

Energy and Environment

Energy and Environment

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	78,086,400	90,147,200	94,581,900	76,129,000	77,075,000
Continuing Approp-General Fund	674,500				
Total General Fund	78,760,900	90,147,200	94,581,900	76,129,000	77,075,000
Tobacco Fund					
Tobacco Settlement - Phase I		5,000,000	5,000,000	5,000,000	5,000,000
Special Appropriation	5,000,000				
Continuing Approp-Tob Settlement	11,483,500				
Total Tobacco Fund	16,483,500	5,000,000	5,000,000	5,000,000	5,000,000
Restricted Funds					
Balance Forward	24,632,700	16,201,600	16,832,900	15,800,000	15,669,300
Current Receipts	22,918,600	23,833,500	24,313,100	23,833,500	24,313,100
Non-Revenue Receipts	66,724,200	65,523,700	65,495,500	64,019,700	63,693,100
Fund Transfers	-8,016,200				
Total Restricted Funds	106,259,300	105,558,800	106,641,500	103,653,200	103,675,500
Federal Fund					
Balance Forward					48,700
Current Receipts	85,490,700	78,797,900	76,213,400	78,257,800	75,700,300
Non-Revenue Receipts	-2,982,900	-3,267,000	-3,219,700	-3,253,000	-3,205,300
Total Federal Fund	82,507,800	75,530,900	72,993,700	75,004,800	72,543,700
Road Fund					
Regular Appropriation	320,900	320,900	320,900	320,900	320,900
Total Road Fund	320,900	320,900	320,900	320,900	320,900
TOTAL SOURCE OF FUNDS	284,332,400	276,557,800	279,538,000	260,107,900	258,615,100
EXPENDITURES BY CLASS					
Personnel Costs	129,569,900	141,304,400	148,031,200	132,229,200	133,254,300
Operating Expenses	42,077,200	46,736,900	45,802,100	39,954,700	39,253,900
Grants Loans Benefits	51,102,000	41,796,800	40,548,800	37,361,900	35,808,600
Debt Service	589,000	474,000	474,000	485,500	665,500
Capital Outlay	8,879,400	9,949,800	9,312,600	7,827,600	7,335,400
Construction	26,077,600	19,463,000	17,463,000	19,463,000	17,463,000
TOTAL EXPENDITURES	258,295,100	259,724,900	261,631,700	237,321,900	233,780,700
EXPENDITURES BY FUND SOURCE					
General Fund	68,523,600	90,147,200	94,581,900	69,061,000	70,007,000
Tobacco Fund	16,483,500	5,000,000	5,000,000	5,000,000	5,000,000
Restricted Funds	90,459,300	88,725,900	88,735,200	87,983,900	86,719,000
Federal Fund	82,507,800	75,530,900	72,993,700	74,956,100	71,733,800
Road Fund	320,900	320,900	320,900	320,900	320,900
TOTAL EXPENDITURES	258,295,100	259,724,900	261,631,700	237,321,900	233,780,700
EXPENDITURES BY UNIT					
Secretary	5,844,600	7,422,900	7,716,300	5,861,200	5,883,600
Environmental Protection	115,522,300	123,992,400	126,422,700	115,801,200	115,364,900
Natural Resources	120,605,700	107,080,600	106,287,400	100,742,300	98,048,600
Energy Development and Independence	3,994,700	6,891,800	6,797,000	3,416,000	2,934,800
Kentucky Nature Preserves Commission	1,406,700	1,884,500	1,905,100	1,425,900	1,389,100
Public Service Commission	10,921,100	12,452,700	12,503,200	10,075,300	10,159,700
TOTAL EXPENDITURES	258,295,100	259,724,900	261,631,700	237,321,900	233,780,700

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

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

Energy and Environment

Secretary

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,244,400	4,960,300	5,230,100	3,029,300	3,059,400
Total General Fund	3,244,400	4,960,300	5,230,100	3,029,300	3,059,400
Restricted Funds					
Balance Forward	439,800	215,800	90,200	464,400	194,600
Current Receipts	37,700	25,800	25,800	25,800	25,800
Non-Revenue Receipts	2,000,500	1,500,300	1,513,900	1,725,400	1,747,500
Fund Transfers	-293,200				
Total Restricted Funds	2,184,800	1,741,900	1,629,900	2,215,600	1,967,900
Federal Fund					
Current Receipts	1,062,300	839,700	886,600	839,700	886,600
Non-Revenue Receipts	-36,500	-28,800	-30,300	-28,800	-30,300
Total Federal Fund	1,025,800	810,900	856,300	810,900	856,300
TOTAL SOURCE OF FUNDS	6,455,000	7,513,100	7,716,300	6,055,800	5,883,600
EXPENDITURES BY CLASS					
Personnel Costs	4,728,300	5,841,300	6,150,600	4,912,200	4,969,700
Operating Expenses	1,116,300	1,481,600	1,465,700	949,000	913,900
Grants Loans Benefits		100,000	100,000		
TOTAL EXPENDITURES	5,844,600	7,422,900	7,716,300	5,861,200	5,883,600
EXPENDITURES BY FUND SOURCE					
General Fund	3,098,400	4,960,300	5,230,100	3,029,300	3,059,400
Restricted Funds	1,720,400	1,651,700	1,629,900	2,021,000	1,967,900
Federal Fund	1,025,800	810,900	856,300	810,900	856,300
TOTAL EXPENDITURES	5,844,600	7,422,900	7,716,300	5,861,200	5,883,600
EXPENDITURES BY UNIT					
Administrative Hearings	780,200	796,700	834,200	780,200	795,400
Ofc of Sec - Leg & Interg Aff - Gen Coun	4,860,500	6,293,700	6,536,100	5,081,000	5,088,200
Environmental Quality Commission	203,900	332,500	346,000		
TOTAL EXPENDITURES	5,844,600	7,422,900	7,716,300	5,861,200	5,883,600

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

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

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

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

The Environmental Quality Commission is administratively attached to the Energy and Environment Cabinet. Pursuant to KRS 224.1-100 to 224.1-115, the Environmental Quality Commission is an independent citizen board with seven members representing various interests and geographic areas of the state. The Commission serves as a public forum for discussion and resolution of environmental issues. The Commission advises the Governor and the Energy and Environment Cabinet on environmental rules, regulations, policies, plans, and procedures.

Policy

The Executive Budget includes a provision that permits the transfer of Restricted Funds to support the Environmental Quality Commission.

**Energy and Environment
Environmental Protection**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	21,819,400	29,473,600	31,882,700	21,979,600	22,490,100
Total General Fund	21,819,400	29,473,600	31,882,700	21,979,600	22,490,100
Restricted Funds					
Balance Forward	12,771,200	8,989,000	11,597,800	8,989,000	11,410,900
Current Receipts	19,946,600	20,790,700	21,268,000	20,790,700	21,268,000
Non-Revenue Receipts	54,001,200	51,500,800	51,429,300	50,800,000	50,421,600
Fund Transfers	-7,723,000				
Total Restricted Funds	78,996,000	81,280,500	84,295,100	80,579,700	83,100,500
Federal Fund					
Balance Forward					48,700
Current Receipts	25,396,200	25,577,000	25,407,500	25,432,900	25,257,900
Non-Revenue Receipts	-1,039,300	-1,061,800	-1,053,600	-1,052,300	-1,043,700
Total Federal Fund	24,356,900	24,515,200	24,353,900	24,380,600	24,262,900
Road Fund					
Regular Appropriation	320,900	320,900	320,900	320,900	320,900
Total Road Fund	320,900	320,900	320,900	320,900	320,900
TOTAL SOURCE OF FUNDS	125,493,200	135,590,200	140,852,600	127,260,800	130,174,400
EXPENDITURES BY CLASS					
Personnel Costs	64,540,200	69,125,700	72,292,400	65,449,100	65,821,200
Operating Expenses	29,110,800	32,549,000	32,086,900	28,999,400	28,404,700
Grants Loans Benefits	15,490,700	16,200,000	16,102,100	15,318,500	15,221,200
Debt Service				11,500	191,500
Capital Outlay	5,880,600	5,617,700	5,441,300	5,522,700	5,226,300
Construction	500,000	500,000	500,000	500,000	500,000
TOTAL EXPENDITURES	115,522,300	123,992,400	126,422,700	115,801,200	115,364,900
EXPENDITURES BY FUND SOURCE					
General Fund	20,837,500	29,473,600	31,882,700	21,979,600	22,490,100
Restricted Funds	70,007,000	69,682,700	69,865,200	69,168,800	68,501,000
Federal Fund	24,356,900	24,515,200	24,353,900	24,331,900	24,052,900
Road Fund	320,900	320,900	320,900	320,900	320,900
TOTAL EXPENDITURES	115,522,300	123,992,400	126,422,700	115,801,200	115,364,900
EXPENDITURES BY UNIT					
Commissioner	599,100	648,900	679,500	638,600	626,300
Water	27,936,900	30,279,800	31,214,000	28,054,400	28,031,700
Waste Management	29,916,900	33,233,800	33,379,400	29,276,300	28,918,200
Air Quality	15,893,000	17,050,000	17,757,400	16,452,100	16,546,000
Environmental Program Support	7,261,100	8,058,200	8,215,300	7,326,300	7,136,700
Enforcement	1,806,300	1,987,500	2,075,600	1,860,300	1,874,000
Compliance Assistance	1,886,200	2,035,700	2,104,600	1,859,500	1,877,800
Petroleum Storage Tank	30,222,800	30,698,500	30,996,900	30,333,700	30,354,200
Environmental Assurance Fund					
TOTAL EXPENDITURES	115,522,300	123,992,400	126,422,700	115,801,200	115,364,900

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

**Energy and Environment
Environmental Protection**

Commissioner

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	355,200	399,400	448,000	389,100	394,800
Total General Fund	355,200	399,400	448,000	389,100	394,800
Restricted Funds					
Balance Forward	30,400	18,000		18,000	
Non-Revenue Receipts	231,500	231,500	231,500	231,500	231,500
Total Restricted Funds	261,900	249,500	231,500	249,500	231,500
TOTAL SOURCE OF FUNDS	617,100	648,900	679,500	638,600	626,300
EXPENDITURES BY CLASS					
Personnel Costs	548,500	590,300	621,500	588,500	590,300
Operating Expenses	50,600	58,600	58,000	50,100	36,000
TOTAL EXPENDITURES	599,100	648,900	679,500	638,600	626,300
EXPENDITURES BY FUND SOURCE					
General Fund	355,200	399,400	448,000	389,100	394,800
Restricted Funds	243,900	249,500	231,500	249,500	231,500
TOTAL EXPENDITURES	599,100	648,900	679,500	638,600	626,300

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

**Energy and Environment
Environmental Protection**

Water

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,793,300	11,877,800	12,980,900	9,738,400	10,072,500
Other	-113,100				
Total General Fund	9,680,200	11,877,800	12,980,900	9,738,400	10,072,500
Restricted Funds					
Balance Forward	2,396,000	1,087,500	595,700	1,087,500	547,100
Current Receipts	1,807,300	1,607,400	1,407,400	1,607,400	1,407,400
Non-Revenue Receipts	286,900	466,900	401,500	466,900	401,500
Total Restricted Funds	4,490,200	3,161,800	2,404,600	3,161,800	2,356,000
Federal Fund					
Current Receipts	15,507,300	16,089,200	16,112,500	15,945,100	15,962,900
Non-Revenue Receipts	-535,500	-574,200	-575,900	-564,700	-566,000
Total Federal Fund	14,971,800	15,515,000	15,536,600	15,380,400	15,396,900
Road Fund					
Regular Appropriation	320,900	320,900	320,900	320,900	320,900
Total Road Fund	320,900	320,900	320,900	320,900	320,900
TOTAL SOURCE OF FUNDS	29,463,100	30,875,500	31,243,000	28,601,500	28,146,300
EXPENDITURES BY CLASS					
Personnel Costs	22,051,000	23,439,300	24,457,300	23,010,700	23,047,800
Operating Expenses	2,339,900	3,264,500	3,210,700	1,516,200	1,426,400
Grants Loans Benefits	3,266,000	3,366,000	3,366,000	3,366,000	3,366,000
Debt Service				11,500	191,500
Capital Outlay	280,000	210,000	180,000	150,000	
TOTAL EXPENDITURES	27,936,900	30,279,800	31,214,000	28,054,400	28,031,700
EXPENDITURES BY FUND SOURCE					
General Fund	9,241,500	11,877,800	12,980,900	9,738,400	10,072,500
Restricted Funds	3,402,700	2,566,100	2,375,600	2,614,700	2,356,000
Federal Fund	14,971,800	15,515,000	15,536,600	15,380,400	15,282,300
Road Fund	320,900	320,900	320,900	320,900	320,900
TOTAL EXPENDITURES	27,936,900	30,279,800	31,214,000	28,054,400	28,031,700

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

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

Policy

The Executive Budget includes General Fund debt service in the amount of \$11,500 in fiscal year 2016-2017 and \$191,500 in fiscal year 2017-2018 to support new bonds as set forth in Part II, Capital Projects Budget.

**Energy and Environment
Environmental Protection
Waste Management**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,265,500	9,155,100	9,751,400	5,125,500	5,205,100
Other	-144,000				
Total General Fund	5,121,500	9,155,100	9,751,400	5,125,500	5,205,100
Restricted Funds					
Balance Forward	3,693,500	3,535,700	1,762,600	3,535,700	1,690,500
Current Receipts	4,277,700	4,189,400	4,189,400	4,189,400	4,189,400
Non-Revenue Receipts	14,740,000	12,448,700	12,455,400	12,448,700	12,455,400
Total Restricted Funds	22,711,200	20,173,800	18,407,400	20,173,800	18,335,300
Federal Fund					
Current Receipts	6,213,200	6,015,400	5,934,300	6,015,400	5,934,300
Non-Revenue Receipts	-359,600	-347,900	-337,800	-347,900	-337,800
Total Federal Fund	5,853,600	5,667,500	5,596,500	5,667,500	5,596,500
TOTAL SOURCE OF FUNDS	33,686,300	34,996,400	33,755,300	30,966,800	29,136,900
EXPENDITURES BY CLASS					
Personnel Costs	13,566,100	15,293,200	15,927,200	12,859,300	12,971,600
Operating Expenses	1,970,400	2,920,300	2,636,100	2,313,200	2,046,400
Grants Loans Benefits	11,878,400	12,460,200	12,502,200	11,578,700	11,621,300
Capital Outlay	2,002,000	2,060,100	1,813,900	2,025,100	1,778,900
Construction	500,000	500,000	500,000	500,000	500,000
TOTAL EXPENDITURES	29,916,900	33,233,800	33,379,400	29,276,300	28,918,200
EXPENDITURES BY FUND SOURCE					
General Fund	4,887,800	9,155,100	9,751,400	5,125,500	5,205,100
Restricted Funds	19,175,500	18,411,200	18,031,500	18,483,300	18,116,600
Federal Fund	5,853,600	5,667,500	5,596,500	5,667,500	5,596,500
TOTAL EXPENDITURES	29,916,900	33,233,800	33,379,400	29,276,300	28,918,200

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

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

Maxey Flats, once a low-level nuclear waste disposal site and closed in 1977, was designated to be in its Final Closure Period as of November, 2012. This includes the installation of a permanent vegetative cap, permanent surface water control features, and surface monuments to identify the location of buried waste. This project was funded in the 2012-14 biennial budget from private funds paid into a trust fund by the Private Settling Parties and from General Fund supported bonds. The final cap is scheduled for completion in November, 2016. The Commonwealth of Kentucky assumed ownership and responsibility for the toxic site in 1978, and is responsible for long-term monitoring and maintenance activities of the site in perpetuity. Ongoing monitoring and maintenance is funded from the General Fund.

Policy

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

**Energy and Environment
Environmental Protection**

Air Quality

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		374,600	471,500		
Total General Fund		374,600	471,500		
Restricted Funds					
Balance Forward	1,410,900	709,500	344,900	709,500	568,200
Current Receipts	13,267,900	14,447,300	15,077,500	14,447,300	15,077,500
Non-Revenue Receipts	78,600	69,900	69,900	69,900	69,900
Total Restricted Funds	14,757,400	15,226,700	15,492,300	15,226,700	15,715,600
Federal Fund					
Current Receipts	1,923,700	1,863,500	1,863,500	1,863,500	1,863,500
Non-Revenue Receipts	-78,600	-69,900	-69,900	-69,900	-69,900
Total Federal Fund	1,845,100	1,793,600	1,793,600	1,793,600	1,793,600
TOTAL SOURCE OF FUNDS	16,602,500	17,394,900	17,757,400	17,020,300	17,509,200
EXPENDITURES BY CLASS					
Personnel Costs	13,340,800	14,177,100	14,837,800	13,661,000	13,708,200
Operating Expenses	1,825,200	2,123,100	2,090,000	2,041,300	2,008,200
Grants Loans Benefits	185,900	185,900	185,900	185,900	185,900
Capital Outlay	541,100	563,900	643,700	563,900	643,700
TOTAL EXPENDITURES	15,893,000	17,050,000	17,757,400	16,452,100	16,546,000
EXPENDITURES BY FUND SOURCE					
General Fund		374,600	471,500		
Restricted Funds	14,047,900	14,881,800	15,492,300	14,658,500	14,752,400
Federal Fund	1,845,100	1,793,600	1,793,600	1,793,600	1,793,600
TOTAL EXPENDITURES	15,893,000	17,050,000	17,757,400	16,452,100	16,546,000

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

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

**Energy and Environment
Environmental Protection**

Environmental Program Support

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,183,600	6,245,600	6,664,900	5,513,700	5,586,300
Other	257,100				
Total General Fund	5,440,700	6,245,600	6,664,900	5,513,700	5,586,300
Restricted Funds					
Balance Forward	450,200	179,700		179,700	
Current Receipts	104,200	104,200	104,200	104,200	104,200
Non-Revenue Receipts	1,435,800	1,375,400	1,396,500	1,375,400	1,396,500
Total Restricted Funds	1,990,200	1,659,300	1,500,700	1,659,300	1,500,700
Federal Fund					
Current Receipts	258,000	153,300	49,700	153,300	49,700
Total Federal Fund	258,000	153,300	49,700	153,300	49,700
TOTAL SOURCE OF FUNDS	7,688,900	8,058,200	8,215,300	7,326,300	7,136,700
EXPENDITURES BY CLASS					
Personnel Costs	5,556,700	5,742,300	6,066,700	5,816,700	5,918,300
Operating Expenses	1,360,400	1,927,100	1,879,700	1,120,800	949,500
Grants Loans Benefits	60,900	140,800	900	140,800	900
Capital Outlay	283,100	248,000	268,000	248,000	268,000
TOTAL EXPENDITURES	7,261,100	8,058,200	8,215,300	7,326,300	7,136,700
EXPENDITURES BY FUND SOURCE					
General Fund	5,192,600	6,245,600	6,664,900	5,513,700	5,586,300
Restricted Funds	1,810,500	1,659,300	1,500,700	1,659,300	1,500,700
Federal Fund	258,000	153,300	49,700	153,300	49,700
TOTAL EXPENDITURES	7,261,100	8,058,200	8,215,300	7,326,300	7,136,700

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

**Energy and Environment
Environmental Protection**

Enforcement

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	908,400	1,035,300	1,124,000	908,100	922,400
Total General Fund	908,400	1,035,300	1,124,000	908,100	922,400
Restricted Funds					
Balance Forward	141,000	86,900	42,600	86,900	42,600
Non-Revenue Receipts	483,200	503,200	504,300	503,200	504,300
Total Restricted Funds	624,200	590,100	546,900	590,100	546,900
Federal Fund					
Current Receipts	430,800	430,800	430,800	430,800	430,800
Non-Revenue Receipts	-26,100	-26,100	-26,100	-26,100	-26,100
Total Federal Fund	404,700	404,700	404,700	404,700	404,700
TOTAL SOURCE OF FUNDS	1,937,300	2,030,100	2,075,600	1,902,900	1,874,000
EXPENDITURES BY CLASS					
Personnel Costs	1,674,500	1,761,100	1,851,300	1,741,800	1,755,500
Operating Expenses	131,800	226,400	224,300	118,500	118,500
TOTAL EXPENDITURES	1,806,300	1,987,500	2,075,600	1,860,300	1,874,000
EXPENDITURES BY FUND SOURCE					
General Fund	864,300	1,035,300	1,124,000	908,100	922,400
Restricted Funds	537,300	547,500	546,900	547,500	546,900
Federal Fund	404,700	404,700	404,700	404,700	404,700
TOTAL EXPENDITURES	1,806,300	1,987,500	2,075,600	1,860,300	1,874,000

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

**Energy and Environment
Environmental Protection
Compliance Assistance**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	313,400	385,800	442,000	304,800	309,000
Total General Fund	313,400	385,800	442,000	304,800	309,000
Restricted Funds					
Balance Forward	464,600	458,000	306,100	458,000	352,600
Current Receipts	344,500	297,400	344,500	297,400	344,500
Non-Revenue Receipts	215,300	219,500	219,700	219,500	219,700
Total Restricted Funds	1,024,400	974,900	870,300	974,900	916,800
Federal Fund					
Balance Forward					48,700
Current Receipts	1,063,200	1,024,800	1,016,700	1,024,800	1,016,700
Non-Revenue Receipts	-39,500	-43,700	-43,900	-43,700	-43,900
Total Federal Fund	1,023,700	981,100	972,800	981,100	1,021,500
TOTAL SOURCE OF FUNDS	2,361,500	2,341,800	2,285,100	2,260,800	2,247,300
EXPENDITURES BY CLASS					
Personnel Costs	1,599,200	1,742,900	1,817,800	1,615,600	1,626,000
Operating Expenses	208,500	266,700	260,700	217,800	225,700
Grants Loans Benefits	78,500	26,100	26,100	26,100	26,100
TOTAL EXPENDITURES	1,886,200	2,035,700	2,104,600	1,859,500	1,877,800
EXPENDITURES BY FUND SOURCE					
General Fund	296,100	385,800	442,000	304,800	309,000
Restricted Funds	566,400	668,800	689,800	622,300	642,700
Federal Fund	1,023,700	981,100	972,800	932,400	926,100
TOTAL EXPENDITURES	1,886,200	2,035,700	2,104,600	1,859,500	1,877,800

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

**Energy and Environment
Environmental Protection**

Petroleum Storage Tank Environmental Assurance Fund

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	4,184,600	2,913,700	8,545,900	2,913,700	8,209,900
Current Receipts	145,000	145,000	145,000	145,000	145,000
Non-Revenue Receipts	36,529,900	36,185,700	36,150,500	35,484,900	35,142,800
Fund Transfers	-7,723,000				
Total Restricted Funds	33,136,500	39,244,400	44,841,400	38,543,600	43,497,700
TOTAL SOURCE OF FUNDS	33,136,500	39,244,400	44,841,400	38,543,600	43,497,700
EXPENDITURES BY CLASS					
Personnel Costs	6,203,400	6,379,500	6,712,800	6,155,500	6,203,500
Operating Expenses	21,224,000	21,762,300	21,727,400	21,621,500	21,594,000
Grants Loans Benefits	21,000	21,000	21,000	21,000	21,000
Capital Outlay	2,774,400	2,535,700	2,535,700	2,535,700	2,535,700
TOTAL EXPENDITURES	30,222,800	30,698,500	30,996,900	30,333,700	30,354,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	30,222,800	30,698,500	30,996,900	30,333,700	30,354,200
TOTAL EXPENDITURES	30,222,800	30,698,500	30,996,900	30,333,700	30,354,200

