,000	99,497,400	102,071,300	97,066,000	97,066,000
Operation and Maintenance of Plant	52,242,000	53,550,600	54,935,900	52,242,000	52,242,000
Scholarships and Fellowships	131,329,900	134,619,500	138,102,100	131,329,900	124,586,700
Mandatory Transfers	18,835,700	17,496,300	17,496,300	17,496,300	9,067,400
Auxilliary Enterprises	102,181,400	102,181,400	102,181,400	102,181,400	102,181,400
Hospitals	0				
<b>TOTAL EXPENDITURES</b>	<b>1,221,311,500</b>	<b>1,263,023,000</b>	<b>1,301,441,600</b>	<b>1,241,451,000</b>	<b>1,228,670,200</b>

The University of Louisville is Kentucky's metropolitan research university, with missions of teaching, research and service. Located in the state's largest city, U of L operates on three campuses: the historic Belknap Campus, the Health Sciences Campus in downtown Louisville's medical complex, and the Shelby Campus in suburban Jefferson County. U of L enrolled 22,599 students in the fall of 2015, including 2,736 freshman with an average ACT composite score of 25.5. In addition, 79.4 percent of last fall's freshman class returned. The six-year graduation rate is now 52.9 percent.

U of L researchers received almost \$137 million in grant funding in 2015. The University focuses on translational research, new knowledge and discoveries that can improve people's lives now. The Nucleus facility downtown was developed with innovative tax-increment financing to incubate and accelerate business entities that provide the bridges from the academy into the larger world. The FirstBuild micro-factory on the Belknap campus designs and builds the next generation of home appliances in collaboration with GE Appliances and Local Motors. Medical research focuses on treatment of pediatric spinal cord injuries, biodefense and emerging infectious diseases, and cancer. Development continues at the Shelby Campus where a conference center and hotel are planned.

**Postsecondary Education  
Western Kentucky University**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	74,649,400	80,348,300	86,047,200	70,519,000	48,762,400
<b>Total General Fund</b>	<b>74,649,400</b>	<b>80,348,300</b>	<b>86,047,200</b>	<b>70,519,000</b>	<b>48,762,400</b>
<b>Restricted Funds</b>					
Current Receipts	283,104,600	288,960,600	294,816,600	288,960,600	294,816,600
<b>Total Restricted Funds</b>	<b>283,104,600</b>	<b>288,960,600</b>	<b>294,816,600</b>	<b>288,960,600</b>	<b>294,816,600</b>
<b>Federal Fund</b>					
Current Receipts	38,811,000	38,811,000	38,811,000	38,811,000	38,811,000
<b>Total Federal Fund</b>	<b>38,811,000</b>	<b>38,811,000</b>	<b>38,811,000</b>	<b>38,811,000</b>	<b>38,811,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>396,565,000</b>	<b>408,119,900</b>	<b>419,674,800</b>	<b>398,290,600</b>	<b>382,390,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	190,661,000	199,638,900	208,505,800	193,940,000	197,108,000
Operating Expenses	94,498,600	98,555,800	99,307,800	94,425,400	97,765,400
Grants Loans Benefits	85,400,400	87,262,400	89,180,400	87,262,400	64,835,800
Debt Service	16,170,200	16,170,200	16,170,200	16,170,200	16,170,200
Capital Outlay	6,475,600	6,492,600	6,510,600	6,492,600	6,510,600
<b>TOTAL EXPENDITURES</b>	<b>393,205,800</b>	<b>408,119,900</b>	<b>419,674,800</b>	<b>398,290,600</b>	<b>382,390,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	71,290,200	80,348,300	86,047,200	70,519,000	48,762,400
Restricted Funds	283,104,600	288,960,600	294,816,600	288,960,600	294,816,600
Federal Fund	38,811,000	38,811,000	38,811,000	38,811,000	38,811,000
<b>TOTAL EXPENDITURES</b>	<b>393,205,800</b>	<b>408,119,900</b>	<b>419,674,800</b>	<b>398,290,600</b>	<b>382,390,000</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	115,845,800	124,341,000	129,362,700	120,930,600	118,650,000
Research	6,160,600	6,236,800	6,309,900	6,160,600	6,160,600
Public Service	16,843,500	16,995,800	17,141,800	16,843,500	16,843,500
Libraries	8,706,100	9,091,500	9,477,500	8,706,100	8,706,100
Academic Support	18,087,900	18,877,100	19,651,100	18,087,900	16,209,300
Student Services	37,269,000	38,571,700	39,845,800	37,269,000	35,390,300
Institutional Support	43,564,100	44,634,900	45,892,900	43,564,100	39,337,200
Operation and Maintenance of Plant	37,322,400	38,228,700	39,062,700	37,322,400	33,565,200
Scholarships and Fellowships	74,614,900	76,350,900	78,138,900	74,614,900	72,736,300
Non-Mandatory Transfers	12,044,500	12,044,500	12,044,500	12,044,500	12,044,500
Auxilliary Enterprises	22,747,000	22,747,000	22,747,000	22,747,000	22,747,000
<b>TOTAL EXPENDITURES</b>	<b>393,205,800</b>	<b>408,119,900</b>	<b>419,674,800</b>	<b>398,290,600</b>	<b>382,390,000</b>

Western Kentucky University is the largest of Kentucky's six comprehensive postsecondary institutions with over 20,000 students on the main campus in Bowling Green and at regional campuses in Glasgow, Owensboro and Elizabethtown. In addition to its traditional mission to train teachers and education leaders for the schools in its service area, WKU provides academic programs in liberal arts and sciences, business, engineering, health sciences and agriculture.

WKU offers 1,700 courses on-line in 80 complete academic programs at the undergraduate and graduate level.

WKU is the home of the Gatton Academy of Mathematics and Science for exceptional Kentucky high school juniors and seniors. The Academy was named the number one high school in the United States in 2012 and 2013 by Newsweek.

Last year 600 WKU students participated in study abroad in 39 countries. WKU students also enjoy a global experience through the presence of faculty and fellow students recruited from around the world. The Confucius Institute expands knowledge and strengthens ties with China through language education and arts and cultural programming.

**Policy**

The Executive Budget provides an additional \$2,588,000 from the General Fund in fiscal year 2016-2017 and \$5,176,000 in fiscal year 2017-2018 to address disparities in the allocation of state appropriations among the comprehensive postsecondary education institutions.