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

Energy and Environment

Natural Resources

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	33,579,600	38,149,200	39,731,200	32,330,000	32,632,200
Total General Fund	33,579,600	38,149,200	39,731,200	32,330,000	32,632,200
Tobacco Fund					
Tobacco Settlement - Phase I		5,000,000	5,000,000	5,000,000	5,000,000
Special Appropriation	5,000,000				
Continuing Approp-Tob Settlement	11,483,500				
Total Tobacco Fund	16,483,500	5,000,000	5,000,000	5,000,000	5,000,000
Restricted Funds					
Balance Forward	8,477,000	4,650,900	3,199,200	4,650,900	3,322,300
Current Receipts	2,601,900	2,808,100	2,840,400	2,808,100	2,840,400
Non-Revenue Receipts	9,914,400	10,712,600	10,783,500	10,708,100	10,779,000
Total Restricted Funds	20,993,300	18,171,600	16,823,100	18,167,100	16,941,700
Federal Fund					
Current Receipts	57,387,500	50,923,200	48,682,200	50,527,200	48,318,700
Non-Revenue Receipts	-1,676,200	-1,964,200	-1,964,800	-1,959,700	-1,960,300
Total Federal Fund	55,711,300	48,959,000	46,717,400	48,567,500	46,358,400
TOTAL SOURCE OF FUNDS	126,767,700	110,279,800	108,271,700	104,064,600	100,932,300
EXPENDITURES BY CLASS					
Personnel Costs	49,247,700	53,292,300	55,859,200	50,481,500	50,959,100
Operating Expenses	9,471,000	10,412,200	10,113,800	8,703,900	8,647,300
Grants Loans Benefits	33,375,600	20,497,900	19,530,100	20,337,900	19,370,100
Capital Outlay	2,933,800	3,915,200	3,821,300	2,256,000	2,109,100
Construction	25,577,600	18,963,000	16,963,000	18,963,000	16,963,000
TOTAL EXPENDITURES	120,605,700	107,080,600	106,287,400	100,742,300	98,048,600
EXPENDITURES BY FUND SOURCE					
General Fund	32,068,500	38,149,200	39,731,200	32,330,000	32,632,200
Tobacco Fund	16,483,500	5,000,000	5,000,000	5,000,000	5,000,000
Restricted Funds	16,342,400	14,972,400	14,838,800	14,844,800	14,657,900
Federal Fund	55,711,300	48,959,000	46,717,400	48,567,500	45,758,500
TOTAL EXPENDITURES	120,605,700	107,080,600	106,287,400	100,742,300	98,048,600
EXPENDITURES BY UNIT					
Commissioner	877,700	1,039,200	1,087,400	923,900	929,200
Forestry	15,999,600	18,187,800	18,649,400	15,628,300	15,657,100
Technical and Administrative Support	696,600	771,400	769,600	743,300	712,400
Conservation	20,636,800	9,448,400	9,554,000	9,201,300	9,252,200
Oil and Gas	2,161,900	2,838,600	2,925,400	2,258,600	2,276,600
Mine Permits	5,757,500	6,245,400	6,508,100	5,820,300	5,966,500
Mine Reclamation and Enforcement	13,429,600	14,550,700	15,081,300	13,572,800	13,674,300
Abandoned Mine Lands	16,412,800	16,075,200	16,453,900	15,834,200	15,853,900
Mine Safety	10,516,400	11,151,800	11,455,900	10,082,900	10,035,200
Bond Pool Reclamation Fund	545,000	276,200	276,100	276,200	276,100
Reclamation Guaranty Fund	1,674,700	1,790,800	1,816,100	1,741,700	1,754,900
Abandoned Mine Land Reclamation Projects	31,742,400	24,516,000	21,516,000	24,516,000	21,516,000
Mine Safety Review Commission	154,700	189,100	194,200	142,800	144,200
TOTAL EXPENDITURES	120,605,700	107,080,600	106,287,400	100,742,300	98,048,600

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

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

Energy and Environment

Natural Resources

Commissioner

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	390,300	696,700	728,900	623,800	628,500
Total General Fund	390,300	696,700	728,900	623,800	628,500
Restricted Funds					
Balance Forward	56,600	19,200	17,600	19,200	60,000
Non-Revenue Receipts	450,000	340,900	340,900	340,900	340,900
Total Restricted Funds	506,600	360,100	358,500	360,100	400,900
TOTAL SOURCE OF FUNDS	896,900	1,056,800	1,087,400	983,900	1,029,400
EXPENDITURES BY CLASS					
Personnel Costs	804,800	927,600	977,600	833,700	839,400
Operating Expenses	72,900	111,600	109,800	90,200	89,800
TOTAL EXPENDITURES	877,700	1,039,200	1,087,400	923,900	929,200
EXPENDITURES BY FUND SOURCE					
General Fund	390,300	696,700	728,900	623,800	628,500
Restricted Funds	487,400	342,500	358,500	300,100	300,700
TOTAL EXPENDITURES	877,700	1,039,200	1,087,400	923,900	929,200

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

**Energy and Environment
Natural Resources**

Forestry

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,005,800	13,166,700	13,703,000	10,607,200	10,710,700
Total General Fund	11,005,800	13,166,700	13,703,000	10,607,200	10,710,700
Restricted Funds					
Balance Forward	1,541,800	708,300	493,700	708,300	493,700
Current Receipts	732,900	752,700	752,700	752,700	752,700
Non-Revenue Receipts	45,000	160,600	135,600	160,600	135,600
Total Restricted Funds	2,319,700	1,621,600	1,382,000	1,621,600	1,382,000
Federal Fund					
Current Receipts	3,965,700	3,953,800	3,953,800	3,953,800	3,953,800
Non-Revenue Receipts	-72,500	-60,600	-60,600	-60,600	-60,600
Total Federal Fund	3,893,200	3,893,200	3,893,200	3,893,200	3,893,200
TOTAL SOURCE OF FUNDS	17,218,700	18,681,500	18,978,200	16,122,000	15,985,900
EXPENDITURES BY CLASS					
Personnel Costs	10,920,900	11,638,200	12,189,900	11,062,800	11,156,100
Operating Expenses	2,100,600	2,640,500	2,554,400	1,944,600	1,937,100
Grants Loans Benefits	1,564,800	1,063,000	1,063,000	1,063,000	1,063,000
Capital Outlay	1,413,300	2,846,100	2,842,100	1,557,900	1,500,900
TOTAL EXPENDITURES	15,999,600	18,187,800	18,649,400	15,628,300	15,657,100
EXPENDITURES BY FUND SOURCE					
General Fund	10,495,000	13,166,700	13,703,000	10,607,200	10,710,700
Restricted Funds	1,611,400	1,127,900	1,053,200	1,127,900	1,053,200
Federal Fund	3,893,200	3,893,200	3,893,200	3,893,200	3,893,200
TOTAL EXPENDITURES	15,999,600	18,187,800	18,649,400	15,628,300	15,657,100

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

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

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

Policy

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

**Energy and Environment
Natural Resources**

Technical and Administrative Support

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation			11,600		
Total General Fund			11,600		
Restricted Funds					
Balance Forward	23,800	25,500	12,600	25,500	40,700
Non-Revenue Receipts	698,300	758,500	745,400	758,500	745,400
Total Restricted Funds	722,100	784,000	758,000	784,000	786,100
TOTAL SOURCE OF FUNDS	722,100	784,000	769,600	784,000	786,100
EXPENDITURES BY CLASS					
Personnel Costs	529,900	564,600	594,500	536,500	537,300
Operating Expenses	98,700	108,800	107,100	108,800	107,100
Grants Loans Benefits	68,000	68,000	68,000	68,000	68,000
Capital Outlay		30,000		30,000	
TOTAL EXPENDITURES	696,600	771,400	769,600	743,300	712,400
EXPENDITURES BY FUND SOURCE					
General Fund			11,600		
Restricted Funds	696,600	771,400	758,000	743,300	712,400
TOTAL EXPENDITURES	696,600	771,400	769,600	743,300	712,400

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

**Energy and Environment
Natural Resources**

Conservation

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,132,700	2,139,800	2,205,200	1,892,700	1,903,400
Other	-105,000				
Total General Fund	2,027,700	2,139,800	2,205,200	1,892,700	1,903,400
Tobacco Fund					
Tobacco Settlement - Phase I		5,000,000	5,000,000	5,000,000	5,000,000
Special Appropriation	5,000,000				
Continuing Approp-Tob Settlement	11,483,500				
Total Tobacco Fund	16,483,500	5,000,000	5,000,000	5,000,000	5,000,000
Restricted Funds					
Balance Forward	3,295,500	2,626,000	2,141,000	2,626,000	2,141,000
Current Receipts	20,400	199,500	231,800	199,500	231,800
Non-Revenue Receipts	613,500	603,500	603,500	603,500	603,500
Total Restricted Funds	3,929,400	3,429,000	2,976,300	3,429,000	2,976,300
Federal Fund					
Current Receipts	932,400	1,024,100	1,031,500	1,024,100	1,031,500
Non-Revenue Receipts	-3,500	-3,500	-3,500	-3,500	-3,500
Total Federal Fund	928,900	1,020,600	1,028,000	1,020,600	1,028,000
TOTAL SOURCE OF FUNDS	23,369,500	11,589,400	11,209,500	11,342,300	10,907,700
EXPENDITURES BY CLASS					
Personnel Costs	1,289,900	1,502,200	1,578,200	1,430,700	1,447,400
Operating Expenses	171,800	204,300	201,700	188,700	190,700
Grants Loans Benefits	19,175,100	7,741,900	7,774,100	7,581,900	7,614,100
TOTAL EXPENDITURES	20,636,800	9,448,400	9,554,000	9,201,300	9,252,200
EXPENDITURES BY FUND SOURCE					
General Fund	1,921,000	2,139,800	2,205,200	1,892,700	1,903,400
Tobacco Fund	16,483,500	5,000,000	5,000,000	5,000,000	5,000,000
Restricted Funds	1,303,400	1,288,000	1,320,800	1,288,000	1,320,800
Federal Fund	928,900	1,020,600	1,028,000	1,020,600	1,028,000
TOTAL EXPENDITURES	20,636,800	9,448,400	9,554,000	9,201,300	9,252,200

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

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

Policy

The Executive Budget provides Phase I Tobacco Settlement Funds in the amount of \$5,000,000 in each fiscal year for the state share of the Environmental Stewardship Program.

**Energy and Environment
Natural Resources**

Oil and Gas

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,563,200	2,230,700	2,316,600	1,830,200	1,847,300
Other	105,000				
Total General Fund	1,668,200	2,230,700	2,316,600	1,830,200	1,847,300
Restricted Funds					
Balance Forward	127,100	58,900	29,900	58,900	29,900
Current Receipts	400,500	399,400	399,400	399,400	399,400
Non-Revenue Receipts	25,000	4,500	4,500		
Total Restricted Funds	552,600	462,800	433,800	458,300	429,300
Federal Fund					
Current Receipts		179,500	179,500		
Non-Revenue Receipts		-4,500	-4,500		
Total Federal Fund		175,000	175,000		
TOTAL SOURCE OF FUNDS	2,220,800	2,868,500	2,925,400	2,288,500	2,276,600
EXPENDITURES BY CLASS					
Personnel Costs	1,742,600	2,290,800	2,410,400	1,851,600	1,870,800
Operating Expenses	356,700	410,200	377,400	344,400	343,200
Grants Loans Benefits	62,600	62,600	62,600	62,600	62,600
Capital Outlay		75,000	75,000		
TOTAL EXPENDITURES	2,161,900	2,838,600	2,925,400	2,258,600	2,276,600
EXPENDITURES BY FUND SOURCE					
General Fund	1,668,200	2,230,700	2,316,600	1,830,200	1,847,300
Restricted Funds	493,700	432,900	433,800	428,400	429,300
Federal Fund		175,000	175,000		
TOTAL EXPENDITURES	2,161,900	2,838,600	2,925,400	2,258,600	2,276,600

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

**Energy and Environment
Natural Resources**

Mine Permits

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,702,400	2,015,400	2,139,900	1,619,400	1,634,300
Total General Fund	1,702,400	2,015,400	2,139,900	1,619,400	1,634,300
Restricted Funds					
Balance Forward	363,000	218,600	108,700	218,600	108,700
Current Receipts	959,100	947,300	947,300	947,300	947,300
Non-Revenue Receipts	162,000	160,300	160,500	160,300	160,500
Total Restricted Funds	1,484,100	1,326,200	1,216,500	1,326,200	1,216,500
Federal Fund					
Current Receipts	3,043,600	3,172,800	3,312,200	3,143,700	3,276,200
Non-Revenue Receipts	-162,000	-160,300	-160,500	-160,300	-160,500
Total Federal Fund	2,881,600	3,012,500	3,151,700	2,983,400	3,115,700
TOTAL SOURCE OF FUNDS	6,068,100	6,354,100	6,508,100	5,929,000	5,966,500
EXPENDITURES BY CLASS					
Personnel Costs	4,676,400	5,009,500	5,287,100	4,802,100	4,848,400
Operating Expenses	632,700	787,500	772,600	569,800	669,700
Grants Loans Benefits	448,400	448,400	448,400	448,400	448,400
TOTAL EXPENDITURES	5,757,500	6,245,400	6,508,100	5,820,300	5,966,500
EXPENDITURES BY FUND SOURCE					
General Fund	1,610,400	2,015,400	2,139,900	1,619,400	1,634,300
Restricted Funds	1,265,500	1,217,500	1,216,500	1,217,500	1,216,500
Federal Fund	2,881,600	3,012,500	3,151,700	2,983,400	3,115,700
TOTAL EXPENDITURES	5,757,500	6,245,400	6,508,100	5,820,300	5,966,500

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

**Energy and Environment
Natural Resources**

Mine Reclamation and Enforcement

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,650,300	7,185,900	7,481,700	6,395,400	6,462,300
Total General Fund	6,650,300	7,185,900	7,481,700	6,395,400	6,462,300
Restricted Funds					
Balance Forward	252,000	89,200	27,200	89,200	27,200
Current Receipts	94,600	94,600	94,600	94,600	94,600
Non-Revenue Receipts	283,800	285,700	286,100	285,700	286,100
Total Restricted Funds	630,400	469,500	407,900	469,500	407,900
Federal Fund					
Current Receipts	6,880,900	7,252,500	7,522,100	7,065,100	7,374,100
Non-Revenue Receipts	-328,100	-330,000	-330,400	-330,000	-330,400
Total Federal Fund	6,552,800	6,922,500	7,191,700	6,735,100	7,043,700
TOTAL SOURCE OF FUNDS	13,833,500	14,577,900	15,081,300	13,600,000	13,913,900
EXPENDITURES BY CLASS					
Personnel Costs	10,864,100	11,873,200	12,487,200	11,539,500	11,669,600
Operating Expenses	1,991,500	2,091,900	2,008,500	1,743,700	1,715,100
Grants Loans Benefits	260,000	260,000	260,000	260,000	260,000
Capital Outlay	314,000	325,600	325,600	29,600	29,600
TOTAL EXPENDITURES	13,429,600	14,550,700	15,081,300	13,572,800	13,674,300
EXPENDITURES BY FUND SOURCE					
General Fund	6,335,600	7,185,900	7,481,700	6,395,400	6,462,300
Restricted Funds	541,200	442,300	407,900	442,300	407,900
Federal Fund	6,552,800	6,922,500	7,191,700	6,735,100	6,804,100
TOTAL EXPENDITURES	13,429,600	14,550,700	15,081,300	13,572,800	13,674,300

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

Energy and Environment

Natural Resources

Abandoned Mine Lands

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		237,500	227,900		
Total General Fund		237,500	227,900		
Restricted Funds					
Balance Forward	1,468,200	190,900	92,400	190,900	95,900
Current Receipts	13,000	13,000	13,000	13,000	13,000
Non-Revenue Receipts	6,243,600	7,027,800	7,036,500	7,027,800	7,036,500
Total Restricted Funds	7,724,800	7,231,700	7,141,900	7,231,700	7,145,400
Federal Fund					
Current Receipts	9,263,500	9,073,300	9,459,500	9,073,300	9,459,500
Non-Revenue Receipts	-384,600	-374,900	-375,400	-374,900	-375,400
Total Federal Fund	8,878,900	8,698,400	9,084,100	8,698,400	9,084,100
TOTAL SOURCE OF FUNDS	16,603,700	16,167,600	16,453,900	15,930,100	16,229,500
EXPENDITURES BY CLASS					
Personnel Costs	9,380,200	9,430,200	9,813,700	9,268,400	9,339,300
Operating Expenses	952,000	1,094,500	1,089,700	1,015,300	964,100
Grants Loans Benefits	87,500	87,500	87,500	87,500	87,500
Capital Outlay	700,000	500,000	500,000	500,000	500,000
Construction	5,293,100	4,963,000	4,963,000	4,963,000	4,963,000
TOTAL EXPENDITURES	16,412,800	16,075,200	16,453,900	15,834,200	15,853,900
EXPENDITURES BY FUND SOURCE					
General Fund		237,500	227,900		
Restricted Funds	7,533,900	7,139,300	7,141,900	7,135,800	7,130,100
Federal Fund	8,878,900	8,698,400	9,084,100	8,698,400	8,723,800
TOTAL EXPENDITURES	16,412,800	16,075,200	16,453,900	15,834,200	15,853,900

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

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

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

Energy and Environment

Natural Resources

Bond Pool Reclamation Fund

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	1,097,300	552,300	276,100	552,300	276,100
Total Restricted Funds	1,097,300	552,300	276,100	552,300	276,100
TOTAL SOURCE OF FUNDS	1,097,300	552,300	276,100	552,300	276,100
EXPENDITURES BY CLASS					
Personnel Costs	545,000	276,200	276,100	276,200	276,100
TOTAL EXPENDITURES	545,000	276,200	276,100	276,200	276,100
EXPENDITURES BY FUND SOURCE					
Restricted Funds	545,000	276,200	276,100	276,200	276,100
TOTAL EXPENDITURES	545,000	276,200	276,100	276,200	276,100

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

Energy and Environment

Natural Resources

Reclamation Guaranty Fund

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	95,900	89,700		89,700	49,100
Current Receipts	100	100	100	100	100
Non-Revenue Receipts	1,377,100	1,356,900	1,458,000	1,356,900	1,458,000
Total Restricted Funds	1,473,100	1,446,700	1,458,100	1,446,700	1,507,200
Federal Fund					
Current Receipts	304,400	360,600	375,400	360,600	375,400
Non-Revenue Receipts	-13,100	-16,500	-17,400	-16,500	-17,400
Total Federal Fund	291,300	344,100	358,000	344,100	358,000
TOTAL SOURCE OF FUNDS	1,764,400	1,790,800	1,816,100	1,790,800	1,865,200
EXPENDITURES BY CLASS					
Personnel Costs	470,600	569,300	595,500	524,700	538,800
Operating Expenses	1,034,100	1,051,500	1,050,600	1,047,000	1,046,100
Grants Loans Benefits	170,000	170,000	170,000	170,000	170,000
TOTAL EXPENDITURES	1,674,700	1,790,800	1,816,100	1,741,700	1,754,900
EXPENDITURES BY FUND SOURCE					
Restricted Funds	1,383,400	1,446,700	1,458,100	1,397,600	1,396,900
Federal Fund	291,300	344,100	358,000	344,100	358,000
TOTAL EXPENDITURES	1,674,700	1,790,800	1,816,100	1,741,700	1,754,900

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

**Energy and Environment
Natural Resources**

Abandoned Mine Land Reclamation Projects

SOURCE OF FUNDS	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
Federal Fund					
Current Receipts	32,438,700	25,516,000	22,516,000	25,516,000	22,516,000
Non-Revenue Receipts	-696,300	-1,000,000	-1,000,000	-1,000,000	-1,000,000
Total Federal Fund	31,742,400	24,516,000	21,516,000	24,516,000	21,516,000
TOTAL SOURCE OF FUNDS	31,742,400	24,516,000	21,516,000	24,516,000	21,516,000
EXPENDITURES BY CLASS					
Personnel Costs	15,200	16,000	16,000	16,000	16,000
Grants Loans Benefits	11,442,700	10,500,000	9,500,000	10,500,000	9,500,000
Construction	20,284,500	14,000,000	12,000,000	14,000,000	12,000,000
TOTAL EXPENDITURES	31,742,400	24,516,000	21,516,000	24,516,000	21,516,000
EXPENDITURES BY FUND SOURCE					
Federal Fund	31,742,400	24,516,000	21,516,000	24,516,000	21,516,000
TOTAL EXPENDITURES	31,742,400	24,516,000	21,516,000	24,516,000	21,516,000

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

**Energy and Environment
Natural Resources**

Mine Safety Review Commission

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	178,100	189,100	194,200	142,800	144,200
Total General Fund	178,100	189,100	194,200	142,800	144,200
TOTAL SOURCE OF FUNDS	178,100	189,100	194,200	142,800	144,200
EXPENDITURES BY CLASS					
Personnel Costs	143,800	168,100	173,600	139,700	141,200
Operating Expenses	10,900	21,000	20,600	3,100	3,000
TOTAL EXPENDITURES	154,700	189,100	194,200	142,800	144,200
EXPENDITURES BY FUND SOURCE					
General Fund	154,700	189,100	194,200	142,800	144,200
TOTAL EXPENDITURES	154,700	189,100	194,200	142,800	144,200

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

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

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

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,956,800	10,287,400	10,722,200	9,218,500	9,301,500
Total General Fund	9,956,800	10,287,400	10,722,200	9,218,500	9,301,500
Restricted Funds					
Balance Forward	155,800	72,300		72,300	
Current Receipts	381,300	401,500	401,500	401,500	401,500
Non-Revenue Receipts	16,100	13,900	12,500	13,900	12,500
Total Restricted Funds	553,200	487,700	414,000	487,700	414,000
Federal Fund					
Current Receipts	558,300	390,600	332,200	390,600	332,200
Non-Revenue Receipts	-16,100	-13,900	-12,500	-13,900	-12,500
Total Federal Fund	542,200	376,700	319,700	376,700	319,700
TOTAL SOURCE OF FUNDS	11,052,200	11,151,800	11,455,900	10,082,900	10,035,200
EXPENDITURES BY CLASS					
Personnel Costs	7,864,300	9,026,400	9,459,400	8,199,600	8,278,700
Operating Expenses	2,049,100	1,890,400	1,821,400	1,648,300	1,581,400
Grants Loans Benefits	96,500	96,500	96,500	96,500	96,500
Capital Outlay	506,500	138,500	78,600	138,500	78,600
TOTAL EXPENDITURES	10,516,400	11,151,800	11,455,900	10,082,900	10,035,200
EXPENDITURES BY FUND SOURCE					
General Fund	9,493,300	10,287,400	10,722,200	9,218,500	9,301,500
Restricted Funds	480,900	487,700	414,000	487,700	414,000
Federal Fund	542,200	376,700	319,700	376,700	319,700
TOTAL EXPENDITURES	10,516,400	11,151,800	11,455,900	10,082,900	10,035,200

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

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

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

The Office develops and maintains a database to track information about each mining operation. The database includes the number of miners employed by the mine, type of operations, type of worker's compensation insurance, and the number and type of mining law violations, closures, and abatements for each mine and mine operator. A second database provides information on all individuals certified as surface mine foremen, surface mine safety analysts, underground mine foremen, underground mine instructors, underground mine inspectors, and electrical inspectors.