**Postsecondary Education**  
**Kentucky Community and Technical College System**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	190,162,300	201,682,100	213,144,200	173,047,700	115,422,800
<b>Total General Fund</b>	<b>190,162,300</b>	<b>201,682,100</b>	<b>213,144,200</b>	<b>173,047,700</b>	<b>115,422,800</b>
<b>Restricted Funds</b>					
Current Receipts	452,825,500	468,116,400	483,961,000	468,116,400	483,961,000
<b>Total Restricted Funds</b>	<b>452,825,500</b>	<b>468,116,400</b>	<b>483,961,000</b>	<b>468,116,400</b>	<b>483,961,000</b>
<b>Federal Fund</b>					
Current Receipts	245,126,500	257,392,000	270,270,700	257,392,000	270,270,700
<b>Total Federal Fund</b>	<b>245,126,500</b>	<b>257,392,000</b>	<b>270,270,700</b>	<b>257,392,000</b>	<b>270,270,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>888,114,300</b>	<b>927,190,500</b>	<b>967,375,900</b>	<b>898,556,100</b>	<b>869,654,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	472,695,000	492,634,200	506,747,600	482,780,900	429,363,200
Operating Expenses	147,516,600	162,480,200	175,259,100	143,699,100	154,922,100
Grants Loans Benefits	256,645,800	268,402,900	280,680,400	268,402,900	280,680,400
Capital Outlay	2,699,600	3,673,200	4,688,800	3,673,200	4,688,800
<b>TOTAL EXPENDITURES</b>	<b>879,557,000</b>	<b>927,190,500</b>	<b>967,375,900</b>	<b>898,556,100</b>	<b>869,654,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	181,605,000	201,682,100	213,144,200	173,047,700	115,422,800
Restricted Funds	452,825,500	468,116,400	483,961,000	468,116,400	483,961,000
Federal Fund	245,126,500	257,392,000	270,270,700	257,392,000	270,270,700
<b>TOTAL EXPENDITURES</b>	<b>879,557,000</b>	<b>927,190,500</b>	<b>967,375,900</b>	<b>898,556,100</b>	<b>869,654,500</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	268,607,900	291,705,700	306,619,700	287,607,000	291,551,600
Public Service	48,559,100	50,846,800	53,119,900	48,559,100	48,559,100
Libraries	10,284,300	10,526,800	10,774,000	10,284,300	10,284,300
Academic Support	43,640,200	45,791,500	47,989,800	43,640,200	43,640,200
Student Services	69,744,300	72,503,200	75,350,800	69,744,300	69,744,300
Institutional Support	84,431,500	86,884,300	89,380,800	84,431,500	67,144,000
Operation and Maintenance of Plant	97,438,700	100,324,100	103,255,300	97,438,700	81,880,000
Scholarships and Fellowships	256,851,000	268,608,100	280,885,600	256,851,000	256,851,000
<b>TOTAL EXPENDITURES</b>	<b>879,557,000</b>	<b>927,190,500</b>	<b>967,375,900</b>	<b>898,556,100</b>	<b>869,654,500</b>

The Kentucky Community and Technical College System was created in 1997 by the merger of the technical college system in the Cabinet for Workforce Development and the community college system then under the direction of the University of Kentucky. There are 16 community and technical colleges operating at more than 70 locations across the state, with more than 92,000 students enrolled.

The mission of KCTCS is to be a gateway to affordable, high quality postsecondary education. The system maintains an open admissions policy and a robust menu of developmental courses. In addition to industry-specific training leading to portable credentials, the colleges offer a two year academic curriculum designed to transfer to all of Kentucky's four-year institutions.

KCTCS operates 77 on-line programs leading to associate degrees and certificates. The system is Kentucky's largest provider of workforce training, reaching nearly 53,000 employees annually. Last year, KCTCS prepared 80% of the firefighters who were trained in the state and awarded almost 70% of the total allied health credentials earned.

KCTCS administers the Kentucky Board of Emergency Medical Services and the Kentucky Fire Commission.

**Postsecondary Education**  
**Postsecondary Education Performance Fund**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation					282,507,900
<b>Total General Fund</b>					282,507,900
<b>TOTAL SOURCE OF FUNDS</b>					
					282,507,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs					282,507,900
<b>TOTAL EXPENDITURES</b>					282,507,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund					282,507,900
<b>TOTAL EXPENDITURES</b>					282,507,900
<b>EXPENDITURES BY UNIT</b>					
Postsecondary Education Performance Fund					282,507,900
<b>TOTAL EXPENDITURES</b>					282,507,900

In the Kentucky Postsecondary Education Improvement Act of 1997, the General Assembly declared that the welfare and well-being of the citizens of the Commonwealth depend on the development of a well-educated and highly trained workforce, and that such education and training is necessary to allow the citizens to achieve a standard of living above the national average. The General Assembly went on describe an integrated system of postsecondary education that would provide that education and training by the year 2020.

Since then the public postsecondary institutions have improved in raising the level of educational attainment of Kentucky's citizens, not yet to the level of the national average. Education outcomes are not sufficiently aligned with current and future employer needs. To achieve that stated goal, Kentucky must educate and train more of its people, including more of those from low-income families, more members of minority groups, more rural residents, and more working adults who left school prematurely.

**Policy**

To both increase momentum and achieve improved outcomes toward educating and training Kentucky's workforce, a new mechanism must be set in place to create better incentives for Kentucky's public postsecondary education institutions to achieve them. The Executive Budget provides \$282,507,900 from the General Fund in fiscal year 2017-2018 for the Postsecondary Education Performance Fund. This amount represents one-third of the recommended total General Fund appropriations for the nine public postsecondary education institutions.

Desired outcomes will be fully determined, performance indicators will be set in place, and time-period goals will be established for each of the four-year universities and the Kentucky Community and Technical College System. Progress toward and achievement of those goals will be the primary factor in the allocation of the all or part of the \$282,507,900 to the nine institutions. To the extent that any part of the appropriation is unallocated, the 2018-2020 Executive branch budget bill, or statutory law, will be the authority that will address that issue.

# Public Protection

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**Public Protection**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,322,000	8,487,300	8,791,200	7,039,100	7,108,700
<b>Total General Fund</b>	<b>7,322,000</b>	<b>8,487,300</b>	<b>8,791,200</b>	<b>7,039,100</b>	<b>7,108,700</b>
<b>Restricted Funds</b>					
Balance Forward	70,279,200	65,424,500	84,084,000	65,424,500	54,865,700
Current Receipts	92,899,100	93,531,200	94,777,900	93,645,000	95,247,500
Non-Revenue Receipts	21,046,500	24,233,600	24,353,200	24,461,600	24,281,100
Fund Transfers	-28,450,000			-29,700,000	-29,700,000
<b>Total Restricted Funds</b>	<b>155,774,800</b>	<b>183,189,300</b>	<b>203,215,100</b>	<b>153,831,100</b>	<b>144,694,300</b>
<b>Federal Fund</b>					
Balance Forward	1,300				
Current Receipts	1,447,400	1,370,200	1,297,400	1,369,400	1,295,700
<b>Total Federal Fund</b>	<b>1,448,700</b>	<b>1,370,200</b>	<b>1,297,400</b>	<b>1,369,400</b>	<b>1,295,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>164,545,500</b>	<b>193,046,800</b>	<b>213,303,700</b>	<b>162,239,600</b>	<b>153,098,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	62,221,300	68,177,000	71,503,800	67,223,600	68,004,000
Operating Expenses	12,413,200	13,563,000	13,397,300	13,352,500	13,192,300
Grants Loans Benefits	23,082,900	25,484,400	26,084,400	25,215,400	25,815,400
Capital Outlay	1,074,200	1,738,400	1,451,200	1,582,400	1,295,200
<b>TOTAL EXPENDITURES</b>	<b>98,791,600</b>	<b>108,962,800</b>	<b>112,436,700</b>	<b>107,373,900</b>	<b>108,306,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,992,600	8,487,300	8,791,200	7,039,100	7,108,700
Restricted Funds	90,350,300	99,105,300	102,348,100	98,965,400	99,902,500
Federal Fund	1,448,700	1,370,200	1,297,400	1,369,400	1,295,700
<b>TOTAL EXPENDITURES</b>	<b>98,791,600</b>	<b>108,962,800</b>	<b>112,436,700</b>	<b>107,373,900</b>	<b>108,306,900</b>
<b>EXPENDITURES BY UNIT</b>					
Secretary	6,201,200	6,653,100	6,955,900	6,574,100	6,625,700
Boxing and Wrestling Authority	169,100	158,700	164,500	161,300	161,800
Alcoholic Beverage Control	6,360,700	7,666,900	7,921,500	7,733,400	7,746,400
Charitable Gaming	3,489,300	3,687,900	3,825,400	3,714,300	3,742,200
Board of Claims/Crime Victims'	2,068,700	2,933,000	2,922,100	1,913,900	1,846,900
Compensation Board					
Financial Institutions	10,984,400	12,104,800	12,901,000	12,274,100	12,678,500
Horse Racing Commission	29,026,100	31,927,800	32,721,100	31,661,800	32,293,400
Housing, Buildings and Construction	21,194,900	23,859,000	24,491,200	23,392,800	23,197,500
Insurance	18,846,600	19,472,000	20,013,400	19,498,200	19,560,700
Tax Appeals	450,600	499,600	520,600	450,000	453,800
<b>TOTAL EXPENDITURES</b>	<b>98,791,600</b>	<b>108,962,800</b>	<b>112,436,700</b>	<b>107,373,900</b>	<b>108,306,900</b>

The Public Protection Cabinet is charged with the supervision and regulation of industries. The Cabinet has five departments and one office: Alcoholic Beverage Control, Financial Institutions, Housing, Buildings and Construction, Insurance, Charitable Gaming and Office of Occupations and Professions. The Cabinet also has four boards/commissions attached for administrative purposes only: Kentucky Horse Racing Commission, Boxing & Wrestling Authority, Board of Claims/Crime Victims Compensation Board and Board of Tax Appeals. The Office of the Secretary also includes the Office of Communications and Public Outreach and the Office of Legal Services.

**Public Protection  
Secretary**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	283,100	304,100	390,600	276,400	279,700
<b>Total General Fund</b>	<b>283,100</b>	<b>304,100</b>	<b>390,600</b>	<b>276,400</b>	<b>279,700</b>
<b>Restricted Funds</b>					
Balance Forward	1,768,200	894,700	378,000	894,700	429,300
Current Receipts	1,284,000	1,274,000	1,274,000	1,274,000	1,274,000
Non-Revenue Receipts	3,773,300	4,558,300	5,117,300	4,558,300	5,117,300
<b>Total Restricted Funds</b>	<b>6,825,500</b>	<b>6,727,000</b>	<b>6,769,300</b>	<b>6,727,000</b>	<b>6,820,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,108,600</b>	<b>7,031,100</b>	<b>7,159,900</b>	<b>7,003,400</b>	<b>7,100,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,436,800	5,890,500	6,199,000	5,808,300	5,866,400
Operating Expenses	764,400	722,600	716,900	725,800	719,300
Capital Outlay		40,000	40,000	40,000	40,000
<b>TOTAL EXPENDITURES</b>	<b>6,201,200</b>	<b>6,653,100</b>	<b>6,955,900</b>	<b>6,574,100</b>	<b>6,625,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	270,400	304,100	390,600	276,400	279,700
Restricted Funds	5,930,800	6,349,000	6,565,300	6,297,700	6,346,000
<b>TOTAL EXPENDITURES</b>	<b>6,201,200</b>	<b>6,653,100</b>	<b>6,955,900</b>	<b>6,574,100</b>	<b>6,625,700</b>
<b>EXPENDITURES BY UNIT</b>					
Office of the Secretary - Comm - Legal	4,794,200	5,187,100	5,431,000	5,105,500	5,146,000
Occupations and Professions	1,407,000	1,466,000	1,524,900	1,468,600	1,479,700
<b>TOTAL EXPENDITURES</b>	<b>6,201,200</b>	<b>6,653,100</b>	<b>6,955,900</b>	<b>6,574,100</b>	<b>6,625,700</b>

A Secretary appointed by the Governor heads the Cabinet. The Secretary is responsible for guiding Departmental agencies in policy and program implementation and is responsible for operating each agency in the most efficient and cost effective manner possible while maintaining a high quality of service to the general public as well as the businesses, trades, and professionals it licenses and regulates.

**Public Protection  
Boxing and Wrestling Authority**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	239,800	173,200	116,600	173,200	114,000
Current Receipts	102,500	102,100	102,100	102,100	102,100
<b>Total Restricted Funds</b>	<b>342,300</b>	<b>275,300</b>	<b>218,700</b>	<b>275,300</b>	<b>216,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>342,300</b>	<b>275,300</b>	<b>218,700</b>	<b>275,300</b>	<b>216,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	124,200	125,500	131,300	122,600	123,100
Operating Expenses	44,900	33,200	33,200	38,700	38,700
<b>TOTAL EXPENDITURES</b>	<b>169,100</b>	<b>158,700</b>	<b>164,500</b>	<b>161,300</b>	<b>161,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	169,100	158,700	164,500	161,300	161,800
<b>TOTAL EXPENDITURES</b>	<b>169,100</b>	<b>158,700</b>	<b>164,500</b>	<b>161,300</b>	<b>161,800</b>
<b>EXPENDITURES BY UNIT</b>					
Boxing and Wrestling Authority	169,100	158,700	164,500	161,300	161,800
<b>TOTAL EXPENDITURES</b>	<b>169,100</b>	<b>158,700</b>	<b>164,500</b>	<b>161,300</b>	<b>161,800</b>