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

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

Energy and Environment
Energy Development and Independence

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,356,600	4,247,200	4,302,300	1,241,200	1,249,200
Total General Fund	1,356,600	4,247,200	4,302,300	1,241,200	1,249,200
Restricted Funds					
Balance Forward	2,576,800	2,053,600	1,787,100	1,403,400	582,900
Current Receipts	1,500	31,500	1,500	31,500	1,500
Non-Revenue Receipts	672,500	1,584,200	1,543,000	560,400	519,200
Total Restricted Funds	3,250,800	3,669,300	3,331,600	1,995,300	1,103,600
Federal Fund					
Current Receipts	1,080,600	972,800	751,200	972,800	751,200
Non-Revenue Receipts	-228,900	-210,400	-169,200	-210,400	-169,200
Total Federal Fund	851,700	762,400	582,000	762,400	582,000
TOTAL SOURCE OF FUNDS	5,459,100	8,678,900	8,215,900	3,998,900	2,934,800
EXPENDITURES BY CLASS					
Personnel Costs	1,559,500	1,658,900	1,749,300	1,520,600	1,530,500
Operating Expenses	262,700	252,900	250,000	208,800	205,900
Grants Loans Benefits	2,172,500	4,980,000	4,797,700	1,686,600	1,198,400
TOTAL EXPENDITURES	3,994,700	6,891,800	6,797,000	3,416,000	2,934,800
EXPENDITURES BY FUND SOURCE					
General Fund	1,295,600	4,247,200	4,302,300	1,241,200	1,249,200
Restricted Funds	1,847,400	1,882,200	1,912,700	1,412,400	1,103,600
Federal Fund	851,700	762,400	582,000	762,400	582,000
TOTAL EXPENDITURES	3,994,700	6,891,800	6,797,000	3,416,000	2,934,800
EXPENDITURES BY UNIT					
Energy Development and Independence	3,994,700	6,891,800	6,797,000	3,416,000	2,934,800
TOTAL EXPENDITURES	3,994,700	6,891,800	6,797,000	3,416,000	2,934,800

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

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

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

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

Policy

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

Energy and Environment
Kentucky Nature Preserves Commission

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,086,400	1,508,600	1,577,500	1,050,000	1,061,500
Total General Fund	1,086,400	1,508,600	1,577,500	1,050,000	1,061,500
Restricted Funds					
Balance Forward	295,200	292,300	143,600	292,300	143,600
Current Receipts	295,900	162,400	162,400	162,400	162,400
Non-Revenue Receipts	20,200	25,800	25,800	25,800	25,800
Total Restricted Funds	611,300	480,500	331,800	480,500	331,800
Federal Fund					
Current Receipts	52,200	40,800	40,800	40,800	40,800
Non-Revenue Receipts	-2,000	-1,800	-1,800	-1,800	-1,800
Total Federal Fund	50,200	39,000	39,000	39,000	39,000
TOTAL SOURCE OF FUNDS	1,747,900	2,028,100	1,948,300	1,569,500	1,432,300
EXPENDITURES BY CLASS					
Personnel Costs	1,137,600	1,525,500	1,601,600	1,204,500	1,218,000
Operating Expenses	190,900	241,200	234,600	153,600	152,200
Grants Loans Benefits	63,200	18,900	18,900	18,900	18,900
Capital Outlay	15,000	98,900	50,000	48,900	
TOTAL EXPENDITURES	1,406,700	1,884,500	1,905,100	1,425,900	1,389,100
EXPENDITURES BY FUND SOURCE					
General Fund	1,037,500	1,508,600	1,577,500	1,050,000	1,061,500
Restricted Funds	319,000	336,900	288,600	336,900	288,600
Federal Fund	50,200	39,000	39,000	39,000	39,000
TOTAL EXPENDITURES	1,406,700	1,884,500	1,905,100	1,425,900	1,389,100
EXPENDITURES BY UNIT					
Kentucky Nature Preserves Commission	1,406,700	1,884,500	1,905,100	1,425,900	1,389,100
TOTAL EXPENDITURES	1,406,700	1,884,500	1,905,100	1,425,900	1,389,100

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

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

**Energy and Environment
Public Service Commission**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	17,000,000	11,808,300	11,858,100	16,498,900	16,582,600
Continuing Approp-General Fund	674,500				
Total General Fund	17,674,500	11,808,300	11,858,100	16,498,900	16,582,600
Restricted Funds					
Balance Forward	72,700		15,000		15,000
Current Receipts	35,000	15,000	15,000	15,000	15,000
Non-Revenue Receipts	115,400	200,000	200,000	200,000	200,000
Total Restricted Funds	223,100	215,000	230,000	215,000	230,000
Federal Fund					
Current Receipts	511,900	444,400	445,100	444,400	445,100
Total Federal Fund	511,900	444,400	445,100	444,400	445,100
TOTAL SOURCE OF FUNDS	18,409,500	12,467,700	12,533,200	17,158,300	17,257,700
EXPENDITURES BY CLASS					
Personnel Costs	8,356,600	9,860,700	10,378,100	8,661,300	8,755,800
Operating Expenses	1,925,500	1,800,000	1,651,100	940,000	929,900
Debt Service	589,000	474,000	474,000	474,000	474,000
Capital Outlay	50,000	318,000			
TOTAL EXPENDITURES	10,921,100	12,452,700	12,503,200	10,075,300	10,159,700
EXPENDITURES BY FUND SOURCE					
General Fund	10,186,100	11,808,300	11,858,100	9,430,900	9,514,600
Restricted Funds	223,100	200,000	200,000	200,000	200,000
Federal Fund	511,900	444,400	445,100	444,400	445,100
TOTAL EXPENDITURES	10,921,100	12,452,700	12,503,200	10,075,300	10,159,700
EXPENDITURES BY UNIT					
Commission Operations	5,021,800	5,420,800	5,618,200	4,506,700	4,534,500
Financial Analysis	1,661,600	1,887,100	1,988,500	1,738,900	1,758,900
Engineering	1,471,300	2,212,200	1,832,700	1,192,900	1,207,800
Division of Filings	1,599,700	1,747,700	1,819,400	1,611,000	1,625,300
Consumer Services	401,200	443,300	467,600	409,900	414,800
Gas Pipeline Safety	765,500	741,600	776,800	615,900	618,400
TOTAL EXPENDITURES	10,921,100	12,452,700	12,503,200	10,075,300	10,159,700

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

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

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

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

Policy

The Executive Budget includes \$7,068,000 in each fiscal year that shall lapse to the credit of the General Fund from the Public Service Commission.

Finance and Administration

Finance and Administration

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	629,963,900	612,879,500	687,163,500	590,726,300	640,156,000
Special Appropriation	5,459,000				
Total General Fund	635,422,900	612,879,500	687,163,500	590,726,300	640,156,000
Tobacco Fund					
Tobacco Settlement - Phase I	30,907,000	27,102,100	26,784,500	27,235,300	26,917,700
Total Tobacco Fund	30,907,000	27,102,100	26,784,500	27,235,300	26,917,700
Restricted Funds					
Balance Forward	53,033,000	39,064,100	24,920,300	46,950,100	25,193,500
Current Receipts	217,574,200	237,887,300	239,057,700	234,518,200	234,608,100
Non-Revenue Receipts	1,550,900	1,943,700	1,943,700	1,709,500	1,721,100
Fund Transfers	-1,000,000			-6,300,000	-5,000,000
Total Restricted Funds	271,158,100	278,895,100	265,921,700	276,877,800	256,522,700
Federal Fund					
Current Receipts	1,546,300	1,262,800	1,262,800	1,262,800	1,262,800
Total Federal Fund	1,546,300	1,262,800	1,262,800	1,262,800	1,262,800
Road Fund					
Regular Appropriation	3,399,600	3,399,600	3,399,600	3,523,100	3,545,900
Total Road Fund	3,399,600	3,399,600	3,399,600	3,523,100	3,545,900
TOTAL SOURCE OF FUNDS	942,433,900	923,539,100	984,532,100	899,625,300	928,405,100
EXPENDITURES BY CLASS					
Personnel Costs	237,150,000	270,323,100	281,488,300	259,838,700	258,220,200
Operating Expenses	128,457,300	144,751,700	144,762,600	130,136,400	129,658,100
Grants Loans Benefits	1,991,800	1,698,300	1,421,000	1,698,300	1,421,000
Debt Service	441,954,600	430,176,400	496,235,400	439,011,500	489,019,000
Capital Outlay	20,920,000	33,198,100	31,654,600	29,475,600	26,652,900
TOTAL EXPENDITURES	830,473,700	880,147,600	955,561,900	860,160,500	904,971,200
EXPENDITURES BY FUND SOURCE					
General Fund	572,592,300	600,759,700	674,721,800	578,606,400	627,714,300
Tobacco Fund	28,727,500	24,950,700	24,566,500	25,083,900	24,699,700
Restricted Funds	224,208,000	249,774,800	251,611,200	251,684,300	247,748,500
Federal Fund	1,546,300	1,262,800	1,262,800	1,262,800	1,262,800
Road Fund	3,399,600	3,399,600	3,399,600	3,523,100	3,545,900
TOTAL EXPENDITURES	830,473,700	880,147,600	955,561,900	860,160,500	904,971,200
EXPENDITURES BY UNIT					
General Administration	39,521,900	46,476,100	47,036,400	46,743,300	47,442,600
Controller	15,026,400	15,899,400	16,442,900	17,190,900	17,415,100
Debt Service	441,949,600	430,171,400	479,484,400	435,820,000	481,757,500
Facilities and Support Services	44,828,300	51,856,900	63,213,900	53,192,400	51,865,900
County Costs	17,599,500	23,317,500	23,317,500	17,599,500	17,599,500
Commonwealth Office of Technology	124,824,300	140,712,100	143,338,600	140,118,800	137,638,900
Revenue	100,438,200	115,158,000	123,751,400	100,737,600	101,476,700
Property Valuation Administrators	46,285,500	56,556,200	58,976,800	48,758,000	49,775,000
TOTAL EXPENDITURES	830,473,700	880,147,600	955,561,900	860,160,500	904,971,200

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

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

Finance and Administration

General Administration

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,333,900	7,802,600	9,555,400	12,866,700	13,356,300
Total General Fund	7,333,900	7,802,600	9,555,400	12,866,700	13,356,300
Restricted Funds					
Balance Forward	12,032,100	13,550,500	9,422,400	11,917,200	6,299,500
Current Receipts	34,157,200	34,157,200	34,157,200	34,157,200	34,157,200
Non-Revenue Receipts	-1,466,600	-40,800	-40,800	-343,300	-343,300
Fund Transfers	-1,000,000			-6,000,000	-5,000,000
Total Restricted Funds	43,722,700	47,666,900	43,538,800	39,731,100	35,113,400
Federal Fund					
Current Receipts	283,500				
Total Federal Fund	283,500				
Road Fund					
Regular Appropriation	429,000	429,000	429,000	445,100	448,100
Total Road Fund	429,000	429,000	429,000	445,100	448,100
TOTAL SOURCE OF FUNDS	51,769,100	55,898,500	53,523,200	53,042,900	48,917,800
EXPENDITURES BY CLASS					
Personnel Costs	11,692,400	12,390,000	12,968,900	14,968,600	12,085,400
Operating Expenses	16,915,700	16,997,300	16,949,200	16,998,100	16,985,600
Grants Loans Benefits	283,500				
Debt Service			1,573,000	3,025,000	6,443,000
Capital Outlay	10,630,300	17,088,800	15,545,300	11,751,600	11,928,600
TOTAL EXPENDITURES	39,521,900	46,476,100	47,036,400	46,743,300	47,442,600
EXPENDITURES BY FUND SOURCE					
General Fund	7,003,900	7,802,600	9,555,400	12,866,600	13,356,300
Restricted Funds	31,805,500	38,244,500	37,052,000	33,431,600	33,638,200
Federal Fund	283,500				
Road Fund	429,000	429,000	429,000	445,100	448,100
TOTAL EXPENDITURES	39,521,900	46,476,100	47,036,400	46,743,300	47,442,600
EXPENDITURES BY UNIT					
Secretary	2,381,500	2,449,300	4,107,700	8,317,500	8,753,500
Gubernatorial Transition	220,000				
Office of General Counsel	2,241,900	2,582,700	2,688,900	2,348,800	2,368,500
Office of Administrative Services	2,984,300	3,122,500	3,267,900	3,128,900	3,155,600
Fleet Management	27,477,300	34,202,500	32,753,700	28,873,800	29,062,300
Postal Services	3,115,700	3,218,400	3,329,100	3,228,500	3,249,400
Policy and Audit	817,700	900,700	889,100	845,800	853,300
Weatherization	283,500				
TOTAL EXPENDITURES	39,521,900	46,476,100	47,036,400	46,743,300	47,442,600

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

The Office of the Secretary, including the Office of Public Information, develops executive policy and directs the overall management of the Commonwealth's property and financial assets. Office staff coordinates fiscal and personnel

administration for the Cabinet, reviews all internal reorganizations, prepares the Cabinet legislative package, and handles inquiries and issues that arise from the General Assembly, the news media, and the general public. The Secretary of Finance serves on numerous boards and commissions including the Kentucky Economic Development Partnership Board, the Kentucky Economic Development Finance Authority, the Kentucky Infrastructure Authority, the Kentucky Higher Education Assistance Authority, and the Kentucky Housing Corporation.

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

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

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

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

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

Policy

The Executive Budget provides General Fund in the amount of \$3,025,000 in fiscal year 2016-2017 and \$6,443,000 in fiscal year 2017-2018 for debt service on new bonds included in the capital budget.

Finance and Administration

Controller

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,984,000	6,957,200	7,197,400	5,848,700	5,893,900
Total General Fund	5,984,000	6,957,200	7,197,400	5,848,700	5,893,900
Restricted Funds					
Balance Forward	3,962,000	3,564,000	2,675,400	3,298,600	1,738,300
Current Receipts	6,230,800	6,069,100	6,069,100	7,979,100	7,979,100
Non-Revenue Receipts	2,417,500	1,984,500	1,984,500	1,802,800	1,814,400
Total Restricted Funds	12,610,300	11,617,600	10,729,000	13,080,500	11,531,800
TOTAL SOURCE OF FUNDS	18,594,300	18,574,800	17,926,400	18,929,200	17,425,700
EXPENDITURES BY CLASS					
Personnel Costs	8,673,300	9,482,600	9,885,000	9,518,000	9,593,800
Operating Expenses	6,348,100	6,411,800	6,552,900	7,667,900	7,816,300
Debt Service	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	15,026,400	15,899,400	16,442,900	17,190,900	17,415,100
EXPENDITURES BY FUND SOURCE					
General Fund	5,714,700	6,957,200	7,197,400	5,848,700	5,893,900
Restricted Funds	9,311,700	8,942,200	9,245,500	11,342,200	11,521,200
TOTAL EXPENDITURES	15,026,400	15,899,400	16,442,900	17,190,900	17,415,100
EXPENDITURES BY UNIT					
Controller	2,218,900	2,343,400	2,428,700	3,890,500	3,907,900
Local Government Services	751,700	845,300	879,200	781,500	787,000
Financial Management	3,841,500	3,942,400	4,041,500	3,939,900	3,958,100
Procurement Services	1,890,600	2,282,300	2,368,000	1,976,700	1,992,500
Customer Resource Center	4,622,600	4,726,200	4,903,400	4,838,600	4,994,300
State Risk and Insurance Services	1,701,100	1,759,800	1,822,100	1,763,700	1,775,300
TOTAL EXPENDITURES	15,026,400	15,899,400	16,442,900	17,190,900	17,415,100

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

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

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

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

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

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

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

Finance and Administration

Debt Service

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	464,095,000	417,590,500	467,609,600	423,105,900	469,749,500
Special Appropriation	5,459,000				
Total General Fund	469,554,000	417,590,500	467,609,600	423,105,900	469,749,500
Tobacco Fund					
Tobacco Settlement - Phase I	30,657,000	26,852,100	26,534,500	26,985,300	26,667,700
Total Tobacco Fund	30,657,000	26,852,100	26,534,500	26,985,300	26,667,700
TOTAL SOURCE OF FUNDS	500,211,000	444,442,600	494,144,100	450,091,200	496,417,200
EXPENDITURES BY CLASS					
Debt Service	441,949,600	430,171,400	479,484,400	435,820,000	481,757,500
TOTAL EXPENDITURES	441,949,600	430,171,400	479,484,400	435,820,000	481,757,500
EXPENDITURES BY FUND SOURCE					
General Fund	413,472,100	405,470,700	455,167,900	410,986,100	457,307,800
Tobacco Fund	28,477,500	24,700,700	24,316,500	24,833,900	24,449,700
TOTAL EXPENDITURES	441,949,600	430,171,400	479,484,400	435,820,000	481,757,500
EXPENDITURES BY UNIT					
Debt Service	441,949,600	430,171,400	479,484,400	435,820,000	481,757,500
TOTAL EXPENDITURES	441,949,600	430,171,400	479,484,400	435,820,000	481,757,500

Previously authorized State Property and Buildings Commission General Fund debt service for all agencies is consolidated in the Finance and Administration Cabinet. All new 2016-2018 General Fund debt service is reflected in budgets of the affected agencies.

Policy

The American Recovery and Reinvestment Act of 2009 created a new debt instrument for tax-exempt municipal bond issuers, called Build America Bonds. Municipal bond issuers could issue Build America Bonds for eligible tax-exempt purposes on a permanent basis only. The Commonwealth was eligible for a subsidy for bonds issued as Build America Bonds prior to December 31, 2010. Subsidies from the Build America Bonds shall lapse to the General Fund. The amount of the General Fund lapse is \$12,119,800 in fiscal year 2016-2017 and \$12,441,700 in fiscal year 2017-2018. The amount of Tobacco Fund lapse is \$2,151,400 in fiscal year 2016-2017 and \$2,218,000 in fiscal year 2017-2018.

**Finance and Administration
Facilities and Support Services**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,455,800	6,504,100	17,836,400	5,406,700	6,110,800
Total General Fund	5,455,800	6,504,100	17,836,400	5,406,700	6,110,800
Restricted Funds					
Balance Forward	16,522,500	14,042,400	8,055,000	14,396,900	7,184,800
Current Receipts	36,892,400	39,365,400	40,535,800	40,623,600	40,585,900
Non-Revenue Receipts	600,000			250,000	250,000
Fund Transfers				-300,000	
Total Restricted Funds	54,014,900	53,407,800	48,590,800	54,970,500	48,020,700
TOTAL SOURCE OF FUNDS	59,470,700	59,911,900	66,427,200	60,377,200	54,131,500
EXPENDITURES BY CLASS					
Personnel Costs	23,825,600	25,507,900	26,618,200	26,390,600	24,942,900
Operating Expenses	18,210,600	18,631,700	18,659,400	18,563,100	18,032,000
Debt Service			10,219,000	161,500	813,500
Capital Outlay	2,792,100	7,717,300	7,717,300	8,077,200	8,077,500
TOTAL EXPENDITURES	44,828,300	51,856,900	63,213,900	53,192,400	51,865,900
EXPENDITURES BY FUND SOURCE					
General Fund	5,210,300	6,504,100	17,836,400	5,406,700	6,110,800
Restricted Funds	39,618,000	45,352,800	45,377,500	47,785,700	45,755,100
TOTAL EXPENDITURES	44,828,300	51,856,900	63,213,900	53,192,400	51,865,900
EXPENDITURES BY UNIT					
Commissioner's Office	695,900	700,400	10,947,100	692,900	698,700
Facility Development and Efficiency	5,739,600	6,062,300	6,358,600	6,046,700	6,105,900
Real Property	1,395,300	1,480,600	1,560,100	1,482,200	1,498,200
Historic Properties	337,800	348,800	359,400	348,800	350,800
Building and Mechanical Services	35,455,800	42,006,600	42,683,500	43,367,300	41,948,400
State Surplus Property	635,200	664,000	688,000	667,300	673,100
Federal Surplus Property	568,700	594,200	617,200	587,200	590,800
TOTAL EXPENDITURES	44,828,300	51,856,900	63,213,900	53,192,400	51,865,900

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

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

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

switching systems, asbestos abatement projects, and master agreements for maintenance of elevators, escalators, and similar services. The Administrative Services Branch and the Pre-Audit Branch provide support services to the Division and Department.

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

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

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

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

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

Policy

The Executive Budget provides General Fund in the amount of \$161,500 in fiscal year 2016-2017 and \$813,500 in fiscal year 2017-2018 for debt service on new bonds included in the capital budget.

The 2014-2016 Executive Branch appropriations act authorized the Department for Facilities and Support Services to construct a new state office building to house displaced state workers from the Capital Plaza Tower and privately leased space. The Department entered into an agreement with a private developer to construct, operate, and maintain the property for a period of 35 years, at which time the Commonwealth will take over ownership of the property. Construction is due to be complete in the spring of 2016, at which time the Department for Facilities and Support Services will begin equipping the building for its future tenants. State employees are slated to begin occupying the building in the summer of 2016. The above Restricted Fund appropriation includes funding for payments to the developer for amortization of the construction cost and for ongoing maintenance and operations.

**Finance and Administration
County Costs**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	15,897,000	21,615,000	21,615,000	15,897,000	15,897,000
Total General Fund	15,897,000	21,615,000	21,615,000	15,897,000	15,897,000
Restricted Funds					
Balance Forward	200				
Current Receipts	1,702,300	1,702,500	1,702,500	1,702,500	1,702,500
Total Restricted Funds	1,702,500	1,702,500	1,702,500	1,702,500	1,702,500
TOTAL SOURCE OF FUNDS	17,599,500	23,317,500	23,317,500	17,599,500	17,599,500
EXPENDITURES BY CLASS					
Personnel Costs	1,889,500	3,966,300	3,966,300	1,889,500	1,889,500
Operating Expenses	14,514,500	18,155,700	18,155,700	14,514,500	14,514,500
Grants Loans Benefits	1,195,500	1,195,500	1,195,500	1,195,500	1,195,500
TOTAL EXPENDITURES	17,599,500	23,317,500	23,317,500	17,599,500	17,599,500
EXPENDITURES BY FUND SOURCE					
General Fund	15,897,000	21,615,000	21,615,000	15,897,000	15,897,000
Restricted Funds	1,702,500	1,702,500	1,702,500	1,702,500	1,702,500
TOTAL EXPENDITURES	17,599,500	23,317,500	23,317,500	17,599,500	17,599,500
EXPENDITURES BY UNIT					
Public Defender Program	1,858,200	3,935,000	3,935,000	1,858,200	1,858,200
Witnesses	100,000	100,000	100,000	100,000	100,000
DUI Service Fees	1,195,500	1,195,500	1,195,500	1,195,500	1,195,500
Sheriffs Fees'	9,981,300	13,622,500	13,622,500	9,981,300	9,981,300
County Clerks (Make Tax Bills)	254,000	254,000	254,000	254,000	254,000
Board Of Assessment Appeals	40,000	40,000	40,000	40,000	40,000
Fugitive From Justice	1,102,000	1,102,000	1,102,000	1,102,000	1,102,000
Jury Fund	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Sheriffs Expense Allowance	463,500	463,500	463,500	463,500	463,500
Premium On Sheriffs' Bonds	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	17,599,500	23,317,500	23,317,500	17,599,500	17,599,500

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

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

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

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

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

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

Pursuant to KRS 133.030, each member of a county board of assessment appeals is compensated \$100 per day for their services in hearing tax appeals and reviewing tax assessments. The Finance and Administration Cabinet refunds county fiscal courts for half of the board members' compensation.