The Boxing and Wrestling Authority, pursuant to KRS Chapter 229, is the sole authority over professional boxing, wrestling and amateur and professional mixed martial arts bouts in Kentucky. The five-member board directs, manages and controls all professional boxing, sparring, exhibitions, wrestling matches, amateur and professional mixed martial arts bouts. Moreover, the authority has jurisdiction over all licenses to hold boxing, sparring, wrestling matches, exhibitions, amateur and professional mixed martial arts bouts for prizes or purses where an admission fee is received. The Authority administers all licenses to contestants, wrestlers or boxers, judges, managers, physicians, referees, timekeepers, and trainers and provides oversight of all persons who participate in the boxing, sparring, wrestling matches, exhibitions or mixed martial arts. The Authority is an independent agency that is attached to the Public Protection Cabinet for administrative purposes only.

**Public Protection  
Alcoholic Beverage Control**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	618,100	618,100	645,200	587,100	591,700
<b>Total General Fund</b>	<b>618,100</b>	<b>618,100</b>	<b>645,200</b>	<b>587,100</b>	<b>591,700</b>
<b>Restricted Funds</b>					
Balance Forward	3,473,100	3,406,500	2,174,800	3,406,500	1,966,900
Current Receipts	6,786,000	6,301,000	6,538,000	6,301,000	6,538,000
Non-Revenue Receipts	-382,200	-483,900	-523,900	-294,300	-334,800
Fund Transfers	-700,000			-300,000	-300,000
<b>Total Restricted Funds</b>	<b>9,176,900</b>	<b>9,223,600</b>	<b>8,188,900</b>	<b>9,113,200</b>	<b>7,870,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>9,795,000</b>	<b>9,841,700</b>	<b>8,834,100</b>	<b>9,700,300</b>	<b>8,461,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,082,200	5,958,500	6,225,700	5,652,200	5,680,300
Operating Expenses	1,178,500	1,552,400	1,539,800	1,950,200	1,935,100
Grants Loans Benefits				131,000	131,000
Capital Outlay	100,000	156,000	156,000		
<b>TOTAL EXPENDITURES</b>	<b>6,360,700</b>	<b>7,666,900</b>	<b>7,921,500</b>	<b>7,733,400</b>	<b>7,746,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	590,300	618,100	645,200	587,100	591,700
Restricted Funds	5,770,400	7,048,800	7,276,300	7,146,300	7,154,700
<b>TOTAL EXPENDITURES</b>	<b>6,360,700</b>	<b>7,666,900</b>	<b>7,921,500</b>	<b>7,733,400</b>	<b>7,746,400</b>
<b>EXPENDITURES BY UNIT</b>					
Administration, Enforcement and License	5,943,300	7,224,000	7,460,300	7,315,900	7,326,600
Tobacco Enforcement	417,400	442,900	461,200	417,500	419,800
<b>TOTAL EXPENDITURES</b>	<b>6,360,700</b>	<b>7,666,900</b>	<b>7,921,500</b>	<b>7,733,400</b>	<b>7,746,400</b>

The Department of Alcoholic Beverage Control (ABC), pursuant to KRS Chapters 241-244, enforces laws relating to the manufacture, sale, transportation, storage, and advertising of alcoholic beverages. The agency does not collect taxes.

The Commissioner of the Department serves as both the agency's administrative officer and the Chairman of the Alcoholic Beverage Control Board, which also includes the directors of the Malt Beverage and Distilled Spirits divisions. The Secretary of the Public Protection Cabinet, with the approval of the Governor, appoints all three board members.

In exercising its quasi-judicial authority, the ABC Board may suspend, revoke, or cancel for cause, after hearing, any license issued due to violation of alcoholic beverage laws. The ABC Board also conducts hearings for and appeals from an applicant whose license is refused by city or county administrators.

The Department has enforcement officers assigned throughout the state who conduct investigations, make regular inspections, and otherwise monitor compliance with ABC laws.

The Department also implements laws, pursuant to KRS 438.300 – 438.330, relating to the use, display, sell or distribution of tobacco products with an emphasis on persons under the age of 18.

**Policy**

An additional \$290,000 from Restricted Funds is provided each fiscal year for the Department's portion of the operating expenses of the One-Stop Business Portal.

The Executive Budget includes Restricted Funds in each fiscal year for a \$4,000 training incentive stipend for ABC Investigators. These funds are from the Kentucky Law Enforcement Foundation Program Fund.

**Public Protection  
Charitable Gaming**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,391,900	1,420,600	1,354,800	1,420,600	1,354,700
Current Receipts	3,518,000	3,622,100	3,824,700	3,622,100	3,824,700
Non-Revenue Receipts				26,300	26,200
<b>Total Restricted Funds</b>	<b>4,909,900</b>	<b>5,042,700</b>	<b>5,179,500</b>	<b>5,069,000</b>	<b>5,205,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,909,900</b>	<b>5,042,700</b>	<b>5,179,500</b>	<b>5,069,000</b>	<b>5,205,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,927,100	3,114,300	3,266,800	3,151,100	3,191,000
Operating Expenses	559,700	571,100	556,100	560,700	548,700
Grants Loans Benefits	2,500	2,500	2,500	2,500	2,500
<b>TOTAL EXPENDITURES</b>	<b>3,489,300</b>	<b>3,687,900</b>	<b>3,825,400</b>	<b>3,714,300</b>	<b>3,742,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	3,489,300	3,687,900	3,825,400	3,714,300	3,742,200
<b>TOTAL EXPENDITURES</b>	<b>3,489,300</b>	<b>3,687,900</b>	<b>3,825,400</b>	<b>3,714,300</b>	<b>3,742,200</b>
<b>EXPENDITURES BY UNIT</b>					
Charitable Gaming	3,489,300	3,687,900	3,825,400	3,714,300	3,742,200
<b>TOTAL EXPENDITURES</b>	<b>3,489,300</b>	<b>3,687,900</b>	<b>3,825,400</b>	<b>3,714,300</b>	<b>3,742,200</b>

The Department of Charitable Gaming, pursuant to KRS Chapter 238, is charged with the licensure and regulation of charitable organizations, facilities, distributors, and manufacturers involved with charitable gaming in the Commonwealth. The agency performs inspections, issues licenses, conducts audits and criminal investigations of charitable gaming establishments.

**Public Protection**  
**Board of Claims/Crime Victims' Compensation Board**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	708,900	1,728,700	1,794,100	709,800	721,800
<b>Total General Fund</b>	<b>708,900</b>	<b>1,728,700</b>	<b>1,794,100</b>	<b>709,800</b>	<b>721,800</b>
<b>Restricted Funds</b>					
Balance Forward	364,600	218,200	128,600	218,200	127,700
Current Receipts	895,300	867,500	840,500	867,200	840,200
<b>Total Restricted Funds</b>	<b>1,259,900</b>	<b>1,085,700</b>	<b>969,100</b>	<b>1,085,400</b>	<b>967,900</b>
<b>Federal Fund</b>					
Current Receipts	350,000	247,200	158,900	246,400	157,200
<b>Total Federal Fund</b>	<b>350,000</b>	<b>247,200</b>	<b>158,900</b>	<b>246,400</b>	<b>157,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,318,800</b>	<b>3,061,600</b>	<b>2,922,100</b>	<b>2,041,600</b>	<b>1,846,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,316,600	1,374,300	1,441,600	1,318,600	1,332,600
Operating Expenses	495,100	901,700	823,500	338,300	257,300
Grants Loans Benefits	257,000	657,000	657,000	257,000	257,000
<b>TOTAL EXPENDITURES</b>	<b>2,068,700</b>	<b>2,933,000</b>	<b>2,922,100</b>	<b>1,913,900</b>	<b>1,846,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	677,000	1,728,700	1,794,100	709,800	721,800
Restricted Funds	1,041,700	957,100	969,100	957,700	967,900
Federal Fund	350,000	247,200	158,900	246,400	157,200
<b>TOTAL EXPENDITURES</b>	<b>2,068,700</b>	<b>2,933,000</b>	<b>2,922,100</b>	<b>1,913,900</b>	<b>1,846,900</b>
<b>EXPENDITURES BY UNIT</b>					
Board of Claims	617,200	621,000	644,800	596,700	604,300
Crime Victims' Board	1,451,500	2,312,000	2,277,300	1,317,200	1,242,600
<b>TOTAL EXPENDITURES</b>	<b>2,068,700</b>	<b>2,933,000</b>	<b>2,922,100</b>	<b>1,913,900</b>	<b>1,846,900</b>

The Board of Claims, pursuant to KRS 44.086(2) and (3), is the only forum through which a citizen may sue the state for alleged negligence. Per 2006 Kentucky Acts Chapter 252, awards of less than \$5,000 are paid from funds of the state agency determined to be at fault. Awards over \$5,000 are paid from appropriations from the General Fund, and awards against the Transportation Cabinet are paid from the Road Fund. The maximum award on a single claim is \$200,000 and there is a cap of \$350,000 on multiple claims arising from the same incident.

The Crime Victims' Compensation Board, pursuant to KRS Chapter 346, is empowered to reimburse innocent crime victims up to \$25,000 for their medical expenses, lost wages that are not paid by any other source, and funeral expenses up to \$5,000. The amount of time that a claimant has to submit a claim to the Board is five years. The Crime Victims' Compensation Board is funded through an allocation of 3.4 percent of the state court cost fees.

The Board of Claims and the Crime Victims' Compensation Board are composed of the same five members appointed by the Governor. Both entities share staff services provided by the agency. The Board is an independent agency that is attached to the Public Protection Cabinet for administrative purposes only.

**Public Protection  
Financial Institutions**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	7,347,600	6,110,700	9,922,700	6,110,700	5,084,700
Current Receipts	16,913,600	17,336,500	17,898,000	17,456,500	18,298,000
Non-Revenue Receipts	-1,166,100	-1,419,700	-1,597,700	-1,208,400	-1,429,800
Fund Transfers	-6,000,000			-5,000,000	-5,000,000
<b>Total Restricted Funds</b>	<b>17,095,100</b>	<b>22,027,500</b>	<b>26,223,000</b>	<b>17,358,800</b>	<b>16,952,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>17,095,100</b>	<b>22,027,500</b>	<b>26,223,000</b>	<b>17,358,800</b>	<b>16,952,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	9,081,700	10,053,300	10,838,600	10,150,200	10,543,700
Operating Expenses	1,897,700	2,040,000	2,050,900	2,112,400	2,123,300
Grants Loans Benefits	5,000	11,500	11,500	11,500	11,500
<b>TOTAL EXPENDITURES</b>	<b>10,984,400</b>	<b>12,104,800</b>	<b>12,901,000</b>	<b>12,274,100</b>	<b>12,678,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	10,984,400	12,104,800	12,901,000	12,274,100	12,678,500
<b>TOTAL EXPENDITURES</b>	<b>10,984,400</b>	<b>12,104,800</b>	<b>12,901,000</b>	<b>12,274,100</b>	<b>12,678,500</b>
<b>EXPENDITURES BY UNIT</b>					
Administrative Services	1,739,900	1,823,000	1,907,800	1,825,900	1,841,700
Securities	1,665,100	1,741,400	1,815,100	1,765,400	1,779,400
Depository Institutions	4,906,100	5,742,800	6,263,000	5,877,200	6,229,900
Non-Depository Institutions	2,673,300	2,797,600	2,915,100	2,805,600	2,827,500
<b>TOTAL EXPENDITURES</b>	<b>10,984,400</b>	<b>12,104,800</b>	<b>12,901,000</b>	<b>12,274,100</b>	<b>12,678,500</b>

The Department of Financial Institutions, pursuant to KRS Chapter 286, licenses and regulates banks, bank holding companies, trust companies, credit unions, savings and loan associations, consumer loan companies, industrial loan companies, mortgage loan companies, mortgage loan brokers, check cashing licensees, sale of check licensees, securities issuers, broker-dealers, agents, and investment advisors. A Commissioner appointed by the Governor heads the Department.

The Commissioner's Office is responsible for the overall management of the agency. The Public Information Officer is part of the Commissioner's office and is responsible for all communications with the media and handling the department's public relations efforts through coordination of educational seminars, brochures, and newsletters.

The Division of Securities carries out the registration of securities issuances in the state. The Division registers broker-dealers, their agents, investment advisers, and investment adviser representatives, and conducts on-site examinations of these regulated entities. The Division investigates allegations of securities fraud or other illegal conduct entities involved in the securities industry that is operating within Kentucky.

The Division of Depository Institutions licenses/charters, examines and regulates depository financial institutions within the Bank Branch and Credit Union Branch. The Bank Branch is responsible for the examination and supervision of commercial banks, bank holding companies, and independent trust companies. The Credit Union Branch is responsible for examination and supervision of all state chartered credit unions.