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

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

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

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

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

Policy

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

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

Finance and Administration
Commonwealth Office of Technology

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	14,094,600	4,012,200	2,685,500	13,905,100	8,191,500
Current Receipts	123,372,000	142,322,600	142,322,600	133,142,400	133,207,400
Total Restricted Funds	137,466,600	146,334,800	145,008,100	147,047,500	141,398,900
Federal Fund					
Current Receipts	1,262,800	1,262,800	1,262,800	1,262,800	1,262,800
Total Federal Fund	1,262,800	1,262,800	1,262,800	1,262,800	1,262,800
TOTAL SOURCE OF FUNDS	138,729,400	147,597,600	146,270,900	148,310,300	142,661,700
EXPENDITURES BY CLASS					
Personnel Costs	78,607,200	83,434,800	86,389,300	91,249,400	92,121,100
Operating Expenses	38,206,700	48,382,500	48,331,800	38,719,800	38,645,500
Grants Loans Benefits	512,800	502,800	225,500	502,800	225,500
Capital Outlay	7,497,600	8,392,000	8,392,000	9,646,800	6,646,800
TOTAL EXPENDITURES	124,824,300	140,712,100	143,338,600	140,118,800	137,638,900
EXPENDITURES BY FUND SOURCE					
Restricted Funds	123,561,500	139,449,300	142,075,800	138,856,000	136,376,100
Federal Fund	1,262,800	1,262,800	1,262,800	1,262,800	1,262,800
TOTAL EXPENDITURES	124,824,300	140,712,100	143,338,600	140,118,800	137,638,900
EXPENDITURES BY UNIT					
Commonwealth Office of Technology	4,842,300	4,829,000	4,897,200	8,269,400	8,330,900
Chief Information Security Officer	6,711,700	6,723,500	6,900,900	6,108,200	6,143,200
Application Development	23,822,300	24,122,300	24,526,200	24,118,400	24,198,700
Infrastructure Services	78,139,800	93,411,900	95,012,000	90,026,500	87,294,700
Office of Enterprise Technology	5,719,400	5,705,700	5,801,800	5,695,100	5,714,200
IT Service Management	5,588,800	5,919,700	6,200,500	5,901,200	5,957,200
TOTAL EXPENDITURES	124,824,300	140,712,100	143,338,600	140,118,800	137,638,900

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

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

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

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

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

The Office of Enterprise Technology is responsible for the statewide strategic information technology (IT) plan. Staff in this office assist state agencies in developing their own IT plans that conform with the policies and architecture standards determined by COT. Other responsibilities include enterprise capacity planning, testing, research, and development.

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

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

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

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

Finance and Administration

Revenue

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	87,642,700	99,353,900	107,872,900	84,876,600	85,468,300
Total General Fund	87,642,700	99,353,900	107,872,900	84,876,600	85,468,300
Tobacco Fund					
Tobacco Settlement - Phase I	250,000	250,000	250,000	250,000	250,000
Total Tobacco Fund	250,000	250,000	250,000	250,000	250,000
Restricted Funds					
Balance Forward	6,180,600	3,895,000	2,082,000	3,432,300	1,779,400
Current Receipts	10,770,500	10,770,500	10,770,500	10,880,100	10,881,200
Total Restricted Funds	16,951,100	14,665,500	12,852,500	14,312,400	12,660,600
Road Fund					
Regular Appropriation	2,970,600	2,970,600	2,970,600	3,078,000	3,097,800
Total Road Fund	2,970,600	2,970,600	2,970,600	3,078,000	3,097,800
TOTAL SOURCE OF FUNDS	107,814,400	117,240,000	123,946,000	102,517,000	101,476,700
EXPENDITURES BY CLASS					
Personnel Costs	66,666,100	79,468,400	83,167,000	67,746,600	68,494,600
Operating Expenses	33,772,100	35,689,600	35,630,400	32,991,000	32,982,100
Debt Service			4,954,000		
TOTAL EXPENDITURES	100,438,200	115,158,000	123,751,400	100,737,600	101,476,700
EXPENDITURES BY FUND SOURCE					
General Fund	83,698,800	99,353,900	107,872,900	84,876,600	85,468,300
Tobacco Fund	250,000	250,000	250,000	250,000	250,000
Restricted Funds	13,518,800	12,583,500	12,657,900	12,533,000	12,660,600
Road Fund	2,970,600	2,970,600	2,970,600	3,078,000	3,097,800
TOTAL EXPENDITURES	100,438,200	115,158,000	123,751,400	100,737,600	101,476,700
EXPENDITURES BY UNIT					
Commissioner's Office	29,977,900	37,569,900	42,593,300	30,222,400	30,243,700
Property Valuation	7,391,600	7,885,400	8,259,700	7,398,100	7,473,000
Field Operations	14,519,500	15,505,900	16,279,900	14,309,900	14,466,300
Income Taxation	8,776,700	9,758,200	10,242,800	8,894,400	8,992,700
Sales and Excise Taxes	8,748,700	8,839,200	9,216,300	8,825,300	8,897,100
Processing and Enforcement	31,023,800	35,599,400	37,159,400	31,087,500	31,403,900
TOTAL EXPENDITURES	100,438,200	115,158,000	123,751,400	100,737,600	101,476,700

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

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

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

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

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

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

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

Policy

The Executive Budget includes General Fund in the amount of \$1,100,000 in each fiscal year for operating costs of the Kentucky Business One-Stop Portal.

**Finance and Administration
Property Valuation Administrators**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	43,555,500	53,056,200	55,476,800	42,724,700	43,680,200
Total General Fund	43,555,500	53,056,200	55,476,800	42,724,700	43,680,200
Restricted Funds					
Balance Forward	241,000				
Current Receipts	4,449,000	3,500,000	3,500,000	6,033,300	6,094,800
Total Restricted Funds	4,690,000	3,500,000	3,500,000	6,033,300	6,094,800
TOTAL SOURCE OF FUNDS	48,245,500	56,556,200	58,976,800	48,758,000	49,775,000
EXPENDITURES BY CLASS					
Personnel Costs	45,795,900	56,073,100	58,493,600	48,076,000	49,092,900
Operating Expenses	489,600	483,100	483,200	682,000	682,100
TOTAL EXPENDITURES	46,285,500	56,556,200	58,976,800	48,758,000	49,775,000
EXPENDITURES BY FUND SOURCE					
General Fund	41,595,500	53,056,200	55,476,800	42,724,700	43,680,200
Restricted Funds	4,690,000	3,500,000	3,500,000	6,033,300	6,094,800
TOTAL EXPENDITURES	46,285,500	56,556,200	58,976,800	48,758,000	49,775,000
EXPENDITURES BY UNIT					
Property Valuation Administrators	46,285,500	56,556,200	58,976,800	48,758,000	49,775,000
TOTAL EXPENDITURES	46,285,500	56,556,200	58,976,800	48,758,000	49,775,000

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

Policy

Pursuant to KRS 132.590, the Executive Budget includes funding for the required increase in Property Valuation Administrators' salaries and educational incentive based on the estimated consumer price index in calendar years 2017 and 2018.

Health and Family Services

Health and Family Services

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,381,426,800	2,754,720,700	2,987,946,600	2,512,167,400	2,714,506,600
Total General Fund	2,381,426,800	2,754,720,700	2,987,946,600	2,512,167,400	2,714,506,600
Tobacco Fund					
Tobacco Settlement - Phase I	25,036,800	20,556,300	19,977,500	21,492,900	23,954,200
Special Appropriation	682,500				
Continuing Approp-Tob Settlement	5,017,000			2,046,600	
Total Tobacco Fund	30,736,300	20,556,300	19,977,500	23,539,500	23,954,200
Restricted Funds					
Balance Forward	52,321,300	20,803,700	13,695,500	20,803,700	23,211,100
Current Receipts	596,540,300	590,537,500	597,169,600	592,520,800	598,512,200
Non-Revenue Receipts	472,186,800	458,206,800	469,135,000	458,555,700	469,004,500
Fund Transfers				-500,000	500,000
Total Restricted Funds	1,121,048,400	1,069,548,000	1,080,000,100	1,071,380,200	1,091,227,800
Federal Fund					
Balance Forward	63,073,900				
Current Receipts	9,070,805,900	9,447,230,900	9,759,242,800	9,370,930,900	9,651,262,700
Total Federal Fund	9,133,879,800	9,447,230,900	9,759,242,800	9,370,930,900	9,651,262,700
TOTAL SOURCE OF FUNDS	12,667,091,300	13,292,055,900	13,847,167,000	12,978,018,000	13,480,951,300
EXPENDITURES BY CLASS					
Personnel Costs	778,573,100	944,070,500	967,002,200	879,335,700	866,596,900
Operating Expenses	144,196,100	153,317,300	153,724,000	139,707,200	138,042,400
Grants Loans Benefits	11,676,708,400	12,168,108,800	12,691,122,400	11,922,773,000	12,424,125,800
Debt Service	11,257,700	11,587,900	28,244,400	11,715,100	12,145,100
Capital Outlay	2,404,800	1,275,900	1,275,900	1,275,900	1,275,900
TOTAL EXPENDITURES	12,613,140,100	13,278,360,400	13,841,368,900	12,954,806,900	13,442,186,100
EXPENDITURES BY FUND SOURCE					
General Fund	2,350,325,900	2,754,720,700	2,987,946,600	2,512,167,400	2,714,506,600
Tobacco Fund	28,689,700	20,556,300	19,977,500	23,539,500	23,954,200
Restricted Funds	1,100,244,700	1,055,852,500	1,074,202,100	1,048,169,100	1,052,462,600
Federal Fund	9,133,879,800	9,447,230,900	9,759,242,800	9,370,930,900	9,651,262,700
TOTAL EXPENDITURES	12,613,140,100	13,278,360,400	13,841,369,000	12,954,806,900	13,442,186,100
EXPENDITURES BY UNIT					
Health Benefit and Information Exchange	47,627,600	41,986,200	36,615,100	43,028,600	17,413,800
General Administration and Program Support	84,802,900	95,689,100	99,061,900	89,932,600	90,326,400
Health Policy	3,253,200	2,773,700	2,273,700	2,767,100	2,273,200
Aging and Independent Living	70,678,400	84,433,500	84,951,500	70,596,900	70,730,500
Income Support	104,095,200	108,364,100	117,335,100	106,993,100	108,735,300
Public Health	372,026,000	377,260,400	382,521,300	361,317,000	362,276,600
Behavioral Health, Developmental & Intellectual Disabilities	456,032,000	479,902,900	489,814,200	430,876,800	431,676,500
Family Resource Centers and Volunteer Services	4,481,800	13,241,400	13,313,700	6,271,400	6,281,700
Community Based Services	1,020,334,700	1,126,864,600	1,144,497,000	1,049,257,800	1,056,270,000
Medicaid Services	10,431,154,800	10,928,118,500	11,450,487,700	10,773,900,900	11,275,946,300
Comm for Children with Special Health Care Needs	18,653,500	19,726,000	20,497,800	19,864,700	20,255,800
TOTAL EXPENDITURES	12,613,140,100	13,278,360,400	13,841,369,000	12,954,806,900	13,442,186,100

Health and Family Services
General Administration and Program Support

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	28,713,600	35,975,800	38,327,600	30,510,500	31,065,700
Total General Fund	28,713,600	35,975,800	38,327,600	30,510,500	31,065,700
Restricted Funds					
Balance Forward	3,940,900	1,114,500	646,500	1,114,500	
Current Receipts	7,062,200	8,335,400	9,038,700	8,335,400	9,038,700
Non-Revenue Receipts	6,911,600	7,011,600	7,011,700	7,011,600	7,011,700
Fund Transfers				500,000	500,000
Total Restricted Funds	17,914,700	16,461,500	16,696,900	16,961,500	16,550,400
Federal Fund					
Balance Forward	4,160,200				
Current Receipts	36,421,000	43,898,300	44,217,100	42,460,600	42,710,300
Total Federal Fund	40,581,200	43,898,300	44,217,100	42,460,600	42,710,300
TOTAL SOURCE OF FUNDS	87,209,500	96,335,600	99,241,600	89,932,600	90,326,400
EXPENDITURES BY CLASS					
Personnel Costs	54,251,200	63,260,900	65,246,400	61,603,300	61,986,900
Operating Expenses	30,317,200	32,193,700	32,248,000	27,988,800	27,787,000
Grants Loans Benefits	156,000	156,000	156,000	156,000	156,000
Debt Service			1,333,000	106,000	318,000
Capital Outlay	78,500	78,500	78,500	78,500	78,500
TOTAL EXPENDITURES	84,802,900	95,689,100	99,061,900	89,932,600	90,326,400
EXPENDITURES BY FUND SOURCE					
General Fund	27,421,500	35,975,800	38,327,600	30,510,500	31,065,700
Restricted Funds	16,800,200	15,815,000	16,517,200	16,961,500	16,550,400
Federal Fund	40,581,200	43,898,300	44,217,100	42,460,600	42,710,300
TOTAL EXPENDITURES	84,802,900	95,689,100	99,061,900	89,932,600	90,326,400
EXPENDITURES BY UNIT					
Administrative Support	62,864,900	67,016,200	69,876,900	64,349,200	64,909,800
Inspector General	21,938,000	28,672,900	29,185,000	25,583,400	25,416,600
TOTAL EXPENDITURES	84,802,900	95,689,100	99,061,900	89,932,600	90,326,400

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

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

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

Policy

The Executive Budget includes General Fund in the amount of \$106,000 in fiscal year 2016-2017 and \$318,000 in fiscal year 2017-2018 to support new bonds as set forth in Part II, Capital Projects Budget.

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

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	25,484,300	27,203,300	29,483,500	24,321,900	24,649,300
Total General Fund	25,484,300	27,203,300	29,483,500	24,321,900	24,649,300
Restricted Funds					
Balance Forward	496,000	327,300	163,600	327,300	
Current Receipts	5,233,800	4,620,300	4,620,300	4,620,300	4,620,300
Non-Revenue Receipts	6,936,600	7,036,600	7,036,700	7,036,600	7,036,700
Fund Transfers				500,000	500,000
Total Restricted Funds	12,666,400	11,984,200	11,820,600	12,484,200	12,157,000
Federal Fund					
Balance Forward	3,462,400				
Current Receipts	22,725,800	27,992,300	28,572,800	27,543,100	28,103,500
Total Federal Fund	26,188,200	27,992,300	28,572,800	27,543,100	28,103,500
TOTAL SOURCE OF FUNDS	64,338,900	67,179,800	69,876,900	64,349,200	64,909,800
EXPENDITURES BY CLASS					
Personnel Costs	35,251,200	37,689,800	39,216,700	38,925,500	39,624,700
Operating Expenses	27,535,200	29,247,900	29,248,700	25,239,200	24,888,600
Debt Service			1,333,000	106,000	318,000
Capital Outlay	78,500	78,500	78,500	78,500	78,500
TOTAL EXPENDITURES	62,864,900	67,016,200	69,876,900	64,349,200	64,909,800
EXPENDITURES BY FUND SOURCE					
General Fund	24,337,600	27,203,300	29,483,500	24,321,900	24,649,300
Restricted Funds	12,339,100	11,820,600	11,820,600	12,484,200	12,157,000
Federal Fund	26,188,200	27,992,300	28,572,800	27,543,100	28,103,500
TOTAL EXPENDITURES	62,864,900	67,016,200	69,876,900	64,349,200	64,909,800

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

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

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

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

Human Resource Management serves all Cabinet employees and programs and provides payroll and health benefits administration, equal employment opportunity compliance, and professional development and training activities. This office serves as the Cabinet's appointing authority and performs all the duties, responsibilities and functions required to maintain an effective and efficient personnel management system in accordance with the Kentucky Revised Statutes, Kentucky Administrative Regulations, and the policy guidelines of the Secretary of the Cabinet.

Policy and Budget is responsible for the coordination of budgetary, administrative and legislative activities of the Cabinet's

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

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

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

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

Inspector General

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,229,300	8,772,500	8,844,100	6,188,600	6,416,400
Total General Fund	3,229,300	8,772,500	8,844,100	6,188,600	6,416,400
Restricted Funds					
Balance Forward	3,444,900	787,200	482,900	787,200	
Current Receipts	1,828,400	3,715,100	4,418,400	3,715,100	4,418,400
Non-Revenue Receipts	-25,000	-25,000	-25,000	-25,000	-25,000
Total Restricted Funds	5,248,300	4,477,300	4,876,300	4,477,300	4,393,400
Federal Fund					
Balance Forward	697,800				
Current Receipts	13,695,200	15,906,000	15,644,300	14,917,500	14,606,800
Total Federal Fund	14,393,000	15,906,000	15,644,300	14,917,500	14,606,800
TOTAL SOURCE OF FUNDS	22,870,600	29,155,800	29,364,700	25,583,400	25,416,600
EXPENDITURES BY CLASS					
Personnel Costs	19,000,000	25,571,100	26,029,700	22,677,800	22,362,200
Operating Expenses	2,782,000	2,945,800	2,999,300	2,749,600	2,898,400
Grants Loans Benefits	156,000	156,000	156,000	156,000	156,000
TOTAL EXPENDITURES	21,938,000	28,672,900	29,185,000	25,583,400	25,416,600
EXPENDITURES BY FUND SOURCE					
General Fund	3,083,900	8,772,500	8,844,100	6,188,600	6,416,400
Restricted Funds	4,461,100	3,994,400	4,696,600	4,477,300	4,393,400
Federal Fund	14,393,000	15,906,000	15,644,300	14,917,500	14,606,800
TOTAL EXPENDITURES	21,938,000	28,672,900	29,185,000	25,583,400	25,416,600

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

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

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

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

Policy

The Executive Budget includes a fund source replacement of General Fund in the amount of \$3,100,000 in fiscal year 2016-2017 and \$3,300,000 in fiscal year 2017-2018 for the Kentucky All Schedule Prescription Electronic Reporting System (KASPER). KASPER is a vital tool for public health and safety by helping prescribers, dispensers, law enforcement officers and authorized regulatory agencies to address prescription drug abuse and diversion in Kentucky.

The Executive Budget provides \$3,800 in fiscal year 2016-2017 and \$3,900 in fiscal year 2017-2018 from the General Fund to support implementation of a new minimum salary plan to assist with retention of social workers.

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

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,587,200	5,587,200	5,587,200	5,711,100	5,824,800
Total General Fund	5,587,200	5,587,200	5,587,200	5,711,100	5,824,800
Restricted Funds					
Balance Forward	5,397,400	3,775,400	2,221,800	3,775,400	1,207,000
Current Receipts	9,586,000	8,279,100	8,917,900	8,279,100	8,917,900
Non-Revenue Receipts	-2,456,400	-260,000	-260,000	-260,000	-260,000
Fund Transfers				-1,000,000	
Total Restricted Funds	12,527,000	11,794,500	10,879,700	10,794,500	9,864,900
Federal Fund					
Current Receipts	4,566,100	4,566,100	4,566,100	4,566,100	4,566,100
Total Federal Fund	4,566,100	4,566,100	4,566,100	4,566,100	4,566,100
TOTAL SOURCE OF FUNDS	22,680,300	21,947,800	21,033,000	21,071,700	20,255,800
EXPENDITURES BY CLASS					
Personnel Costs	14,661,500	15,911,100	16,735,800	15,403,200	17,388,800
Operating Expenses	1,896,800	1,911,100	1,915,700	2,557,700	1,020,700
Grants Loans Benefits	2,033,700	1,842,300	1,784,800	1,842,300	1,784,800
Capital Outlay	61,500	61,500	61,500	61,500	61,500
TOTAL EXPENDITURES	18,653,500	19,726,000	20,497,800	19,864,700	20,255,800
EXPENDITURES BY FUND SOURCE					
General Fund	5,335,800	5,587,200	5,587,200	5,711,100	5,824,800
Restricted Funds	8,751,600	9,572,700	10,344,500	9,587,500	9,864,900
Federal Fund	4,566,100	4,566,100	4,566,100	4,566,100	4,566,100
TOTAL EXPENDITURES	18,653,500	19,726,000	20,497,800	19,864,700	20,255,800
EXPENDITURES BY UNIT					
Children's Health Services	18,653,500	19,726,000	20,497,800	19,864,700	20,255,800
TOTAL EXPENDITURES	18,653,500	19,726,000	20,497,800	19,864,700	20,255,800

The Commission for Children with Special Health Care Needs (CCSHCN) has over 91 years of experience in providing care for children with a variety of special needs. The mission of the Commission for Children with Special Health Care Needs (CCSHCN) is to enhance the quality of life for Kentucky's children with special health care needs through quality service, leadership, advocacy, education and collaboration with community partners to ensure that services to children are comprehensive, community-based, family-centered and coordinated. CCSHCN supports the highest quality of life for Kentucky's children with special health care needs and their families through collaboration and facilitation of an easily accessible community based system of support. Improved communication across the service delivery system is a high priority goal to avoid duplication while improving access to quality services.

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

with blood disorders. The Foster Care Program represents a collaborative effort with the Department of Community Based Services to provide medical consultation services to the foster care support program by making regular home visits to the entire population of medically fragile foster care children and acting as onsite, medical resources for the social workers charged with responsibility for both children who are currently in the child welfare system and those who may be at risk for entering that system.

The family's financial status can play a role in determining whether the child is accepted into the Children with Special Health Care Needs Program and/or Hemophilia Program. All programs serve children and youth with or at-risk for special health care needs under age 21, with the exception of the Hemophilia Program, which also serves adults. The direct service programs require that specific medical eligibility requirements be met. For families with incomes less than 213% of the federal poverty level, a sliding scale is applied to determine the amount the family must contribute for treatment. Eligible children and youth in families with incomes in excess of 213% of federal poverty level also can receive services if they reside in medically under-served areas of the state, would benefit from a multidisciplinary approach to care, and/or are underinsured in the areas of hearing aids, durable medical equipment or nutritional supplements. These families are required to reimburse CSHCN for the entire costs of their treatment, but are able to take advantage of the Commission's negotiated rates with contracted medical providers.

Policy

The Executive Budget provides \$14,100 in fiscal year 2016-2017 and \$14,300 in fiscal year 2017-2018 from the General Fund to support implementation of a new minimum salary plan to assist with retention of social workers.