The Division of Non-Depository Institutions includes both the Compliance Branch and Consumer Protection Branch. The Compliance branch is responsible for the examination and supervision of consumer loan companies, industrial loan companies, mortgage loan companies, mortgage loan brokers, check cashing licensees, and money transmitters. The Consumer Protection Branch is responsible for the investigation of complaints and provides outreach and education to protect consumers from financial frauds.

**Public Protection  
Horse Racing Commission**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,738,600	2,738,600	2,775,700	2,623,000	2,647,200
<b>Total General Fund</b>	<b>2,738,600</b>	<b>2,738,600</b>	<b>2,775,700</b>	<b>2,623,000</b>	<b>2,647,200</b>
<b>Restricted Funds</b>					
Balance Forward	27,077,200	25,279,100	23,902,700	25,279,100	24,479,300
Current Receipts	3,712,100	3,768,000	3,813,600	4,194,200	4,467,100
Non-Revenue Receipts	20,900,500	24,044,800	24,044,800	24,044,800	24,044,800
<b>Total Restricted Funds</b>	<b>51,689,800</b>	<b>53,091,900</b>	<b>51,761,100</b>	<b>53,518,100</b>	<b>52,991,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>54,428,400</b>	<b>55,830,500</b>	<b>54,536,800</b>	<b>56,141,100</b>	<b>55,638,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,941,500	5,896,100	6,105,700	5,678,900	5,726,800
Operating Expenses	1,116,200	1,168,300	1,152,000	1,119,500	1,103,200
Grants Loans Benefits	22,818,400	24,813,400	25,413,400	24,813,400	25,413,400
Capital Outlay	150,000	50,000	50,000	50,000	50,000
<b>TOTAL EXPENDITURES</b>	<b>29,026,100</b>	<b>31,927,800</b>	<b>32,721,100</b>	<b>31,661,800</b>	<b>32,293,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,615,400	2,738,600	2,775,700	2,623,000	2,647,200
Restricted Funds	26,410,700	29,189,200	29,945,400	29,038,800	29,646,200
<b>TOTAL EXPENDITURES</b>	<b>29,026,100</b>	<b>31,927,800</b>	<b>32,721,100</b>	<b>31,661,800</b>	<b>32,293,400</b>
<b>EXPENDITURES BY UNIT</b>					
Administration and Regulation of Racing	4,541,400	5,430,000	5,602,600	7,184,300	7,815,900
Equine Drug Research Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Thoroughbred Development Fund	7,151,900	8,151,900	8,451,900	7,151,900	7,151,900
Standardbred Development Fund	250,000	1,250,000	1,550,000	250,000	250,000
Standardbred Horsemen Fees	400,000	395,000	395,000	395,000	395,000
Ky Quarter Horse, Appaloosa & Arabian Development Fund	20,000	20,000	20,000	20,000	20,000
County Fair Purse Fund	89,300	89,300	89,300	89,300	89,300
Thoroughbred Owners and Breeders	2,200				
Backside Improvement Commission	300,400	300,400	300,400	300,400	300,400
Ky Thoroughbred Breeder Incentive Fund	12,285,900	12,306,200	12,326,900	12,285,900	12,285,900
Ky Standardbred Breeder Incentive Fund	1,715,000	1,715,000	1,715,000	1,715,000	1,715,000
Ky Horse Breeders Incentive Fund	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
KY Quarter Horse, Appaloosa & Arabian Purse Fund	20,000	20,000	20,000	20,000	20,000
<b>TOTAL EXPENDITURES</b>	<b>29,026,100</b>	<b>31,927,800</b>	<b>32,721,100</b>	<b>31,661,800</b>	<b>32,293,400</b>

The Kentucky Horse Racing Commission, pursuant to KRS 230.225, is responsible for the regulation of horse racing, pari-mutuel wagering on horse racing and related activities in the Commonwealth. The Commission is also charged with fostering and encouraging the equine breeding industry within the Commonwealth. The Commission prescribes the rules, regulations, and conditions under which all Thoroughbred, Standardbred, Quarter Horse, Appaloosa, and Arabian racing and pari-mutuel wagering thereon may be conducted in the Commonwealth.

The Commission's charge is to:

- Recommend tax incentives and other options to promote the strength and growth of the equine industry and to preserve the economic viability of Kentucky's horse farms;

- Design and implement programs that strengthen the ties between Kentucky's horse industry and the state's universities, with the goal of increasing the horse industry's impact on the state's economy;
- Developing and supporting programs which ensure that Kentucky remains a national leader in equine research;
- Develop programs and procedures which will aggressively fulfill its oversight on such matters as race day medications and other medication issues;
- Develop and implement programs designed to ensure the safety of all participants in horse racing including jockeys, drivers and horses; and
- Develop and implement programs and procedures that protect the integrity of pari-mutuel horse racing.

The Commission is an independent agency that is attached to the Public Protection Cabinet for administrative purposes only.

The Administration and Regulation of Racing program performs the administrative and oversight functions of the Commission. The Division of Veterinary Services oversees the state veterinarians and support staff. The Division of Racing & Security supervises drug testing and interdiction at racetracks. The Division of Licensing is responsible for licensing all individuals who participate in horse racing. The Division of Incentives and Development including the Kentucky Thoroughbred, Standardbred, and Horse Breeders' Incentive Funds provide rewards to breeders of horses bred and foaled in Kentucky. Incentive funds are derived from sales taxes paid on stud fees.

The Equine Drug Research Council, KRS 230.265, advises the Commission on research and on the regulation of therapeutic medications and prohibited substances. One tenth of one percent of the thoroughbred pari mutuel handle supports the Council. Funds are used to support drug research and testing, equine medical research, equine health research or any regulatory or administrative activity of the Commission that is related to such research.

The Thoroughbred Development Fund, KRS 230.400, was created in 1978 to encourage breeders from other states to send their breeding stock to Kentucky to improve the caliber of breeding and racing stock in the Commonwealth. The program is funded by three fourth of one percent of the total pari mutuel handle and the funds are distributed as purse supplements to the owner of the horse.

The Standardbred Development Fund, KRS 230.770, supports efforts to encourage breeders from other states to send their breeding stock to Kentucky, to increase the number of owners in Kentucky, and to increase the number of horses bred in Kentucky. It receives one percent of the pari mutuel handle and the funds are distributed as purses for the Kentucky Sire Stakes.

The Kentucky Quarter Horse, Appaloosa and Arabian Development Fund was established during the 2010 General Assembly to promote races and provide purses for races for horses bred and foaled in the Commonwealth. The Kentucky Horse Racing Commission is responsible for distributing the funds to persons, corporations or associations operating licensed tracks within Kentucky conducting Quarter Horse, Appaloosa or Arabian horse racing.