Health and Family Services

Medicaid Services

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,611,591,800	1,867,793,200	2,068,372,600	1,799,007,700	1,998,180,000
Total General Fund	1,611,591,800	1,867,793,200	2,068,372,600	1,799,007,700	1,998,180,000
Restricted Funds					
Balance Forward	2,217,500				
Current Receipts	92,274,300	94,504,300	96,734,300	94,504,300	96,734,300
Non-Revenue Receipts	498,923,800	436,656,800	449,087,500	436,656,800	449,087,500
Total Restricted Funds	593,415,600	531,161,100	545,821,800	531,161,100	545,821,800
Federal Fund					
Balance Forward	32,215,700				
Current Receipts	8,193,931,700	8,529,164,200	8,836,293,300	8,443,732,100	8,731,944,500
Total Federal Fund	8,226,147,400	8,529,164,200	8,836,293,300	8,443,732,100	8,731,944,500
TOTAL SOURCE OF FUNDS	10,431,154,800	10,928,118,500	11,450,487,700	10,773,900,900	11,275,946,300
EXPENDITURES BY CLASS					
Personnel Costs	91,935,700	192,391,200	192,768,900	161,786,500	163,196,000
Operating Expenses	2,411,100	4,054,200	4,069,900	2,785,800	2,801,200
Grants Loans Benefits	10,336,808,000	10,731,667,000	11,253,642,800	10,609,322,500	11,109,943,000
Capital Outlay		6,100	6,100	6,100	6,100
TOTAL EXPENDITURES	10,431,154,800	10,928,118,500	11,450,487,700	10,773,900,900	11,275,946,300
EXPENDITURES BY FUND SOURCE					
General Fund	1,611,591,800	1,867,793,200	2,068,372,600	1,799,007,700	1,998,180,000
Restricted Funds	593,415,600	531,161,100	545,821,800	531,161,100	545,821,800
Federal Fund	8,226,147,400	8,529,164,200	8,836,293,300	8,443,732,100	8,731,944,500
TOTAL EXPENDITURES	10,431,154,800	10,928,118,500	11,450,487,700	10,773,900,900	11,275,946,300
EXPENDITURES BY UNIT					
Medicaid Administration	128,508,500	235,332,300	235,087,500	195,481,300	196,268,000
Medicaid Benefits	10,302,646,300	10,692,786,200	11,215,400,200	10,578,419,600	11,079,678,300
TOTAL EXPENDITURES	10,431,154,800	10,928,118,500	11,450,487,700	10,773,900,900	11,275,946,300

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

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

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

**Health and Family Services
Medicaid Administration**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	33,398,600	59,811,500	58,818,700	41,085,800	40,549,800
Total General Fund	33,398,600	59,811,500	58,818,700	41,085,800	40,549,800
Restricted Funds					
Balance Forward	1,247,300				
Current Receipts	29,000	29,000	29,000	29,000	29,000
Non-Revenue Receipts	16,123,700	10,372,600	10,372,600	10,372,600	10,372,600
Total Restricted Funds	17,400,000	10,401,600	10,401,600	10,401,600	10,401,600
Federal Fund					
Balance Forward	19,690,100				
Current Receipts	58,019,800	165,119,200	165,867,200	143,993,900	145,316,600
Total Federal Fund	77,709,900	165,119,200	165,867,200	143,993,900	145,316,600
TOTAL SOURCE OF FUNDS	128,508,500	235,332,300	235,087,500	195,481,300	196,268,000
EXPENDITURES BY CLASS					
Personnel Costs	91,935,700	192,391,200	192,768,900	161,786,500	163,196,000
Operating Expenses	2,411,100	4,054,200	4,069,900	2,785,800	2,801,200
Grants Loans Benefits	34,161,700	38,880,800	38,242,600	30,902,900	30,264,700
Capital Outlay		6,100	6,100	6,100	6,100
TOTAL EXPENDITURES	128,508,500	235,332,300	235,087,500	195,481,300	196,268,000
EXPENDITURES BY FUND SOURCE					
General Fund	33,398,600	59,811,500	58,818,700	41,085,800	40,549,800
Restricted Funds	17,400,000	10,401,600	10,401,600	10,401,600	10,401,600
Federal Fund	77,709,900	165,119,200	165,867,200	143,993,900	145,316,600
TOTAL EXPENDITURES	128,508,500	235,332,300	235,087,500	195,481,300	196,268,000
EXPENDITURES BY UNIT					
Medical Assistance Administration	114,789,700	232,307,000	231,962,100	192,462,700	193,156,600
KCHIP Administration	13,718,800	3,025,300	3,125,400	3,018,600	3,111,400
TOTAL EXPENDITURES	128,508,500	235,332,300	235,087,500	195,481,300	196,268,000

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

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

Policy

The Executive Budget includes General Fund of \$7,300,000 in fiscal year 2017 and \$6,700,000 in fiscal year 2017-2018 for the development and implementation of a Medicaid Enterprise Management System (MEMS). The state will draw an enhanced federal match in the amount of \$27,865,900 in fiscal year 2016-2017 and \$26,317,400 in fiscal year 2017-2018.

Health and Family Services

Medicaid Benefits

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,578,193,200	1,807,981,700	2,009,553,900	1,757,921,900	1,957,630,200
Total General Fund	1,578,193,200	1,807,981,700	2,009,553,900	1,757,921,900	1,957,630,200
Restricted Funds					
Balance Forward	970,200				
Current Receipts	92,245,300	94,475,300	96,705,300	94,475,300	96,705,300
Non-Revenue Receipts	482,800,100	426,284,200	438,714,900	426,284,200	438,714,900
Total Restricted Funds	576,015,600	520,759,500	535,420,200	520,759,500	535,420,200
Federal Fund					
Balance Forward	12,525,600				
Current Receipts	8,135,911,900	8,364,045,000	8,670,426,100	8,299,738,200	8,586,627,900
Total Federal Fund	8,148,437,500	8,364,045,000	8,670,426,100	8,299,738,200	8,586,627,900
TOTAL SOURCE OF FUNDS	10,302,646,300	10,692,786,200	11,215,400,200	10,578,419,600	11,079,678,300
EXPENDITURES BY CLASS					
Grants Loans Benefits	10,302,646,300	10,692,786,200	11,215,400,200	10,578,419,600	11,079,678,300
TOTAL EXPENDITURES	10,302,646,300	10,692,786,200	11,215,400,200	10,578,419,600	11,079,678,300
EXPENDITURES BY FUND SOURCE					
General Fund	1,578,193,200	1,807,981,700	2,009,553,900	1,757,921,900	1,957,630,200
Restricted Funds	576,015,600	520,759,500	535,420,200	520,759,500	535,420,200
Federal Fund	8,148,437,500	8,364,045,000	8,670,426,100	8,299,738,200	8,586,627,900
TOTAL EXPENDITURES	10,302,646,300	10,692,786,200	11,215,400,200	10,578,419,600	11,079,678,300
EXPENDITURES BY UNIT					
Medicaid Benefits	10,014,018,300	10,473,645,600	10,980,741,600	10,359,279,000	10,845,019,700
KCHIP Benefits	288,628,000	219,140,600	234,658,600	219,140,600	234,658,600
TOTAL EXPENDITURES	10,302,646,300	10,692,786,200	11,215,400,200	10,578,419,600	11,079,678,300

The Kentucky Medicaid program, under Title XIX of the Social Security Act and KRS 205.520, provides for preventive and remedial medical care for financially and medically indigent citizens in Kentucky who meet the income and resource criteria for Medicaid eligibility. The following services are currently provided by Kentucky's Medicaid program: Inpatient Hospital, Mental Hospital (for individuals under age 21 and age 65 and over), Renal Dialysis, Model Waiver II (home based services for individuals who are ventilator dependent), Psychiatric Residential Treatment Facilities (8-9 bed group homes for adolescents needing psychiatric residential services), Outpatient Hospital (including Emergency Room), Ambulatory Surgical Centers, HANDS (home visiting services for new and expectant parents), Specialized Children's Services Clinics (sexual abuse examinations), School-Based Services (Medicaid coverage for health services provided by schools to children with disabilities), Commission for Children with Special Health Care Needs, Intermediate Care Facility Services for Individuals with Intellectual Disabilities-ICF/IID (residential habilitation for Medicaid recipients with intellectual disabilities), Nursing Facility Services (residential placement for the elderly and/or disabled), Preventative Services (health care) through the Local Health Departments, Early Intervention Services for Infants through age 2 with developmental problems, Early and Periodic Screening, Diagnosis and Treatment Services (EPSDT) which is preventive health care for children under 21 and coverage of any Federally-allowable, medically necessary Medicaid service for children, even if the service is not covered by the state's Medicaid plan, Chiropractic, X-ray and Laboratory Services, Physical, Occupational and Speech Therapy, Durable Medical Equipment (DME), Federally Qualified Health Centers, (FQHC), Primary Care Centers (PCC), Community Mental Health Centers (CMHC), Rural Health Centers, Family Planning, Home Health services, Supports for Community Living –SCL (long term community services and supports for individuals with intellectual disabilities), Home and Community Based Waiver – HCBS (long term community services and supports for individuals who meet nursing facility level of care), Adult Day Health Care, Brain Injury Waiver Services (long term community services and supports for individuals with acquired brain injuries), Michelle P. Waiver services (long term community services and supports for individuals with intellectual or developmental disabilities), Nurse Anesthetist, Hospice, Transportation (Non-Emergency and Emergency/Ambulance), Pharmacy, Vision Care, Dental, Physician Services, Nurse Practitioner/Midwife, Audiology Services, Podiatry, Comprehensive Outpatient Rehabilitative Facilities (CORF), Distinct Psychiatric Units in hospitals, Distinct Rehabilitative Units in hospitals, Physicians Assistants, Private Duty Nursing Services, Behavioral health (mental

health or substance use disorder services) provided by licensed practitioners, practitioner groups and licensed organizations, Targeted Case Management for individuals with serious mental health or substance abuse disorders, Medicare Premiums, Medicare beneficiaries with incomes below the federal poverty level receive Medicaid assistance for payment of Medicare premiums, deductibles and cost sharing. These individuals are Qualified Medicare Beneficiaries (QMBs). Individuals at the lowest income levels are entitled to full Medicaid benefits. Medicare beneficiaries with income levels slightly higher than poverty receive Medicaid assistance for payment of Medicare premiums. These individuals are Specified Low-Income Medicare Beneficiaries (SLMBs).

Effective January 1, 2014, the federal Patient Protection and Affordable Care Act (ACA) changed the basis for Medicaid eligibility from eligibility categories tied to deprivation to income-based eligibility, with household income for most beneficiaries determined by the Modified Adjusted Gross Income (MAGI) reported on income tax returns. ACA also simplified and streamlined eligibility processes for most beneficiaries. ACA required states with Medicaid benchmark benefit packages, including Kentucky, to align their Medicaid benefits with the ten essential health benefits mandated by ACA and defined by the benchmark plan adopted for the state’s health benefit exchange (the 2012 Anthem PPO plan for Kentucky). This required Kentucky to add substance use treatment services and private duty nursing to its benefit package for all Medicaid beneficiaries. Prior to ACA, Kentucky Medicaid only covered substance use treatment for children and pregnant women. Kentucky adopted the ACA adult Medicaid eligibility expansion which extends Medicaid eligibility to individuals in households with income at or below 138% of the federal poverty level (FPL).

**Medicaid Enrollment
Projections FY 2016-18**

	MCO (Traditional Medicaid)	MCO (Medicaid Expansion)	MCO (KCHIP)	Fee For Service (FFS)	Grand Total
SFY_16	743,211	420,817	74,468	119,801	1,358,297
SFY_17	766,891	428,947	76,631	121,997	1,394,466
SFY_18	786,953	435,202	78,392	122,653	1,423,200

The Medicaid Expansion population for fiscal year 2015 was 391,934. The fiscal year 2014-2015 enrollment projections from the 2014 Whitepaper Report was 393,337. Medicaid forecasted eligibles and Whitepaper projected eligibles for each fiscal year also closely align.

Kentucky Medical Assistance Program (KMAP) Recipient Groups

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

The **MAGI eligibility group** includes children and non-disabled adults under age 65. Specifically, this group includes children, pregnant women, caretaker relatives of children eligible for Medicaid, the new adult Medicaid expansion eligibility group authorized by ACA and former foster care children who are eligible for Medicaid up to age 26, as mandated by ACA. Eligibility for each of these groups is based on the following income levels: pregnant women and infants under one year of age – 200% of the Federal Poverty Level (FPL); children from one to eighteen years of age: 147% FPL; the new adult Medicaid expansion eligibility group: 138% FPL. Former foster care children are eligible for Medicaid up to age 26 regardless of their income.

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

Projecting Benefits Cost

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

Provider Taxes

Although the majority of the funds that the Commonwealth uses to match federal Medicaid dollars are derived from the

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

Disproportionate Share Hospital (DSH) Payments

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

Managed Care

The budget request assumes that Medicaid services are provided statewide by five (5) contracted Managed Care Organizations (MCOs): Anthem, Aetna (Coventry Cares), Humana CareSource, Passport, and Wellcare. Recipients in long term care facilities and waiver programs are excluded from managed care enrollment.

Benefit Match Rate

The budget request assumes a federal medical assistance percentage of 70.43 for state fiscal year 2016-2017 and 70.46 percent for fiscal year 2017-2018 for eligibility groups other than the ACA Medicaid expansion group for most budget items. The federal medical assistance percentage for the Medicaid expansion eligibility group authorized by the ACA is 100% for state fiscal years 2014-2015 and 2015-2016. In calendar year 2017, the ACA federal match drops from 100% to 95% (impacts six months of fiscal year 2016-2017 and six months of fiscal year 2017-2018) and drops to 94% in calendar year 2018 (impacts six months of fiscal year 2018). The federal Medicaid match rate for KCHIP for state fiscal year 2015-2016 effective 10/1/15 and beyond is calculated at 100 percent.

Kentucky Children's Health Insurance Program (KCHIP)

The Kentucky Children's Health Insurance program was initiated under Title XXI of the Social Security Act and currently serves eligible children up to 213 percent of the federal poverty level.

Funding for CHIP was again reauthorized for federal fiscal years 2016 and 2017. The Affordable Care Act (ACA) increased the CHIP match rate by an additional 23 percentage points beginning October 1, 2015 through September 30, 2019, resulting in a 100% Federal match rate for CHIP benefits in Kentucky. ACA presumed that CHIP would be reauthorized through this period.

Policy

The Executive Budget includes General Fund of \$814,400 in fiscal year 2016-2017 and \$2,603,000 in fiscal year 2017-2018 to continue the roll-out of the Supports for Community Living program. There will be 41 slots added in fiscal year 2016-2017 and an additional 130 slots added in fiscal year 2017-2018 for a total of 171 slots added over the biennium.

The Executive Budget includes General Fund of \$946,100 in fiscal year 2016-2017 and \$1,989,000 in fiscal year 2017-2018 to continue the roll-out of the Michelle P program. There will be 83 slots added in fiscal year 2016-2017 and an additional 166 slots added in fiscal year 2017-2018 for a total of 249 slots added over the biennium.

The current Medicaid program which includes an additional 400,000 recipients since the implementation of the Affordable Care Act, is financially unsustainable. The program cannot remain on the current trajectory. Therefore, it is the policy of the Commonwealth to work with the federal government to determine their willingness to grant the necessary waivers to transform the program, tailored specifically to meet Kentucky's needs. The proposed solution will focus on improving health outcomes, encouraging personal responsibility, eliminating waste, fraud and abuse in the program and, ultimately, will be designed in a manner that is financially sustainable.

The Department for Medicaid Services plans to pursue a waiver from the federal Centers for Medicare and Medicaid Services to impose cost-sharing measures on Medicaid recipients through premiums and co-pays.

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	194,854,000	231,432,800	241,344,100	180,371,200	180,846,400
Total General Fund	194,854,000	231,432,800	241,344,100	180,371,200	180,846,400
Tobacco Fund					
Tobacco Settlement - Phase I	891,400	891,400	891,400	891,400	891,400
Continuing Approp-Tob Settlement	216,100				
Total Tobacco Fund	1,107,500	891,400	891,400	891,400	891,400
Restricted Funds					
Balance Forward	20,396,100	6,239,200	4,679,400	6,239,200	4,679,400
Current Receipts	208,749,000	200,982,500	200,982,500	202,903,700	203,206,900
Non-Revenue Receipts	4,795,600	4,906,900	4,906,900	4,934,800	4,940,000
Total Restricted Funds	233,940,700	212,128,600	210,568,800	214,077,700	212,826,300
Federal Fund					
Current Receipts	40,630,800	40,129,500	40,129,500	40,215,900	40,232,000
Total Federal Fund	40,630,800	40,129,500	40,129,500	40,215,900	40,232,000
TOTAL SOURCE OF FUNDS	470,533,000	484,582,300	492,933,800	435,556,200	434,796,100
EXPENDITURES BY CLASS					
Personnel Costs	135,553,800	139,175,900	142,677,500	139,042,000	139,703,400
Operating Expenses	26,863,300	23,202,500	23,220,500	23,636,400	23,646,500
Grants Loans Benefits	280,092,700	304,807,100	301,785,300	255,459,800	255,370,000
Debt Service	11,257,700	11,587,900	21,001,400	11,609,100	11,827,100
Capital Outlay	2,264,500	1,129,500	1,129,500	1,129,500	1,129,500
TOTAL EXPENDITURES	456,032,000	479,902,900	489,814,200	430,876,800	431,676,500
EXPENDITURES BY FUND SOURCE					
General Fund	186,592,200	231,432,800	241,344,100	180,371,200	180,846,400
Tobacco Fund	1,107,500	891,400	891,400	891,400	891,400
Restricted Funds	227,701,500	207,449,200	207,449,200	209,398,300	209,706,700
Federal Fund	40,630,800	40,129,500	40,129,500	40,215,900	40,232,000
TOTAL EXPENDITURES	456,032,000	479,902,900	489,814,200	430,876,800	431,676,500
EXPENDITURES BY UNIT					
Community Behavioral Health	116,595,200	123,261,100	120,109,600	98,084,200	98,138,200
Community Developmental and Intellectual Disabilities	26,860,100	29,420,300	29,627,800	26,238,200	26,278,800
General Support	26,751,800	39,038,600	39,694,600	25,983,100	26,060,900
Residential	285,824,900	288,182,900	300,382,200	280,571,300	281,198,600
TOTAL EXPENDITURES	456,032,000	479,902,900	489,814,200	430,876,800	431,676,500

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

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

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	56,414,100	77,095,000	73,943,500	51,918,100	51,972,100
Total General Fund	56,414,100	77,095,000	73,943,500	51,918,100	51,972,100
Tobacco Fund					
Tobacco Settlement - Phase I	891,400	891,400	891,400	891,400	891,400
Continuing Approp-Tob Settlement	216,100				
Total Tobacco Fund	1,107,500	891,400	891,400	891,400	891,400
Restricted Funds					
Balance Forward	4,196,900				
Current Receipts	20,252,300	8,285,800	8,285,800	8,285,800	8,285,800
Non-Revenue Receipts	1,836,300	1,836,300	1,836,300	1,836,300	1,836,300
Total Restricted Funds	26,285,500	10,122,100	10,122,100	10,122,100	10,122,100
Federal Fund					
Balance Forward	1,458,800				
Current Receipts	33,721,100	35,152,600	35,152,600	35,152,600	35,152,600
Total Federal Fund	35,179,900	35,152,600	35,152,600	35,152,600	35,152,600
TOTAL SOURCE OF FUNDS	118,987,000	123,261,100	120,109,600	98,084,200	98,138,200
EXPENDITURES BY CLASS					
Personnel Costs	4,044,000	4,122,800	4,305,400	4,222,400	4,280,500
Operating Expenses	543,800	527,700	527,700	527,700	527,700
Grants Loans Benefits	112,007,400	118,610,600	115,276,500	93,334,100	93,330,000
TOTAL EXPENDITURES	116,595,200	123,261,100	120,109,600	98,084,200	98,138,200
EXPENDITURES BY FUND SOURCE					
General Fund	54,022,300	77,095,000	73,943,500	51,918,100	51,972,100
Tobacco Fund	1,107,500	891,400	891,400	891,400	891,400
Restricted Funds	26,285,500	10,122,100	10,122,100	10,122,100	10,122,100
Federal Fund	35,179,900	35,152,600	35,152,600	35,152,600	35,152,600
TOTAL EXPENDITURES	116,595,200	123,261,100	120,109,600	98,084,200	98,138,200
EXPENDITURES BY UNIT					
Community Alcohol and Drug Services	40,436,700	49,503,300	46,330,400	39,920,600	39,943,900
Community Mental Health Services	76,158,500	73,757,800	73,779,200	58,163,600	58,194,300
TOTAL EXPENDITURES	116,595,200	123,261,100	120,109,600	98,084,200	98,138,200

Community Mental Health Services

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

- Adults with severe mental illness (KRS 210, KRS 202A),
- Children/youth with severe emotional disabilities (KRS 200.501 to KRS 200.509)
- Uninsured or underinsured individuals with behavioral health disorders.

In accordance with KRS 210.410, CMHCs must provide persons suffering from mental health conditions with specific services such as: consultation and educational services to help individuals, and their families, understand their illnesses and treatment options; community support programs to assist individuals with mental illness in developing skills that allow them to live independently within the community; outpatient services; emergency services; and inpatient services, which are generally made available through referrals to crisis stabilization units or state or community hospitals.

State and federal funds are used to provide psychiatric screening and assessment services, case management services, psychotropic medications, housing, and vocational support services for adults with severe mental illness and children with severe emotional disabilities. Funds are also provided for unique services and supports designed to “wraparound” an adult or child who is at risk of psychiatric hospitalization or other out of home placement.

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

Funding is used to support statewide needs assessment and planning, monitoring of services provided, training and technical assistance for providers and other community partners (child welfare, law enforcement, education), and procurement and administration of federal and other funds for the provision of effective, community-based services and supports. Integrated (physical and behavioral health) healthcare delivery is necessary for achieving optimal outcomes.

Community Alcohol and Drug Services

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

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

During the past four years, CMHCs have been required to adjust to delivery system changes due to implementation of:

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

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

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	19,769,900	21,492,800	21,700,300	18,196,100	18,215,200
Total General Fund	19,769,900	21,492,800	21,700,300	18,196,100	18,215,200
Restricted Funds					
Balance Forward	111,300				
Non-Revenue Receipts	2,959,300	3,070,600	3,070,600	3,098,500	3,103,700
Total Restricted Funds	3,070,600	3,070,600	3,070,600	3,098,500	3,103,700
Federal Fund					
Balance Forward	-1,473,600				
Current Receipts	6,330,500	4,856,900	4,856,900	4,943,600	4,959,900
Total Federal Fund	4,856,900	4,856,900	4,856,900	4,943,600	4,959,900
TOTAL SOURCE OF FUNDS	27,697,400	29,420,300	29,627,800	26,238,200	26,278,800
EXPENDITURES BY CLASS					
Personnel Costs	4,874,500	5,135,800	5,348,000	5,129,200	5,174,500
Operating Expenses	1,110,300	1,110,300	1,110,300	1,110,300	1,110,300
Grants Loans Benefits	20,875,300	23,174,200	23,169,500	19,998,700	19,994,000
TOTAL EXPENDITURES	26,860,100	29,420,300	29,627,800	26,238,200	26,278,800
EXPENDITURES BY FUND SOURCE					
General Fund	18,932,600	21,492,800	21,700,300	18,196,100	18,215,200
Restricted Funds	3,070,600	3,070,600	3,070,600	3,098,500	3,103,700
Federal Fund	4,856,900	4,856,900	4,856,900	4,943,600	4,959,900
TOTAL EXPENDITURES	26,860,100	29,420,300	29,627,800	26,238,200	26,278,800
EXPENDITURES BY UNIT					
Local Developmental and Intellectual Disabilities	25,424,000	27,957,400	28,152,800	24,802,900	24,841,500
KY Developmental Disability Council	1,436,100	1,462,900	1,475,000	1,435,300	1,437,300
TOTAL EXPENDITURES	26,860,100	29,420,300	29,627,800	26,238,200	26,278,800

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

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

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

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities

General Support

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	27,936,500	39,038,600	39,694,600	25,983,100	26,060,900
Total General Fund	27,936,500	39,038,600	39,694,600	25,983,100	26,060,900
TOTAL SOURCE OF FUNDS	27,936,500	39,038,600	39,694,600	25,983,100	26,060,900
EXPENDITURES BY CLASS					
Personnel Costs	4,660,200	4,983,700	5,247,800	5,128,400	5,212,300
Operating Expenses	786,100	785,100	788,200	785,100	788,200
Grants Loans Benefits	21,305,500	33,269,800	33,658,600	20,069,600	20,060,400
TOTAL EXPENDITURES	26,751,800	39,038,600	39,694,600	25,983,100	26,060,900
EXPENDITURES BY FUND SOURCE					
General Fund	26,751,800	39,038,600	39,694,600	25,983,100	26,060,900
TOTAL EXPENDITURES	26,751,800	39,038,600	39,694,600	25,983,100	26,060,900

General Support includes the Commissioner's Office, the Division of Administration and Financial Management, and the Division of Program Integrity. This unit's activities include policy and budget development, program monitoring, standards development, and management decision-making for the overall direction of the Department. The Divisions of Program Integrity and Administration and Financial Management provide oversight of all department contracts, including those with Community Mental Health Centers (CMHCs). Through desk reviews and onsite visits, these Divisions examine measurable performance in regards to service deliverables, as well as verify compliance with contract terms and conditions.

Policy

The 2014-2016 Budget of the Commonwealth added funding for the higher retirement costs for Regional Mental Health/ Mental Retardation Boards. That was based on a covered payroll which required about \$63.5 million for the Boards' retirement costs, an increase of \$19.3 million at that time. The fiscal year 2014-2015 covered payroll was \$122 million, as reported by the Kentucky Retirement Systems. The higher retirement rates in the 2016-2018 biennium are still satisfied by the fiscal year 2015-2016 funding for the Boards.

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities

Residential

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	90,733,500	93,806,400	106,005,700	84,273,900	84,598,200
Total General Fund	90,733,500	93,806,400	106,005,700	84,273,900	84,598,200
Restricted Funds					
Balance Forward	16,087,900	6,239,200	4,679,400	6,239,200	4,679,400
Current Receipts	188,496,700	192,696,700	192,696,700	194,617,900	194,921,100
Total Restricted Funds	204,584,600	198,935,900	197,376,100	200,857,100	199,600,500
Federal Fund					
Balance Forward	14,800				
Current Receipts	579,200	120,000	120,000	119,700	119,500
Total Federal Fund	594,000	120,000	120,000	119,700	119,500
TOTAL SOURCE OF FUNDS	295,912,100	292,862,300	303,501,800	285,250,700	284,318,200
EXPENDITURES BY CLASS					
Personnel Costs	121,975,100	124,933,600	127,776,300	124,562,000	125,036,100
Operating Expenses	24,423,100	20,779,400	20,794,300	21,213,300	21,220,300
Grants Loans Benefits	125,904,500	129,752,500	129,680,700	122,057,400	121,985,600
Debt Service	11,257,700	11,587,900	21,001,400	11,609,100	11,827,100
Capital Outlay	2,264,500	1,129,500	1,129,500	1,129,500	1,129,500
TOTAL EXPENDITURES	285,824,900	288,182,900	300,382,200	280,571,300	281,198,600
EXPENDITURES BY FUND SOURCE					
General Fund	86,885,500	93,806,400	106,005,700	84,273,900	84,598,200
Restricted Funds	198,345,400	194,256,500	194,256,500	196,177,700	196,480,900
Federal Fund	594,000	120,000	120,000	119,700	119,500
TOTAL EXPENDITURES	285,824,900	288,182,900	300,382,200	280,571,300	281,198,600

Residential Services provides inpatient care in the areas of psychiatric hospitalization, intermediate care for persons with developmental and intellectual disabilities, nursing facility care, and forensic psychiatry for approximately 900 individuals each day.

Inpatient psychiatric services are provided for adults through four psychiatric hospitals: Eastern State Hospital in Lexington with an average daily census (ADC) of 119; Central State Hospital in Louisville with an ADC of 46; and Western State Hospital in Hopkinsville with an ADC of 136. The ARH Psychiatric Facility located in Hazard, owned and operated by Appalachian Regional Healthcare, Inc., with an ADC of 73, provides acute inpatient psychiatric services through a contract with the Department. Eastern State Hospital is operated under a management contract with the University of Kentucky.

Glasgow Nursing Facility with an ADC of 72 and Western State Nursing Facility with an ADC of 111 provide quality care to adults with severe and persistent mental illness who require a skilled nursing facility's level of care. Eastern State Hospital Nursing Facility, with an ADC of 14, opened in FY 2015 and provides care to adults with acquired brain injury and geriatric long-term care.

Ten facilities provide intermediate care for individuals with development and intellectual disabilities who are unable to live unassisted in their communities: the Oakwood Community Center in Somerset with an ADC of 114, Outwood in Dawson Springs with an ADC of 38, Hazelwood in Louisville with an ADC of 93, Bingham Gardens located in Louisville with an ADC of 21, Del Maria in Fern Creek with an ADC of 8, the Meadows in Mount Washington with an ADC of 8, and Windsong in Crestwood with an ADC of 7. Residents are assisted in self-care skills and appropriate social behavior and are provided specialized services to promote their personal growth.

The Department has established three specialty clinics in support of individuals with developmental and intellectual disabilities living in the community, who may have transitioned from a facility placement. Moving from a facility placement to a community placement creates a gap in services that can negatively impact clients and jeopardize a successful placement. These clinics provide a vast array of specialized services including medical, dental and therapeutic services on an outpatient basis, avoiding institutionalization. These three specialty clinics are located on the campuses of Bingham Gardens, Hazelwood Center, and Oakwood.

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

Policy

The Executive Budget includes General Fund in the amount of \$22,500 in fiscal year 2016-2017 and \$240,500 in fiscal year 2017-2018 for debt service to support new bonds as set forth in Part II, Capital Projects Budget.

The Executive Budget includes \$192,700 in fiscal year 2016-2017 and \$192,200 in fiscal year 2017-2018 from the General Fund to increase entry level Correctional Officers salary for new employees in an effort to increase recruitment. The increase will impact entry level salary for Correctional Officers, Sergeants, and Lieutenants.

The Executive Budget provides \$8,100 in fiscal year 2016-2017 and \$8,200 in fiscal year 2017-2018 from the General Fund to support implementation of a new minimum salary plan to assist with retention of social workers.

Health and Family Services

Public Health

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	70,686,300	89,499,700	94,386,900	73,703,400	74,548,200
Total General Fund	70,686,300	89,499,700	94,386,900	73,703,400	74,548,200
Tobacco Fund					
Tobacco Settlement - Phase I	13,383,800	14,066,300	14,066,300	13,933,100	14,168,100
Special Appropriation	682,500				
Continuing Approp-Tob Settlement	4,800,900				
Total Tobacco Fund	18,867,200	14,066,300	14,066,300	13,933,100	14,168,100
Restricted Funds					
Balance Forward	13,505,000	8,387,100	5,156,400	8,387,100	5,156,400
Current Receipts	98,434,000	88,457,400	88,317,600	88,519,200	88,455,000
Non-Revenue Receipts	-6,391,900	-6,487,000	-6,631,000	-6,487,000	-6,631,000
Total Restricted Funds	105,547,100	90,357,500	86,843,000	90,419,300	86,980,400
Federal Fund					
Balance Forward	2,056,700				
Current Receipts	186,436,700	188,493,300	188,493,500	188,417,600	187,879,400
Total Federal Fund	188,493,400	188,493,300	188,493,500	188,417,600	187,879,400
TOTAL SOURCE OF FUNDS	383,594,000	382,416,800	383,789,700	366,473,400	363,576,100
EXPENDITURES BY CLASS					
Personnel Costs	72,452,000	72,430,800	74,371,900	71,276,000	71,667,700
Operating Expenses	14,607,200	14,250,500	14,239,000	14,038,900	14,245,200
Grants Loans Benefits	284,966,800	290,579,100	290,585,400	276,002,100	276,363,700
Debt Service			3,325,000		
TOTAL EXPENDITURES	372,026,000	377,260,400	382,521,300	361,317,000	362,276,600
EXPENDITURES BY FUND SOURCE					
General Fund	67,505,400	89,499,700	94,386,900	73,703,400	74,548,200
Tobacco Fund	18,867,200	14,066,300	14,066,300	13,933,100	14,168,100
Restricted Funds	97,160,000	85,201,100	85,574,600	85,262,900	85,680,900
Federal Fund	188,493,400	188,493,300	188,493,500	188,417,600	187,879,400
TOTAL EXPENDITURES	372,026,000	377,260,400	382,521,300	361,317,000	362,276,600
EXPENDITURES BY UNIT					
General Health Support	47,305,500	54,000,100	58,132,000	45,926,500	46,671,100
Women's Health	10,809,800	10,694,200	10,703,800	10,624,800	10,590,400
Prevention and Quality Improvement	12,346,800	10,878,800	10,934,400	10,217,900	10,196,400
Epidemiology and Health Planning	50,191,000	52,615,100	53,066,800	48,535,400	48,489,000
Maternal and Child Health	227,961,500	224,788,400	224,932,600	222,475,200	222,570,200
Laboratory Services	10,504,600	10,891,400	11,072,600	10,499,100	10,573,500
Public Health Protection and Safety	12,906,800	13,392,400	13,679,100	13,038,100	13,186,000
TOTAL EXPENDITURES	372,026,000	377,260,400	382,521,300	361,317,000	362,276,600

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

with the other health services programs in the Department to plan, program, execute, manage, and report the financial activities of the Department and local health departments. Administration and Financial Management also plays a vital role in providing effective and efficient training that enhances workforce abilities of the department, local health departments, public health preparedness, and other public health system partners.

The program is also responsible for providing guidance on the day-to-day operation of the 61 local health jurisdictions across the state and has the responsibilities for personnel management of nearly 2,600 local health personnel; medical records and forms management, reporting of clinical and community-based services, policy interpretation, and the Local Board of Health nomination process. Training on medical coding and billing practices, local health personnel procedures, and financial operations is also provided by program staff.

Policy

The Executive Budget includes \$26,390,900 in fiscal year 2016-2017 and \$27,087,600 in fiscal year 2017-2018 for Local and District Health Departments to assist them with employer contributions for the Kentucky Employees Retirement System. Of those amounts, fiscal year 2016-2017 includes an additional \$8,481,200 and fiscal year 2017-2018 includes an additional \$9,177,900 to fund the increase in employer contribution rates.

Health and Family Services

Public Health

General Health Support

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	27,051,100	41,505,700	45,633,300	33,432,100	34,172,400
Total General Fund	27,051,100	41,505,700	45,633,300	33,432,100	34,172,400
Restricted Funds					
Balance Forward	159,200				
Current Receipts	26,712,500	18,614,400	18,762,700	18,614,400	18,762,700
Non-Revenue Receipts	-5,800,000	-6,120,000	-6,264,000	-6,120,000	-6,264,000
Total Restricted Funds	21,071,700	12,494,400	12,498,700	12,494,400	12,498,700
Federal Fund					
Balance Forward	2,000				
Current Receipts	398,000				
Total Federal Fund	400,000				
TOTAL SOURCE OF FUNDS	48,522,800	54,000,100	58,132,000	45,926,500	46,671,100
EXPENDITURES BY CLASS					
Personnel Costs	12,479,200	12,812,100	13,065,200	12,753,700	12,802,200
Operating Expenses	1,740,400	1,403,900	1,404,600	1,503,700	1,508,000
Grants Loans Benefits	33,085,900	39,784,100	40,337,200	31,669,100	32,360,900
Debt Service			3,325,000		
TOTAL EXPENDITURES	47,305,500	54,000,100	58,132,000	45,926,500	46,671,100
EXPENDITURES BY FUND SOURCE					
General Fund	25,833,800	41,505,700	45,633,300	33,432,100	34,172,400
Restricted Funds	21,071,700	12,494,400	12,498,700	12,494,400	12,498,700
Federal Fund	400,000				
TOTAL EXPENDITURES	47,305,500	54,000,100	58,132,000	45,926,500	46,671,100

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

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

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

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

Administration and Financial Management provides resource support to the Department for Public Health including approximately 400+ department-level personnel. It provides budget and accounting support, payments, grant allocation, fee collection, procurement, and contracting support, as well as oversight of local health departments' fiscal planning and

administrative management functions. The Department's biennial budget is developed by Administration and Financial Management. It works in concert with the other health services programs in the Department to plan, program, execute, manage, and report the financial activities of the Department and local health departments. Administration and Financial Management also plays a vital role in providing effective and efficient training that enhances workforce abilities of the department, local health departments, public health preparedness, and other public health system partners.

The program is also responsible for providing guidance on the day-to-day operation of the 61 local health jurisdictions across the state and has the responsibilities for personnel management of nearly 2,600 local health personnel; medical records and forms management, reporting of clinical and community-based services, policy interpretation, and the Local Board of Health nomination process. Training on medical coding and billing practices, local health personnel procedures, and financial operations is also provided by program staff.

Policy

The Executive Budget includes \$26,390,900 in fiscal year 2016-2017 and \$27,087,600 in fiscal year 2017-2018 for Local and District Health Departments to assist them with employer contributions for the Kentucky Employees Retirement System. Of those amounts, fiscal year 2016-2017 includes an additional \$8,481,200 and fiscal year 2017-2018 includes an additional \$9,177,900 to fund the increase in employer contribution rates.

Health and Family Services

Public Health

Women's Health

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	698,200	707,400	717,000	644,500	646,200
Total General Fund	698,200	707,400	717,000	644,500	646,200
Tobacco Fund					
Tobacco Settlement - Phase I	80,000	80,000	80,000	80,000	80,000
Continuing Approp-Tob Settlement	156,300				
Total Tobacco Fund	236,300	80,000	80,000	80,000	80,000
Restricted Funds					
Balance Forward	8,000				
Current Receipts	292,000	300,000	300,000	300,000	300,000
Total Restricted Funds	300,000	300,000	300,000	300,000	300,000
Federal Fund					
Balance Forward	146,900				
Current Receipts	9,459,900	9,606,800	9,606,800	9,600,300	9,564,200
Total Federal Fund	9,606,800	9,606,800	9,606,800	9,600,300	9,564,200
TOTAL SOURCE OF FUNDS	10,841,300	10,694,200	10,703,800	10,624,800	10,590,400
EXPENDITURES BY CLASS					
Personnel Costs	1,297,500	1,363,400	1,418,400	1,357,000	1,368,000
Operating Expenses	421,500	420,900	420,900	420,900	420,900
Grants Loans Benefits	9,090,800	8,909,900	8,864,500	8,846,900	8,801,500
TOTAL EXPENDITURES	10,809,800	10,694,200	10,703,800	10,624,800	10,590,400
EXPENDITURES BY FUND SOURCE					
General Fund	666,700	707,400	717,000	644,500	646,200
Tobacco Fund	236,300	80,000	80,000	80,000	80,000
Restricted Funds	300,000	300,000	300,000	300,000	300,000
Federal Fund	9,606,800	9,606,800	9,606,800	9,600,300	9,564,200
TOTAL EXPENDITURES	10,809,800	10,694,200	10,703,800	10,624,800	10,590,400

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

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

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

The Folic Acid Counseling and Supplementation subprogram services are provided in every health department (61) and sub-delegate sites. Research has shown that when women consume adequate folic acid, the incidence of neural tube defects such as spina bifida can be decreased by as much as 70%. Since the inception of this program, the number of neural tube defects in infants in Kentucky has declined. The Folic Acid program is funded by Tobacco Settlement funds.

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

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

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

Health and Family Services

Public Health

Prevention and Quality Improvement

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,244,800	7,300,800	7,356,400	6,646,100	6,656,100
Total General Fund	7,244,800	7,300,800	7,356,400	6,646,100	6,656,100
Restricted Funds					
Balance Forward	514,900				
Non-Revenue Receipts	35,100				
Total Restricted Funds	550,000				
Federal Fund					
Balance Forward	-192,700				
Current Receipts	5,070,700	3,578,000	3,578,000	3,571,800	3,540,300
Total Federal Fund	4,878,000	3,578,000	3,578,000	3,571,800	3,540,300
TOTAL SOURCE OF FUNDS	12,672,800	10,878,800	10,934,400	10,217,900	10,196,400
EXPENDITURES BY CLASS					
Personnel Costs	2,382,900	2,467,600	2,564,000	2,458,800	2,478,100
Operating Expenses	446,100	431,400	431,400	431,400	431,400
Grants Loans Benefits	9,517,800	7,979,800	7,939,000	7,327,700	7,286,900
TOTAL EXPENDITURES	12,346,800	10,878,800	10,934,400	10,217,900	10,196,400
EXPENDITURES BY FUND SOURCE					
General Fund	6,918,800	7,300,800	7,356,400	6,646,100	6,656,100
Restricted Funds	550,000				
Federal Fund	4,878,000	3,578,000	3,578,000	3,571,800	3,540,300
TOTAL EXPENDITURES	12,346,800	10,878,800	10,934,400	10,217,900	10,196,400

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

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

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

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

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

Chronic Disease Prevention and Control subprogram is responsible for decreasing the morbidity and mortality from chronic diseases, with emphasis on prevention and risk factors that can be reduced through healthy lifestyles. Prevention programs include asthma, arthritis and osteoporosis, comprehensive cancer, colon cancer, chronic obstructive pulmonary disease, diabetes, heart disease and stroke, and worksite wellness. The sub program provides funding to local health departments for community-based services aimed at individuals and at bringing about policy and environmental changes that will improve the health status of Kentuckians. This branch also manages the Kentucky Colon Cancer Screening Program (KCCSP).

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

**Health and Family Services
Public Health**

Epidemiology and Health Planning

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,576,300	7,405,600	7,674,900	3,344,700	3,361,600
Total General Fund	3,576,300	7,405,600	7,674,900	3,344,700	3,361,600
Tobacco Fund					
Continuing Approp-Tob Settlement	160,400				
Total Tobacco Fund	160,400				
Restricted Funds					
Balance Forward	10,119,200	6,540,600	3,979,500	6,540,600	3,979,500
Current Receipts	14,478,700	12,390,400	12,390,300	12,419,000	12,470,200
Non-Revenue Receipts	-156,900	-156,900	-156,900	-156,900	-156,900
Total Restricted Funds	24,441,000	18,774,100	16,212,900	18,802,700	16,292,800
Federal Fund					
Balance Forward	-133,900				
Current Receipts	28,848,800	30,414,900	30,414,900	30,367,500	30,070,500
Total Federal Fund	28,714,900	30,414,900	30,414,900	30,367,500	30,070,500
TOTAL SOURCE OF FUNDS	56,892,600	56,594,600	54,302,700	52,514,900	49,724,900
EXPENDITURES BY CLASS					
Personnel Costs	31,678,700	30,136,600	30,799,400	29,131,300	29,300,400
Operating Expenses	2,975,900	2,815,500	2,815,500	2,842,000	3,009,600
Grants Loans Benefits	15,536,400	19,663,000	19,451,900	16,562,100	16,179,000
TOTAL EXPENDITURES	50,191,000	52,615,100	53,066,800	48,535,400	48,489,000
EXPENDITURES BY FUND SOURCE					
General Fund	3,415,300	7,405,600	7,674,900	3,344,700	3,361,600
Tobacco Fund	160,400				
Restricted Funds	17,900,400	14,794,600	14,977,000	14,823,200	15,056,900
Federal Fund	28,714,900	30,414,900	30,414,900	30,367,500	30,070,500
TOTAL EXPENDITURES	50,191,000	52,615,100	53,066,800	48,535,400	48,489,000

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

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

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

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

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

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

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

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

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

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

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

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

Health and Family Services

Public Health

Maternal and Child Health

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	23,941,600	24,099,400	24,243,600	21,925,800	21,951,400
Total General Fund	23,941,600	24,099,400	24,243,600	21,925,800	21,951,400
Tobacco Fund					
Tobacco Settlement - Phase I	13,303,800	13,986,300	13,986,300	13,853,100	14,088,100
Special Appropriation	682,500				
Continuing Approp-Tob Settlement	4,484,200				
Total Tobacco Fund	18,470,500	13,986,300	13,986,300	13,853,100	14,088,100
Restricted Funds					
Balance Forward	1,854,300	1,230,600	759,300	1,230,600	759,300
Current Receipts	42,785,700	42,754,000	42,466,000	42,758,700	42,474,200
Non-Revenue Receipts	699,900	959,900	959,900	959,900	959,900
Total Restricted Funds	45,339,900	44,944,500	44,185,200	44,949,200	44,193,400
Federal Fund					
Balance Forward	1,950,600				
Current Receipts	140,566,900	142,517,500	142,517,500	142,506,400	142,368,400
Total Federal Fund	142,517,500	142,517,500	142,517,500	142,506,400	142,368,400
TOTAL SOURCE OF FUNDS	230,269,500	225,547,700	224,932,600	223,234,500	222,601,300
EXPENDITURES BY CLASS					
Personnel Costs	14,320,400	14,742,900	15,094,000	14,714,400	14,753,300
Operating Expenses	1,443,900	1,442,000	1,442,000	1,445,100	1,473,100
Grants Loans Benefits	212,197,200	208,603,500	208,396,600	206,315,700	206,343,800
TOTAL EXPENDITURES	227,961,500	224,788,400	224,932,600	222,475,200	222,570,200
EXPENDITURES BY FUND SOURCE					
General Fund	22,864,200	24,099,400	24,243,600	21,925,800	21,951,400
Tobacco Fund	18,470,500	13,986,300	13,986,300	13,853,100	14,088,100
Restricted Funds	44,109,300	44,185,200	44,185,200	44,189,900	44,162,300
Federal Fund	142,517,500	142,517,500	142,517,500	142,506,400	142,368,400
TOTAL EXPENDITURES	227,961,500	224,788,400	224,932,600	222,475,200	222,570,200

The Maternal and Child Health Program promotes and safeguards the health of Kentuckians, with an emphasis on at-risk mothers, infants and children. The program goal is to help those at-risk achieve the highest level of health and wellness possible through public health surveillance, education, nutrition, perinatal care, early childhood promotion and intervention, well child care, oral health, injury prevention, coordinated school health, health promotion and healthy communities, and selected primary and preventive care activities. The program is responsible for public health surveillance systems including the Neonatal Abstinence Reporting, Pregnancy Risk Assessment Monitoring System, and the Sudden Unexpected Infant Death Registry.

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

The Kentucky Early Intervention System (KEIS) subprogram, also referred to as First Steps provides case management and coordination of services for infants and toddlers between birth and three years of age with developmental disabilities or developmental delays. These early interventions include services such as physical therapy, occupational therapy, speech therapy, hearing and vision services, and other services as needed to meet the child's developmental needs. First Steps services are provided in the home or other community settings, unless it is not feasible to do so, and are subject to a sliding fee scale unless the family has documented an inability to pay. Families and other interested parties access the First Steps program locally through 15 Points of Entry covering the 15 Area Development Districts. Children served by First steps transition to the local education agency or other community supports at age three.

The Child and Family Health Improvement subprogram provides oversight to services and activities including: prenatal care; child and adolescent preventive health; childhood lead poisoning prevention; child fatality review and injury prevention; oral health; and coordinated school health. This program also houses the infant mortality efforts, including the Safe Sleep campaign

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

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

Health and Family Services

Public Health

Laboratory Services

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,192,600	4,338,500	4,468,000	3,940,100	3,963,200
Total General Fund	4,192,600	4,338,500	4,468,000	3,940,100	3,963,200
Restricted Funds					
Balance Forward	323,600	156,300	104,000	156,300	104,000
Current Receipts	7,103,300	7,270,600	7,270,600	7,278,500	7,284,400
Non-Revenue Receipts	-1,170,000	-1,170,000	-1,170,000	-1,170,000	-1,170,000
Total Restricted Funds	6,256,900	6,256,900	6,204,600	6,264,800	6,218,400
Federal Fund					
Balance Forward	4,800				
Current Receipts	395,200	400,000	400,000	398,200	391,900
Total Federal Fund	400,000	400,000	400,000	398,200	391,900
TOTAL SOURCE OF FUNDS	10,849,500	10,995,400	11,072,600	10,603,100	10,573,500
EXPENDITURES BY CLASS					
Personnel Costs	3,867,000	4,096,400	4,289,800	4,074,100	4,113,100
Operating Expenses	6,632,600	6,790,000	6,777,800	6,420,000	6,455,400
Grants Loans Benefits	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	10,504,600	10,891,400	11,072,600	10,499,100	10,573,500
EXPENDITURES BY FUND SOURCE					
General Fund	4,004,000	4,338,500	4,468,000	3,940,100	3,963,200
Restricted Funds	6,100,600	6,152,900	6,204,600	6,160,800	6,218,400
Federal Fund	400,000	400,000	400,000	398,200	391,900
TOTAL EXPENDITURES	10,504,600	10,891,400	11,072,600	10,499,100	10,573,500

Laboratory Services provides chemical, biological, and molecular testing to address a variety of public health concerns that require very sophisticated and accurate laboratory analysis. The scope of these concerns spans from global preparedness and environmental to clinical and epidemiological.