The County Fair Purse Fund, KRS 230.398, receives funding from pari mutuel standardbred racing tickets not redeemed and four percent of the commissions on wagers at simulcast facilities and redistributes the funds in the form of purse supplements for standardbred racing events to county fairs.

The Backside Improvement Fund, KRS 230.218, is charged with promoting, enhancing, and improving the backsides of eligible thoroughbred racing associations with an average pari-mutuel handle of \$1,200,000 or less per racing day. Associations conducting thoroughbred racing, with an average pari-mutuel handle of \$1,200,000 or less per live racing day, are required to pay one half of one percent of on-track wagers to the Backside Improvement Fund.

The Thoroughbred Owners and Breeders Fund, KRS 230.380, receives six percent of the commissions on wagers at simulcast facilities to fund capital improvements and promote off-track betting. It also supports marketing and promotion of the Kentucky thoroughbred industry.

**Public Protection**  
**Housing, Buildings and Construction**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,501,500	2,598,200	2,665,000	2,392,800	2,414,500
<b>Total General Fund</b>	2,501,500	2,598,200	2,665,000	2,392,800	2,414,500
<b>Restricted Funds</b>					
Balance Forward	8,263,700	8,931,300	7,591,700	8,931,300	7,434,900
Current Receipts	19,495,500	20,041,200	20,253,000	19,623,600	19,698,800
Non-Revenue Receipts	-21,900	-120,000	-141,200	-120,000	-141,200
<b>Total Restricted Funds</b>	27,737,300	28,852,500	27,703,500	28,434,900	26,992,500
<b>TOTAL SOURCE OF FUNDS</b>	30,238,800	31,450,700	30,368,500	30,827,700	29,407,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	16,461,300	18,240,400	19,208,000	17,859,800	17,991,300
Operating Expenses	3,909,400	4,126,200	4,078,000	4,040,600	4,001,000
Capital Outlay	824,200	1,492,400	1,205,200	1,492,400	1,205,200
<b>TOTAL EXPENDITURES</b>	21,194,900	23,859,000	24,491,200	23,392,800	23,197,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,388,900	2,598,200	2,665,000	2,392,800	2,414,500
Restricted Funds	18,806,000	21,260,800	21,826,200	21,000,000	20,783,000
<b>TOTAL EXPENDITURES</b>	21,194,900	23,859,000	24,491,200	23,392,800	23,197,500
<b>EXPENDITURES BY UNIT</b>					
General Administration and Management	1,331,100	1,401,400	1,464,200	1,382,300	1,387,300
Fire Prevention	1,424,600	1,525,100	1,680,800	1,491,800	1,597,900
Boiler Inspections	878,800	917,100	951,400	907,600	910,400
Hazardous Materials Inspections	963,900	1,178,700	1,069,600	1,092,700	942,700
Manufactured Housing Inspections	675,300	754,700	785,800	725,200	735,300
General Inspections	1,692,100	1,856,300	1,931,900	1,725,600	1,741,200
Sprinkler/Alarm Inspections	92,400	95,400	99,200	95,500	95,800
Elevator Inspections	1,254,300	1,314,500	1,367,400	1,305,600	1,309,800
Plumbing	5,842,800	6,343,000	6,605,800	6,265,200	6,286,000
Safe Cigarette Program	6,000	6,000	6,000	6,000	6,000
HVAC	2,477,600	2,610,100	2,709,600	2,593,900	2,601,900
Building Codes Enforcement	2,824,300	3,203,600	3,305,900	3,161,200	3,144,000
Electrical	1,731,700	2,653,100	2,513,600	2,640,200	2,439,200
<b>TOTAL EXPENDITURES</b>	21,194,900	23,859,000	24,491,200	23,392,800	23,197,500

The Department of Housing, Buildings and Construction, pursuant to KRS Chapter 198B, regulates all construction of buildings through enforcement of building and fire codes, including: elevators, boilers, manufactured housing, hazardous materials, HVAC and electrical, sprinkler and plumbing installation. The agency enforces a uniform building code for the Commonwealth with a building inspection program that is designed to prevent fire- and life-safety hazards.

The Division of Fire Prevention enforces the Kentucky Standards of Safety (815 KAR 10:060) in addition to state and federal laws and regulations by performing property inspections, reviewing plans and issuing permits for the underground storage tanks, and educating the public about fire safety. The State Fire Marshal's Office implements a Sprinkler Inspection Program for all state owned properties under a memorandum of agreement. The Administrative Section of the Fire Prevention Division supports the activities of the General Inspection Section, the Hazardous Materials Section, the Sprinklers and Alarms Certification Section, the Safe Cigarette Program and expanded Fireworks Program.

The Division of Plumbing, a fee-supported program, enforces the Kentucky State Plumbing code (KRS 318.130; 815 KAR Chapter 20). Duties of the Division include: installation inspections of all plumbing systems throughout the state; approval

of plumbing plans for all public buildings; testing of applicants for licensure; issuing renewal licenses to master and journeyman plumbers, and assisting the State Plumbing Code Committee in its review of plumbing code administrative regulations. The Plumbing Code Committee, among other duties, reviews and recommends new materials and techniques to be included in the approved parts and materials lists of the Kentucky State Plumbing Code. The Division may pursue sanctions and penalties against both licensed and unlicensed individuals performing plumbing.

The Division of Heating, Ventilation, and Air Conditioning (HVAC) is responsible for annual licensing and oversight of the heating, ventilation, and air conditioning contractors, journeymen, and apprentices. The HVAC Board promulgates administrative regulations relating to all aspects of the HVAC industry, conducts examinations, maintains all licensure information, registers apprentices and may pursue sanctions against licensees and criminal penalties against unlicensed persons engaging in activities requiring an HVAC license. The Board approves continuing education providers, programs and scheduling for HVAC masters and journeymen. On January 1, 2011, the Division began the Statewide Permitting and Inspection Program under the provisions of KRS 198B.6678 and is mandated to make the inspections within a specified timeframe as set out in KRS 198B.6672 for both residential and commercial HVAC installations.

The Division of Building Codes Enforcement provides overall coordination and enforcement of the Kentucky Building Code (815 KAR 7:120) and the Kentucky Residential Code (815 KAR 7:125). The division includes plan review and field inspection and manufactured housing sections. Among the duties of this division are inspection, plan review, licensing, investigation, and technical consulting services to the construction industry. The Division is funded primarily from plan review fees.

The Division of Electrical was created by Executive Order on December 16, 2014 and is composed of the Electrical Licensing and Electrical Inspection Sections. The Electrical Division enforces the mandates contained within KRS Chapter 227A and KRS 224.450-530 to protect the public through regulation, licensure and inspection of the electrical industry.