Protection of the state and nation's health is supported through disease surveillance activities that use sophisticated equipment and result in early detection of outbreaks caused by emerging infectious diseases, which is essential for guiding epidemiologic investigations that determine the measures needed to prevent and control the spread of disease.

Laboratory Services is responsible for the prompt detection and identification of a wide variety of microorganisms, such as bacteria and viruses, and toxic chemical substances that pose a threat to the public's health. It provides examinations of clinical and environmental specimens to support other state and local health department programs and diagnostic testing not readily available elsewhere for hospitals and practicing physicians. Additionally, it tests environmental samples for water fluoride levels; examines milk, food, and water for evidence of biologic and/or chemical contamination; and performs complex analyses for the detection of pesticides and other environmental and/or workplace chemicals. It is also responsible for the prompt detection of a variety of heritable conditions in newborns.

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

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

Health and Family Services

Public Health

Public Health Protection and Safety

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,981,700	4,142,300	4,293,700	3,770,100	3,797,300
Total General Fund	3,981,700	4,142,300	4,293,700	3,770,100	3,797,300
Restricted Funds					
Balance Forward	525,800	459,600	313,600	459,600	313,600
Current Receipts	7,061,800	7,128,000	7,128,000	7,148,600	7,163,500
Total Restricted Funds	7,587,600	7,587,600	7,441,600	7,608,200	7,477,100
Federal Fund					
Balance Forward	279,000				
Current Receipts	1,697,200	1,976,100	1,976,300	1,973,400	1,944,100
Total Federal Fund	1,976,200	1,976,100	1,976,300	1,973,400	1,944,100
TOTAL SOURCE OF FUNDS	13,545,500	13,706,000	13,711,600	13,351,700	13,218,500
EXPENDITURES BY CLASS					
Personnel Costs	6,426,300	6,811,800	7,141,100	6,786,700	6,852,600
Operating Expenses	946,800	946,800	946,800	975,800	946,800
Grants Loans Benefits	5,533,700	5,633,800	5,591,200	5,275,600	5,386,600
TOTAL EXPENDITURES	12,906,800	13,392,400	13,679,100	13,038,100	13,186,000
EXPENDITURES BY FUND SOURCE					
General Fund	3,802,600	4,142,300	4,293,700	3,770,100	3,797,300
Restricted Funds	7,128,000	7,274,000	7,409,100	7,294,600	7,444,600
Federal Fund	1,976,200	1,976,100	1,976,300	1,973,400	1,944,100
TOTAL EXPENDITURES	12,906,800	13,392,400	13,679,100	13,038,100	13,186,000

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

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

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

The Food Safety subprogram provides regulatory oversight to Kentucky's multi-billion dollar food industry. The subprogram provides training and technical consultation to local health department employees who inspect food service establishments, retail food stores, vending machine companies, tattoo studios, body piercing facilities, boarding homes, tanning facilities, and bed and breakfast establishments in order to prevent the spread of communicable diseases and injuries. The subprogram also directly regulates food manufacturing and storage programs and the farmer's market for program

compliance with state regulation. The subprogram responds to and investigates food recalls and works closely with the federal Food and Drug Administration on outbreak investigation involving regulated foods. The Food Safety subprogram is also actively involved during natural and man-made disasters to protect the food supply.

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

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

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

Health and Family Services

Health Policy

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	455,400	455,400	455,400	437,400	441,500
Total General Fund	455,400	455,400	455,400	437,400	441,500
Restricted Funds					
Balance Forward	888,200	592,400	296,300	592,400	296,300
Current Receipts	572,500	572,200	572,000	572,500	572,300
Non-Revenue Receipts	-50,000	-50,000	-50,000	-50,000	-50,000
Total Restricted Funds	1,410,700	1,114,600	818,300	1,114,900	818,600
Federal Fund					
Balance Forward	10,000				
Current Receipts	1,990,000	1,500,000	1,000,000	1,511,100	1,013,100
Total Federal Fund	2,000,000	1,500,000	1,000,000	1,511,100	1,013,100
TOTAL SOURCE OF FUNDS	3,866,100	3,070,000	2,273,700	3,063,400	2,273,200
EXPENDITURES BY CLASS					
Personnel Costs	2,737,300	2,268,700	1,869,200	2,262,100	1,868,700
Operating Expenses	56,500	56,500	56,500	56,500	56,500
Grants Loans Benefits	459,400	448,500	348,000	448,500	348,000
TOTAL EXPENDITURES	3,253,200	2,773,700	2,273,700	2,767,100	2,273,200
EXPENDITURES BY FUND SOURCE					
General Fund	434,900	455,400	455,400	437,400	441,500
Restricted Funds	818,300	818,300	818,300	818,600	818,600
Federal Fund	2,000,000	1,500,000	1,000,000	1,511,100	1,013,100
TOTAL EXPENDITURES	3,253,200	2,773,700	2,273,700	2,767,100	2,273,200
EXPENDITURES BY UNIT					
Office of Health Policy	3,253,200	2,773,700	2,273,700	2,767,100	2,273,200
TOTAL EXPENDITURES	3,253,200	2,773,700	2,273,700	2,767,100	2,273,200

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

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

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

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

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

equipment which exceeds a specific threshold; or, to change the geographic area which has been designated on a certificate of need or license.

Health and Family Services
Family Resource Centers and Volunteer Services

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,479,300	8,372,300	8,444,600	1,402,300	1,412,600
Total General Fund	1,479,300	8,372,300	8,444,600	1,402,300	1,412,600
Federal Fund					
Balance Forward	215,700				
Current Receipts	2,853,400	4,869,100	4,869,100	4,869,100	4,869,100
Total Federal Fund	3,069,100	4,869,100	4,869,100	4,869,100	4,869,100
TOTAL SOURCE OF FUNDS	4,548,400	13,241,400	13,313,700	6,271,400	6,281,700
EXPENDITURES BY CLASS					
Personnel Costs	380,900	655,000	727,800	452,400	465,400
Operating Expenses	161,000	161,000	161,000	148,500	146,400
Grants Loans Benefits	3,939,900	12,425,400	12,424,800	5,670,500	5,669,900
TOTAL EXPENDITURES	4,481,800	13,241,400	13,313,600	6,271,400	6,281,700
EXPENDITURES BY FUND SOURCE					
General Fund	1,412,700	8,372,300	8,444,600	1,402,300	1,412,600
Federal Fund	3,069,100	4,869,100	4,869,100	4,869,100	4,869,100
TOTAL EXPENDITURES	4,481,800	13,241,400	13,313,700	6,271,400	6,281,700
EXPENDITURES BY UNIT					
Family Resource and Youth Services Center	1,372,600	8,301,500	8,353,200	1,318,300	1,318,500
Kentucky Com. Community Volunteerism and Serv.	3,109,200	4,939,900	4,960,500	4,953,100	4,963,200
TOTAL EXPENDITURES	4,481,800	13,241,400	13,313,700	6,271,400	6,281,700

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

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

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,216,100	8,090,300	8,142,000	1,107,100	1,107,300
Total General Fund	1,216,100	8,090,300	8,142,000	1,107,100	1,107,300
Federal Fund					
Balance Forward	69,500				
Current Receipts	141,700	211,200	211,200	211,200	211,200
Total Federal Fund	211,200	211,200	211,200	211,200	211,200
TOTAL SOURCE OF FUNDS	1,427,300	8,301,500	8,353,200	1,318,300	1,318,500
EXPENDITURES BY CLASS					
Personnel Costs		252,500	304,200	13,000	15,400
Operating Expenses	100,000	100,000	100,000	87,500	85,300
Grants Loans Benefits	1,272,600	7,949,000	7,949,000	1,217,800	1,217,800
TOTAL EXPENDITURES	1,372,600	8,301,500	8,353,200	1,318,300	1,318,500
EXPENDITURES BY FUND SOURCE					
General Fund	1,161,400	8,090,300	8,142,000	1,107,100	1,107,300
Federal Fund	211,200	211,200	211,200	211,200	211,200
TOTAL EXPENDITURES	1,372,600	8,301,500	8,353,200	1,318,300	1,318,500

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

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

Selected FRYSCs are also participating as a partner in one of the Race to the Top: Early Learning Challenge initiatives: Born Learning Academies. Kentucky incorporated the academies as part of its Race to the Top grant application. Kentucky proposes to expand the number of Born Learning Academies to 150 more elementary schools over 4 years. Through a gradual release approach of this evidence-based model, local Academies are implemented to assist parents of preschool children. The Born Learning Academies, which consist of six sessions, enable families to better understand early learning and development of their child by using everyday activities and occurrences as learning moments. FRYSCs currently work in every high-need elementary school in the Commonwealth. The goal of the Race to the Top is full integration of the Born Learning model into Family Resource and Youth Service Centers (FRYSC) core grant components within five years.

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

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	263,200	282,000	302,600	295,200	305,300
Total General Fund	263,200	282,000	302,600	295,200	305,300
Federal Fund					
Balance Forward	146,200				
Current Receipts	2,711,700	4,657,900	4,657,900	4,657,900	4,657,900
Total Federal Fund	2,857,900	4,657,900	4,657,900	4,657,900	4,657,900
TOTAL SOURCE OF FUNDS	3,121,100	4,939,900	4,960,500	4,953,100	4,963,200
EXPENDITURES BY CLASS					
Personnel Costs	380,900	402,500	423,600	439,400	450,000
Operating Expenses	61,000	61,000	61,000	61,000	61,100
Grants Loans Benefits	2,667,300	4,476,400	4,475,800	4,452,700	4,452,100
TOTAL EXPENDITURES	3,109,200	4,939,900	4,960,400	4,953,100	4,963,200
EXPENDITURES BY FUND SOURCE					
General Fund	251,300	282,000	302,600	295,200	305,300
Federal Fund	2,857,900	4,657,900	4,657,900	4,657,900	4,657,900
TOTAL EXPENDITURES	3,109,200	4,939,900	4,960,500	4,953,100	4,963,200

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

Federal funds received by KCCVS are contracted to community organizations that, in turn, receive local matching funds, which include cash and in-kind services. AmeriCorps members provide household budget training, home renovation assistance, life skills training, and services to help senior citizens live independently. They train volunteers, serve the homeless, mentor at-risk youth, and offer assistance to victims of natural disasters. In addition, participants tutor children in math and reading and provide drug abuse prevention education in elementary and secondary schools. Children tutored by AmeriCorps members tend to advance a minimum of two reading levels during the school year. Since 1994, Kentucky AmeriCorps members have served more than 15 million hours and have qualified for Education Awards totaling more than \$34.1 million.

Health and Family Services

Income Support

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,225,700	9,006,600	13,277,400	7,635,600	7,635,600
Total General Fund	8,225,700	9,006,600	13,277,400	7,635,600	7,635,600
Restricted Funds					
Current Receipts	16,004,800	16,004,800	16,004,800	16,004,800	16,004,800
Non-Revenue Receipts	126,000	126,000	126,000	126,000	126,000
Total Restricted Funds	16,130,800	16,130,800	16,130,800	16,130,800	16,130,800
Federal Fund					
Balance Forward	1,387,900				
Current Receipts	78,721,000	83,226,700	87,926,900	83,226,700	84,968,900
Total Federal Fund	80,108,900	83,226,700	87,926,900	83,226,700	84,968,900
TOTAL SOURCE OF FUNDS	104,465,400	108,364,100	117,335,100	106,993,100	108,735,300
EXPENDITURES BY CLASS					
Personnel Costs	40,970,600	43,255,000	45,183,000	43,003,000	43,392,400
Operating Expenses	5,365,000	5,579,800	5,580,000	5,749,200	7,047,300
Grants Loans Benefits	57,759,600	59,529,300	63,987,100	58,240,900	58,295,600
TOTAL EXPENDITURES	104,095,200	108,364,100	114,750,100	106,993,100	108,735,300
EXPENDITURES BY FUND SOURCE					
General Fund	7,855,500	9,006,600	13,277,400	7,635,600	7,635,600
Restricted Funds	16,130,800	16,130,800	16,130,800	16,130,800	16,130,800
Federal Fund	80,108,900	83,226,700	87,926,900	83,226,700	84,968,900
TOTAL EXPENDITURES	104,095,200	108,364,100	117,335,100	106,993,100	108,735,300
EXPENDITURES BY UNIT					
Disability Determinations	47,852,900	49,454,700	50,882,800	49,454,700	50,882,800
Child Support	56,242,300	58,909,400	66,452,300	57,538,400	57,852,500
TOTAL EXPENDITURES	104,095,200	108,364,100	117,335,100	106,993,100	108,735,300

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

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

Health and Family Services

Income Support

Disability Determinations

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
Restricted Funds					
Non-Revenue Receipts	126,000	126,000	126,000	126,000	126,000
Total Restricted Funds	126,000	126,000	126,000	126,000	126,000
Federal Fund					
Balance Forward	-664,300				
Current Receipts	48,391,200	49,328,700	50,756,800	49,328,700	50,756,800
Total Federal Fund	47,726,900	49,328,700	50,756,800	49,328,700	50,756,800
TOTAL SOURCE OF FUNDS	47,852,900	49,454,700	50,882,800	49,454,700	50,882,800
EXPENDITURES BY CLASS					
Personnel Costs	31,922,700	33,705,700	35,170,400	33,785,600	34,133,800
Operating Expenses	3,353,500	3,353,700	3,353,900	3,525,900	4,824,000
Grants Loans Benefits	12,576,700	12,395,300	12,358,500	12,143,200	11,925,000
TOTAL EXPENDITURES	47,852,900	49,454,700	50,882,800	49,454,700	50,882,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	126,000	126,000	126,000	126,000	126,000
Federal Fund	47,726,900	49,328,700	50,756,800	49,328,700	50,756,800
TOTAL EXPENDITURES	47,852,900	49,454,700	50,882,800	49,454,700	50,882,800

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

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

Health and Family Services

Income Support

Child Support

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,225,700	9,006,600	13,277,400	7,635,600	7,635,600
Total General Fund	8,225,700	9,006,600	13,277,400	7,635,600	7,635,600
Restricted Funds					
Current Receipts	16,004,800	16,004,800	16,004,800	16,004,800	16,004,800
Total Restricted Funds	16,004,800	16,004,800	16,004,800	16,004,800	16,004,800
Federal Fund					
Balance Forward	2,052,200				
Current Receipts	30,329,800	33,898,000	37,170,100	33,898,000	34,212,100
Total Federal Fund	32,382,000	33,898,000	37,170,100	33,898,000	34,212,100
TOTAL SOURCE OF FUNDS	56,612,500	58,909,400	66,452,300	57,538,400	57,852,500
EXPENDITURES BY CLASS					
Personnel Costs	9,047,900	9,549,300	10,012,600	9,217,400	9,258,600
Operating Expenses	2,011,500	2,226,100	2,226,100	2,223,300	2,223,300
Grants Loans Benefits	45,182,900	47,134,000	51,628,600	46,097,700	46,370,600
Debt Service			2,585,000		
TOTAL EXPENDITURES	56,242,300	58,909,400	66,452,300	57,538,400	57,852,500
EXPENDITURES BY FUND SOURCE					
General Fund	7,855,500	9,006,600	13,277,400	7,635,600	7,635,600
Restricted Funds	16,004,800	16,004,800	16,004,800	16,004,800	16,004,800
Federal Fund	32,382,000	33,898,000	37,170,100	33,898,000	34,212,100
TOTAL EXPENDITURES	56,242,300	58,909,400	66,452,300	57,538,400	57,852,500

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

The core functions of the child support program include locating parents; establishing paternity; establishing, enforcing, and modifying child support orders; and collecting and disbursing child support payments. Program responsibilities include the establishment and enforcement of medical support. In addition to traditional judicial processes, state and federal laws allow the Child Support Program to accomplish its mission through administrative processes such as in-hospital paternity establishment, wage assignments, liens and levies on personal property and assets, and offsetting tax refunds and unemployment benefits. The Child Support Program maintains program administration contracts with 117 county officials to provide child support collection locally in all 120 counties.

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

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

**Health and Family Services
Community Based Services**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	414,581,400	451,982,800	462,367,900	370,805,000	371,835,000
Total General Fund	414,581,400	451,982,800	462,367,900	370,805,000	371,835,000
Tobacco Fund					
Tobacco Settlement - Phase I	10,761,600	5,598,600	5,019,800	6,668,400	8,894,700
Continuing Approp-Tob Settlement				2,046,600	
Total Tobacco Fund	10,761,600	5,598,600	5,019,800	8,715,000	8,894,700
Restricted Funds					
Balance Forward	3,497,000				
Current Receipts	162,698,700	172,132,900	175,332,900	172,132,900	173,618,300
Non-Revenue Receipts	-55,510,000	-15,745,600	-15,914,600	-16,839,000	-17,101,000
Total Restricted Funds	110,685,700	156,387,300	159,418,300	155,293,900	156,517,300
Federal Fund					
Balance Forward	23,027,700				
Current Receipts	479,090,000	512,895,900	517,691,000	514,443,900	519,023,000
Total Federal Fund	502,117,700	512,895,900	517,691,000	514,443,900	519,023,000
TOTAL SOURCE OF FUNDS	1,038,146,400	1,126,864,600	1,144,497,000	1,049,257,800	1,056,270,000
EXPENDITURES BY CLASS					
Personnel Costs	312,087,900	366,991,400	384,387,000	332,581,000	337,102,900
Operating Expenses	58,294,800	62,896,600	63,097,200	57,927,200	59,742,300
Grants Loans Benefits	649,952,000	696,976,600	697,012,800	658,749,600	659,424,800
TOTAL EXPENDITURES	1,020,334,700	1,126,864,600	1,144,497,000	1,049,257,800	1,056,270,000
EXPENDITURES BY FUND SOURCE					
General Fund	398,816,300	451,982,800	462,367,900	370,805,000	371,835,000
Tobacco Fund	8,715,000	5,598,600	5,019,800	8,715,000	8,894,700
Restricted Funds	110,685,700	156,387,300	159,418,300	155,293,900	156,517,300
Federal Fund	502,117,700	512,895,900	517,691,000	514,443,900	519,023,000
TOTAL EXPENDITURES	1,020,334,700	1,126,864,600	1,144,497,000	1,049,257,800	1,056,270,000
EXPENDITURES BY UNIT					
Family Support	366,060,400	387,658,100	394,226,900	368,756,700	372,690,000
Energy	29,995,500	29,998,800	30,001,700	29,998,800	30,001,700
Child Care	106,813,300	122,582,500	122,393,500	122,774,700	123,350,900
Family and Community Services	517,465,500	586,625,200	597,874,900	527,727,600	530,227,400
TOTAL EXPENDITURES	1,020,334,700	1,126,864,600	1,144,497,000	1,049,257,800	1,056,270,000

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

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

Policy

The Executive Budget provides \$1,538,500 in fiscal year 2016-2017 and \$1,554,600 in fiscal year 2017-2018 from the General Fund to support the transition of Social Service Workers and Social Service Clinicians within the Department for Community Based Services from a 37.5 hour work week to a 40 hour work week. This equates to a 6.67% pay increase. In addition, a new minimum salary plan will be implemented to assist with retention.

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

SOURCE OF FUNDS	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
General Fund					
Regular Appropriation	135,229,400	143,464,700	145,590,600	128,208,000	128,008,500
Total General Fund	135,229,400	143,464,700	145,590,600	128,208,000	128,008,500
Restricted Funds					
Balance Forward	1,409,500				
Current Receipts	584,000	1,993,500	1,993,500	1,993,500	1,993,500
Non-Revenue Receipts	26,761,500	28,695,600	29,579,500	27,602,200	28,393,100
Total Restricted Funds	28,755,000	30,689,100	31,573,000	29,595,700	30,386,600
Federal Fund					
Balance Forward	73,420,200				
Current Receipts	134,019,100	213,504,300	217,063,300	210,953,000	214,294,900
Total Federal Fund	207,439,300	213,504,300	217,063,300	210,953,000	214,294,900
TOTAL SOURCE OF FUNDS	371,423,700	387,658,100	394,226,900	368,756,700	372,690,000
EXPENDITURES BY CLASS					
Personnel Costs	149,356,900	167,374,700	173,971,100	157,734,200	160,401,200
Operating Expenses	28,364,700	28,993,100	28,976,200	27,729,300	29,053,300
Grants Loans Benefits	188,338,800	191,290,300	191,279,600	183,293,200	183,235,500
TOTAL EXPENDITURES	366,060,400	387,658,100	394,226,900	368,756,700	372,690,000
EXPENDITURES BY FUND SOURCE					
General Fund	129,866,100	143,464,700	145,590,600	128,208,000	128,008,500
Restricted Funds	28,755,000	30,689,100	31,573,000	29,595,700	30,386,600
Federal Fund	207,439,300	213,504,300	217,063,300	210,953,000	214,294,900
TOTAL EXPENDITURES	366,060,400	387,658,100	394,226,900	368,756,700	372,690,000
EXPENDITURES BY UNIT					
Supplemental Nutrition Assistance Program	97,464,500	112,600,700	116,267,300	101,855,200	103,464,700
Medical Assistance	52,895,400	55,323,500	57,607,500	55,323,500	57,607,500
State Supplementation	14,639,200	15,265,200	15,297,600	13,977,800	13,979,900
TANF	201,061,300	204,468,700	205,054,500	197,600,200	197,637,900
TOTAL EXPENDITURES	366,060,400	387,658,100	394,226,900	368,756,700	372,690,000

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

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

Temporary Assistance for Needy Families (TANF)

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) amended and combined Title IV-A (Aid for Families with Dependent Children or AFDC) and Title IV-F (Job Opportunities and Basic Skills Training

Program or JOBS) of the Social Security Act to provide block grants to states for TANF. These federal funds support the program's administrative and benefit expenditures that include personnel, operating, and indirect costs; contracts with partnering agencies; cash assistance subsidies; supportive services; child care; and transportation. A Maintenance of Effort requirement mandates that states spend at least 80 percent of fiscal year 1994 expenditures on the program each year. For Kentucky, this amount is \$71.9 million per year.

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

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

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

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

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

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

Medicaid Eligibility and Health Insurance Affordability

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

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

State Supplementation

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

Supplemental Nutrition Assistance Program (SNAP)

The Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps, helps low-income persons

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

The SNAP Employment and Training Program (E & T) is designed to assist able-bodied SNAP recipients obtain employment that leads to self-sufficiency. In Kentucky, E & T serves only non-exempt work registrants between the ages of 18 and 49, otherwise known as Able-Bodied Adults without Dependents. Recipients of this service must participate and comply with E & T requirements in order to maintain their SNAP eligibility.