**Public Protection  
Insurance**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	20,353,100	18,990,200	38,514,100	18,990,200	13,874,200
Current Receipts	40,192,100	40,218,800	40,234,000	40,204,300	40,204,600
Non-Revenue Receipts	-2,057,100	-2,345,900	-2,546,100	-2,545,100	-3,001,400
Fund Transfers	-21,750,000			-24,400,000	-24,400,000
<b>Total Restricted Funds</b>	36,738,100	56,863,100	76,202,000	32,249,400	26,677,400
<b>Federal Fund</b>					
Balance Forward	1,300				
Current Receipts	1,097,400	1,123,000	1,138,500	1,123,000	1,138,500
<b>Total Federal Fund</b>	1,098,700	1,123,000	1,138,500	1,123,000	1,138,500
<b>TOTAL SOURCE OF FUNDS</b>	37,836,800	57,986,100	77,340,500	33,372,400	27,815,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	16,459,700	17,082,700	17,624,100	17,084,300	17,146,800
Operating Expenses	2,386,900	2,389,300	2,389,300	2,413,900	2,413,900
<b>TOTAL EXPENDITURES</b>	18,846,600	19,472,000	20,013,400	19,498,200	19,560,700
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	17,747,900	18,349,000	18,874,900	18,375,200	18,422,200
Federal Fund	1,098,700	1,123,000	1,138,500	1,123,000	1,138,500
<b>TOTAL EXPENDITURES</b>	18,846,600	19,472,000	20,013,400	19,498,200	19,560,700
<b>EXPENDITURES BY UNIT</b>					
Executive Director and Administration	3,512,500	3,720,200	3,860,900	3,725,800	3,716,600
Property and Casualty	1,159,800	1,204,700	1,252,900	1,208,600	1,217,300
Financial Standards and Examination	3,080,700	3,130,600	3,174,100	3,132,900	3,140,500
Agent Licensing	1,810,600	1,863,500	1,918,500	1,867,600	1,877,700
Consumer Protection	2,870,600	2,953,700	3,030,600	2,948,800	2,962,500
Insurance Fraud Investigation	1,578,500	1,621,500	1,680,100	1,677,800	1,688,300
Medicaid Prompt Payment Compliance	800,000	814,500	829,400	800,000	800,000
Health and Life	3,842,100	3,964,100	4,062,600	3,940,100	3,960,200
Mine Subsidence Program	191,800	199,200	204,300	196,600	197,600
<b>TOTAL EXPENDITURES</b>	18,846,600	19,472,000	20,013,400	19,498,200	19,560,700

The Department of Insurance, pursuant to KRS Chapter 304, has the authority to license, supervise, and regulate insurance companies doing business in Kentucky.

The Commissioner is responsible for the overall policy, planning, direction, and management of all divisions within the Department. It is the responsibility of the commissioner to oversee the manner in which the business of insurance is conducted in Kentucky. The Commissioner is charged with protecting the public interest, promoting viable markets, and assuring fair treatment of insurance consumers. An ombudsman provides additional assistance to consumers.

The Property and Casualty Division regulates coverage and marketing practices of property and casualty insurers. Through its annual review of property and casualty insurance rate and form filings, the Division ensures that companies comply with the standards set forth in the Kentucky Insurance Code. The Division is also responsible for reporting medical malpractice claims, recording of no-fault rejections (tort liability), and verifying such rejection. It is responsible for the regulation of surplus lines insurance.

The Health and Life Division regulates insurance companies selling health, life and disability products. The Division approves policies, certificates, provider networks, quality improvement programs, and rate filings. The Division reviews promotional literature and activities for the protection of the public. The Division handles inquiries about Medicare and

long-term care insurance. The Division is responsible for conducting research on strategies related to financial services modernization.

The Financial Standards and Examination Division protects consumers by ensuring the financial solvency of insurers authorized to do business in Kentucky. The Division is responsible for conducting financial examinations, financial analyses, and providing administrative oversight of the insurance industry.

The Insurance Fraud Investigation Division is the Department's enforcement unit empowered to conduct criminal investigations of suspected fraudulent insurance acts. Insurance-related fraud may be committed by applicants for insurance, policyholders, third party claimants, agents, and providers of services who are paid by insurance.

The Agent Licensing Division makes certain that only knowledgeable and qualified insurance representatives sell insurance products to Kentucky consumers. The Division administers examinations, monitors continuing education courses, and licenses agents.

The Consumer Protection Division is the main link between the Department and the citizens of the Commonwealth. The Division also administers the emergency response program, which provides on-site assistance to citizens or communities affected by insured disasters within the Commonwealth. The Market Conduct unit of Consumer Protection observes and analyzes the business practices of insurers. Established in 2013, the Medicaid Prompt Payment Claims (MPPC) Branch was created to process grievance/complaints from health care providers or individual claimants. The MPPC Branch was tasked to review and resolve open complaints transferred from the Department for Medicaid Services and investigate all subsequent MCO complaints from health care providers.

**Public Protection**

**Tax Appeals**

	<b>Revised FY 2016</b>	<b>Requested FY 2017</b>	<b>Requested FY 2018</b>	<b>Recommended FY 2017</b>	<b>Recommended FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	471,800	499,600	520,600	450,000	453,800
<b>Total General Fund</b>	<b>471,800</b>	<b>499,600</b>	<b>520,600</b>	<b>450,000</b>	<b>453,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>471,800</b>	<b>499,600</b>	<b>520,600</b>	<b>450,000</b>	<b>453,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	390,200	441,400	463,000	397,600	402,000
Operating Expenses	60,400	58,200	57,600	52,400	51,800
<b>TOTAL EXPENDITURES</b>	<b>450,600</b>	<b>499,600</b>	<b>520,600</b>	<b>450,000</b>	<b>453,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	450,600	499,600	520,600	450,000	453,800
<b>TOTAL EXPENDITURES</b>	<b>450,600</b>	<b>499,600</b>	<b>520,600</b>	<b>450,000</b>	<b>453,800</b>
<b>EXPENDITURES BY UNIT</b>					
Tax Appeals	450,600	499,600	520,600	450,000	453,800
<b>TOTAL EXPENDITURES</b>	<b>450,600</b>	<b>499,600</b>	<b>520,600</b>	<b>450,000</b>	<b>453,800</b>

The Board of Tax Appeals, pursuant to KRS Chapter 131, is an administrative review agency with exclusive jurisdiction to hear and resolve appeals arising from final rulings, orders, and determinations of any agency of state or county government relating to revenue and taxation.

The Board consists of three members appointed by the Governor for staggered four year terms. One member is designated by the Governor as chair. The Board is an independent agency that is attached to the Public Protection Cabinet for administrative purposes only.