**Health and Family Services
Community Based Services**

Energy

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
Federal Fund					
Balance Forward	554,900				
Current Receipts	29,440,600	29,998,800	30,001,700	29,998,800	30,001,700
Total Federal Fund	29,995,500	29,998,800	30,001,700	29,998,800	30,001,700
TOTAL SOURCE OF FUNDS	29,995,500	29,998,800	30,001,700	29,998,800	30,001,700
EXPENDITURES BY CLASS					
Personnel Costs	54,000	57,500	60,500	57,500	60,500
Operating Expenses	12,900	12,900	12,900	12,900	12,900
Grants Loans Benefits	29,928,600	29,928,400	29,928,300	29,928,400	29,928,300
TOTAL EXPENDITURES	29,995,500	29,998,800	30,001,700	29,998,800	30,001,700
EXPENDITURES BY FUND SOURCE					
Federal Fund	29,995,500	29,998,800	30,001,700	29,998,800	30,001,700
TOTAL EXPENDITURES	29,995,500	29,998,800	30,001,700	29,998,800	30,001,700

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

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

**Health and Family Services
Community Based Services**

Child Care

SOURCE OF FUNDS	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
General Fund					
Regular Appropriation	16,469,000	33,860,100	34,146,700	30,935,900	31,229,200
Total General Fund	16,469,000	33,860,100	34,146,700	30,935,900	31,229,200
Tobacco Fund					
Tobacco Settlement - Phase I	10,586,600	5,423,600	4,844,800	6,493,400	8,719,700
Continuing Approp-Tob Settlement				2,046,600	
Total Tobacco Fund	10,586,600	5,423,600	4,844,800	8,540,000	8,719,700
Restricted Funds					
Balance Forward	79,500				
Current Receipts	-7,400	72,100	72,100	72,100	72,100
Total Restricted Funds	72,100	72,100	72,100	72,100	72,100
Federal Fund					
Balance Forward	12,638,600				
Current Receipts	70,480,300	83,226,700	83,329,900	83,226,700	83,329,900
Total Federal Fund	83,118,900	83,226,700	83,329,900	83,226,700	83,329,900
TOTAL SOURCE OF FUNDS	110,246,600	122,582,500	122,393,500	122,774,700	123,350,900
EXPENDITURES BY CLASS					
Personnel Costs	13,892,800	14,000,600	14,103,800	13,996,100	14,014,700
Operating Expenses	1,129,900	1,129,900	1,129,900	1,129,900	1,129,900
Grants Loans Benefits	91,790,600	107,452,000	107,159,800	107,648,700	108,206,300
TOTAL EXPENDITURES	106,813,300	122,582,500	122,393,500	122,774,700	123,350,900
EXPENDITURES BY FUND SOURCE					
General Fund	15,082,300	33,860,100	34,146,700	30,935,900	31,229,200
Tobacco Fund	8,540,000	5,423,600	4,844,800	8,540,000	8,719,700
Restricted Funds	72,100	72,100	72,100	72,100	72,100
Federal Fund	83,118,900	83,226,700	83,329,900	83,226,700	83,329,900
TOTAL EXPENDITURES	106,813,300	122,582,500	122,393,500	122,774,700	123,350,900

The Child Care Program administers the child care assistance subsidy program, the STARS quality rating system, as well as a professional development framework for child care providers. The primary funding services for the program include the federal Child Care Development Fund, state General Fund and Tobacco Settlement-Phase I funds.

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

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

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

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

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

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

Additional funding in the 2014-2016 biennial budget restored funding to enable the freeze to be lifted and to restore income eligibility levels back to the 150% of the 2011 federal poverty level and 165% redetermination levels.

The STARS for KIDS NOW Program is part of Kentucky's Early Childhood Initiative and is a voluntary quality rating system that places major emphasis on raising the quality level of early care and education in child care settings. STARS for KIDS NOW monetary incentives and rewards are granted to childcare providers based on environmental scoring using identified characteristics associated with positive outcomes for children and families. Through the provision of technical assistance, providers work to achieve quality indicators in their Environmental Rating Scale to achieve a STAR Level of 1 through 4. Programs receiving STARS Levels 1 through 4 rating surpass the minimum licensing or certification requirements per regulations. Programs are assessed in the following areas: staff/child ratios, group size, curriculum, family involvement, training and education of staff, regulatory compliance, and personnel practices. The Department is an active participant in the Race to the Top, Early Learning Challenge grant. Kentucky is currently in the process of revising the STARS Quality Rating system requirements and expanding the requirements to include not only child day care centers, but public preschool and Head Start programs as well. The Department will be piloting the new requirements during fiscal year 2016.

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

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

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

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

Collaborative efforts continue between the Child Care program and key stakeholders in order to ensure that outcomes will focus on continuing quality improvements in early learning environments. These efforts include partnerships with Head

Start, the Department of Education, the Department for Public Health Division of Maternal and Child Health, Kentucky Out-of-School Alliance, Governor's Office of Early Childhood, and other government and quasi-government agencies that share the common goal of increasing professionalism in early care and education, promoting quality care, and supporting early learning guidelines.

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

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	262,883,000	274,658,000	282,630,600	211,661,100	212,597,300
Total General Fund	262,883,000	274,658,000	282,630,600	211,661,100	212,597,300
Tobacco Fund					
Tobacco Settlement - Phase I	175,000	175,000	175,000	175,000	175,000
Total Tobacco Fund	175,000	175,000	175,000	175,000	175,000
Restricted Funds					
Balance Forward	2,008,000				
Current Receipts	162,122,100	170,067,300	173,267,300	170,067,300	171,552,700
Non-Revenue Receipts	-82,271,500	-44,441,200	-45,494,100	-44,441,200	-45,494,100
Total Restricted Funds	81,858,600	125,626,100	127,773,200	125,626,100	126,058,600
Federal Fund					
Balance Forward	-63,586,000				
Current Receipts	245,150,000	186,166,100	187,296,100	190,265,400	191,396,500
Total Federal Fund	181,564,000	186,166,100	187,296,100	190,265,400	191,396,500
TOTAL SOURCE OF FUNDS	526,480,600	586,625,200	597,874,900	527,727,600	530,227,400
EXPENDITURES BY CLASS					
Personnel Costs	148,784,200	185,558,600	196,251,600	160,793,200	162,626,500
Operating Expenses	28,787,300	32,760,700	32,978,200	29,055,100	29,546,200
Grants Loans Benefits	339,894,000	368,305,900	368,645,100	337,879,300	338,054,700
TOTAL EXPENDITURES	517,465,500	586,625,200	597,874,900	527,727,600	530,227,400
EXPENDITURES BY FUND SOURCE					
General Fund	253,867,900	274,658,000	282,630,600	211,661,100	212,597,300
Tobacco Fund	175,000	175,000	175,000	175,000	175,000
Restricted Funds	81,858,600	125,626,100	127,773,200	125,626,100	126,058,600
Federal Fund	181,564,000	186,166,100	187,296,100	190,265,400	191,396,500
TOTAL EXPENDITURES	517,465,500	586,625,200	597,874,900	527,727,600	530,227,400
EXPENDITURES BY UNIT					
Family Based Services	128,472,900	165,697,800	173,892,200	140,231,100	141,612,000
Adult Services	36,090,300	38,949,000	39,603,100	37,183,600	37,545,000
Alternatives For Children	352,902,300	381,978,400	384,379,600	350,312,900	351,070,400
TOTAL EXPENDITURES	517,465,500	586,625,200	597,874,900	527,727,600	530,227,400

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

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

Family Based Services

Family-based services include child protection, reunification following out-of-home placement, home safety services, preventive services for families, community-based juvenile services, family preservation services, mental health services through contracts with local comprehensive care centers, self-help services provided through local child abuse councils, and preventive assistance.

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

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

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

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

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

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

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

Adult Services

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

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

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

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

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

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

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

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

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

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

Alternatives for Children

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

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

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

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

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

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

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

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

Policy

The Executive Budget provides General Fund in the amount of \$781,900 in each fiscal year to support Child Advocacy Centers. These centers are child-focused facilities that coordinate the investigation, prosecution, and treatment of child abuse while helping abused children heal.

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

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	45,252,100	54,614,900	55,382,900	42,583,200	42,716,800
Total General Fund	45,252,100	54,614,900	55,382,900	42,583,200	42,716,800
Restricted Funds					
Balance Forward	1,406,500	695,100	695,100	695,100	
Current Receipts	1,123,800	1,233,900	1,233,900	1,233,900	1,929,000
Non-Revenue Receipts	654,100	3,755,400	3,505,400	1,255,400	1,255,400
Total Restricted Funds	3,184,400	5,684,400	5,434,400	3,184,400	3,184,400
Federal Fund					
Current Receipts	24,829,300	24,829,300	24,829,300	24,829,300	24,829,300
Total Federal Fund	24,829,300	24,829,300	24,829,300	24,829,300	24,829,300
TOTAL SOURCE OF FUNDS	73,265,800	85,128,600	85,646,600	70,596,900	70,730,500
EXPENDITURES BY CLASS					
Personnel Costs	9,634,200	13,972,000	14,626,700	12,542,900	12,722,900
Operating Expenses	817,100	1,151,900	1,263,300	1,278,400	1,271,100
Grants Loans Benefits	60,227,100	69,309,600	69,061,500	56,775,600	56,736,500
TOTAL EXPENDITURES	70,678,400	84,433,500	84,951,500	70,596,900	70,730,500
EXPENDITURES BY FUND SOURCE					
General Fund	43,359,800	54,614,900	55,382,900	42,583,200	42,716,800
Restricted Funds	2,489,300	4,989,300	4,739,300	3,184,400	3,184,400
Federal Fund	24,829,300	24,829,300	24,829,300	24,829,300	24,829,300
TOTAL EXPENDITURES	70,678,400	84,433,500	84,951,500	70,596,900	70,730,500
EXPENDITURES BY UNIT					
Aging and Independent Living	63,143,800	74,674,400	74,718,000	61,702,300	61,733,600
Guardianship	7,534,600	9,759,100	10,233,500	8,894,600	8,996,900
TOTAL EXPENDITURES	70,678,400	84,433,500	84,951,500	70,596,900	70,730,500

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

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

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	38,400,000	45,823,800	46,116,400	35,351,700	35,382,000
Total General Fund	38,400,000	45,823,800	46,116,400	35,351,700	35,382,000
Restricted Funds					
Balance Forward	711,400				
Current Receipts	569,500	679,600	679,600	679,600	679,600
Non-Revenue Receipts	367,500	3,468,800	3,218,800	968,800	968,800
Total Restricted Funds	1,648,400	4,148,400	3,898,400	1,648,400	1,648,400
Federal Fund					
Balance Forward	-59,900				
Current Receipts	24,761,100	24,702,200	24,703,200	24,702,200	24,703,200
Total Federal Fund	24,701,200	24,702,200	24,703,200	24,702,200	24,703,200
TOTAL SOURCE OF FUNDS	64,749,600	74,674,400	74,718,000	61,702,300	61,733,600
EXPENDITURES BY CLASS					
Personnel Costs	2,663,900	5,851,600	6,072,900	4,716,600	4,794,100
Operating Expenses	253,900	294,100	405,500	211,200	204,100
Grants Loans Benefits	60,226,000	68,528,700	68,239,600	56,774,500	56,735,400
TOTAL EXPENDITURES	63,143,800	74,674,400	74,718,000	61,702,300	61,733,600
EXPENDITURES BY FUND SOURCE					
General Fund	36,794,200	45,823,800	46,116,400	35,351,700	35,382,000
Restricted Funds	1,648,400	4,148,400	3,898,400	1,648,400	1,648,400
Federal Fund	24,701,200	24,702,200	24,703,200	24,702,200	24,703,200
TOTAL EXPENDITURES	63,143,800	74,674,400	74,718,000	61,702,300	61,733,600

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

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

The services administered to achieve these goals include:

- Title III Older Americans Act Nutritional Services provided through agreements with the AAA's include the Nutritional Services Incentive Program: For persons ages 60 and over, provides congregate meals at senior centers and home-delivered meals to the homebound elderly in each Kentucky county
- Senior Community Service Employment Program (Title V): Employs persons age 55 and older who have incomes at or below 125% of the poverty level in part-time non-profit community work, such as senior citizens centers, with the goals of training and eventual placement in unsubsidized employment.

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

- Supportive Services: For persons over 60, these include: assessment/case management, transportation, escort to medical facilities, stores and other service delivery points; information, assistance and referral; homecare and other in-home services; health promotion; visiting and telephone reassurance; legal assistance, counseling; education; advocacy; respite; preventive health services; elder abuse prevention programs; supportive services for families of elderly victims of Alzheimer's and related disorders.

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

Guardianship

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,852,100	8,791,100	9,266,500	7,231,500	7,334,800
Total General Fund	6,852,100	8,791,100	9,266,500	7,231,500	7,334,800
Restricted Funds					
Balance Forward	695,100	695,100	695,100	695,100	
Current Receipts	554,300	554,300	554,300	554,300	1,249,400
Non-Revenue Receipts	286,600	286,600	286,600	286,600	286,600
Total Restricted Funds	1,536,000	1,536,000	1,536,000	1,536,000	1,536,000
Federal Fund					
Balance Forward	59,900				
Current Receipts	68,200	127,100	126,100	127,100	126,100
Total Federal Fund	128,100	127,100	126,100	127,100	126,100
TOTAL SOURCE OF FUNDS	8,516,200	10,454,200	10,928,600	8,894,600	8,996,900
EXPENDITURES BY CLASS					
Personnel Costs	6,970,300	8,120,400	8,553,800	7,826,300	7,928,800
Operating Expenses	563,200	857,800	857,800	1,067,200	1,067,000
Grants Loans Benefits	1,100	780,900	821,900	1,100	1,100
TOTAL EXPENDITURES	7,534,600	9,759,100	10,233,500	8,894,600	8,996,900
EXPENDITURES BY FUND SOURCE					
General Fund	6,565,600	8,791,100	9,266,500	7,231,500	7,334,800
Restricted Funds	840,900	840,900	840,900	1,536,000	1,536,000
Federal Fund	128,100	127,100	126,100	127,100	126,100
TOTAL EXPENDITURES	7,534,600	9,759,100	10,233,500	8,894,600	8,996,900

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

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

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

Policy

The Executive Budget includes General Fund of \$468,000 in fiscal year 2017 and \$496,100 in fiscal year 2018 for the Guardianship Program within the Department for Aging and Independent Living for social workers/field workers to address caseload growth.

The Executive Budget provides \$84,900 in fiscal year 2016-2017 and \$85,800 in fiscal year 2017-2018 from the General Fund to support implementation of a new minimum salary plan to assist with retention of social workers.

Health and Family Services
Health Benefit and Information Exchange

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	1,072,700				11,872,000
Current Receipts	35,000	35,000	35,000	35,000	35,000
Non-Revenue Receipts	25,184,000	28,292,700	27,353,100	32,207,100	30,625,900
Total Restricted Funds	26,291,700	28,327,700	27,388,100	32,242,100	42,532,900
Federal Fund					
Current Receipts	21,335,900	13,658,500	9,227,000	22,658,500	9,227,000
Total Federal Fund	21,335,900	13,658,500	9,227,000	22,658,500	9,227,000
TOTAL SOURCE OF FUNDS	47,627,600	41,986,200	36,615,100	54,900,600	51,759,900
EXPENDITURES BY CLASS					
Personnel Costs	43,908,000	33,758,500	28,408,000	38,383,300	16,101,800
Operating Expenses	3,406,100	7,859,500	7,872,900	4,539,800	1,278,200
Grants Loans Benefits	313,200	367,900	333,900	105,200	33,500
Capital Outlay	300	300	300	300	300
TOTAL EXPENDITURES	47,627,600	41,986,200	36,615,100	43,028,600	17,413,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	26,291,700	28,327,700	27,388,100	20,370,100	8,186,800
Federal Fund	21,335,900	13,658,500	9,227,000	22,658,500	9,227,000
TOTAL EXPENDITURES	47,627,600	41,986,200	36,615,100	43,028,600	17,413,800
EXPENDITURES BY UNIT					
Health Benefit Exchange	35,559,800	23,392,900	24,026,500	24,444,600	4,842,500
Health Information Exchange	12,067,800	18,593,300	12,588,600	18,584,000	12,571,300
TOTAL EXPENDITURES	47,627,600	41,986,200	36,615,100	43,028,600	17,413,800

The Kentucky Office of Health Benefit and Information Exchange (KOHBE) was first established by Executive Order 2012-587. The KOHBE was charged with developing and implementing the Kentucky Health Benefit Exchange (KHBE). The Patient Protection and Affordable Care Act required the establishment of an American Health Benefit Exchange in each state. The KHBE, known as kynect, currently serves as a marketplace to facilitate the purchase and sale of qualified health plans in the individual and small business market.

On December 30, 2015, Kentucky notified the secretary of the U.S. Department of Health and Human Services of Kentucky's intent to end the state exchange and migrate to the Federally Facilitated Market (FFM) as of December 31, 2016. The transition to the federal exchange will be seamless so that the roughly 81,000 citizens who bought private health plans through kynect will remain covered for the 2016 plan year. The transition is scheduled to be complete by the 2017 open enrollment period, beginning in November of 2016.

The office of Health Benefits and Information Exchange is supported by an assessment on health insurers equal to one percent of premiums paid on all health insurance policies written in Kentucky.

The Kentucky Health Information Exchange (KHIE) was created to serve as a focal point for e-health initiatives in the Commonwealth initiated by the American Recovery and Reinvestment Act. The KHIE helps health care providers in utilizing health technology to improve patient care, reduce medical errors, and make more efficient use of resources by reducing redundant services.

Justice and Public Safety

Justice and Public Safety

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	691,476,700	924,685,200	951,413,200	748,819,500	757,672,800
Special Appropriation	10,000,000				
Current Year Appropriation	16,177,500				
Mandated Allotments	16,800,000				
Total General Fund	734,454,200	924,685,200	951,413,200	748,819,500	757,672,800
Tobacco Fund					
Tobacco Settlement - Phase I	1,241,100	1,707,800	1,714,700	1,609,100	1,769,800
Special Appropriation	459,100				
Continuing Approp-Tob Settlement	73,100				
Total Tobacco Fund	1,773,300	1,707,800	1,714,700	1,609,100	1,769,800
Restricted Funds					
Balance Forward	19,054,300	13,018,400	15,281,200	17,957,800	13,231,200
Current Receipts	45,393,000	44,884,500	45,114,900	45,545,800	41,825,700
Non-Revenue Receipts	87,461,000	73,779,900	74,599,700	96,778,300	98,226,300
Fund Transfers	-11,000,000				
Total Restricted Funds	140,908,300	131,682,800	134,995,800	160,281,900	153,283,200
Federal Fund					
Balance Forward	918,100	21,859,300	24,259,900	21,859,300	24,259,900
Current Receipts	59,935,300	50,430,900	50,644,800	41,109,900	41,250,000
Non-Revenue Receipts	-684,500				
Total Federal Fund	60,168,900	72,290,200	74,904,700	62,969,200	65,509,900
Road Fund					
Regular Appropriation	96,845,800	112,253,700	116,436,700	102,676,700	103,596,700
Total Road Fund	96,845,800	112,253,700	116,436,700	102,676,700	103,596,700
TOTAL SOURCE OF FUNDS	1,034,150,500	1,242,619,700	1,279,465,100	1,076,356,400	1,081,832,400
EXPENDITURES BY CLASS					
Personnel Costs	565,935,700	651,356,300	685,317,700	599,005,200	604,586,200
Operating Expenses	120,435,300	141,346,100	139,417,100	116,956,000	115,688,700
Grants Loans Benefits	292,720,500	322,273,200	323,890,400	310,559,100	311,840,900
Debt Service	2,140,500	8,898,900	10,256,600	2,409,400	3,109,100
Capital Outlay	5,738,200	79,203,700	76,777,200	9,935,200	5,923,200
Construction	400	400	400	400	400
TOTAL EXPENDITURES	986,970,600	1,203,078,600	1,235,659,400	1,038,865,300	1,041,148,500
EXPENDITURES BY FUND SOURCE					
General Fund	727,091,400	924,685,200	951,413,200	748,819,500	757,672,800
Tobacco Fund	1,773,300	1,707,800	1,714,700	1,609,100	1,769,800
Restricted Funds	122,950,500	116,401,600	117,882,000	147,050,700	139,291,200
Federal Fund	38,309,600	48,030,300	48,212,800	38,709,300	38,818,000
Road Fund	96,845,800	112,253,700	116,436,700	102,676,700	103,596,700
TOTAL EXPENDITURES	986,970,600	1,203,078,600	1,235,659,400	1,038,865,300	1,041,148,500
EXPENDITURES BY UNIT					
Justice Administration	37,328,700	54,189,700	56,843,800	43,148,500	43,941,300
Criminal Justice Training	53,187,600	53,676,800	54,512,000	74,944,500	70,836,200
Juvenile Justice	105,836,400	114,182,900	118,844,200	111,556,100	112,463,100
State Police	206,057,900	320,343,400	333,018,900	225,275,300	226,972,100
Corrections Management	9,652,800	11,863,000	12,243,900	9,710,300	9,779,900
Adult Correctional Institutions	290,669,500	318,488,500	320,711,800	288,447,600	289,124,000

EXPENDITURES BY UNIT

Community Services and Local Facilities	213,015,500	236,803,500	239,117,200	212,420,800	214,408,700
Local Jail Support	17,538,700	23,585,200	23,899,200	16,712,300	16,712,300
Public Advocacy	53,683,500	69,945,600	76,468,400	56,649,900	56,910,900
TOTAL EXPENDITURES	<u>986,970,600</u>	<u>1,203,078,600</u>	<u>1,235,659,400</u>	<u>1,038,865,300</u>	<u>1,041,148,500</u>

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

The Cabinet is comprised of six departments:

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

Justice and Public Safety

Justice Administration

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,210,300	27,753,800	30,425,000	28,812,800	29,499,800
Special Appropriation	10,000,000				
Total General Fund	21,210,300	27,753,800	30,425,000	28,812,800	29,499,800
Tobacco Fund					
Tobacco Settlement - Phase I	1,241,100	1,707,800	1,714,700	1,609,100	1,769,800
Special Appropriation	459,100				
Continuing Approp-Tob Settlement	73,100				
Total Tobacco Fund	1,773,300	1,707,800	1,714,700	1,609,100	1,769,800
Restricted Funds					
Balance Forward	1,595,300	1,313,300	1,140,100	1,313,300	1,140,100
Current Receipts	1,226,100	1,172,800	1,175,200	1,172,000	1,172,300
Non-Revenue Receipts	2,205,900	2,210,700	2,214,800	209,300	209,800
Total Restricted Funds	5,027,300	4,696,800	4,530,100	2,694,600	2,522,200
Federal Fund					
Balance Forward	541,400	21,857,200	24,259,900	21,857,200	24,259,900
Current Receipts	31,728,300	23,574,100	23,635,200	13,574,800	13,610,700
Non-Revenue Receipts	723,100				
Total Federal Fund	32,992,800	45,431,300	47,895,100	35,432,000	37,870,600
TOTAL SOURCE OF FUNDS	61,003,700	79,589,700	84,564,900	68,548,500	71,662,400
EXPENDITURES BY CLASS					
Personnel Costs	11,952,800	13,065,300	13,578,600	11,974,400	12,069,800
Operating Expenses	1,326,000	1,598,600	1,598,700	1,739,100	1,739,100
Grants Loans Benefits	24,049,900	39,525,800	40,091,500	29,435,000	30,132,400
Debt Service			1,575,000		
TOTAL EXPENDITURES	37,328,700	54,189,700	56,843,800	43,148,500	43,941,300
EXPENDITURES BY FUND SOURCE					
General Fund	20,705,800	27,753,800	30,425,000	28,812,800	29,499,800
Tobacco Fund	1,773,300	1,707,800	1,714,700	1,609,100	1,769,800
Restricted Funds	3,714,000	3,556,700	3,500,900	1,554,500	1,493,000
Federal Fund	11,135,600	21,171,400	21,203,200	11,172,100	11,178,700
TOTAL EXPENDITURES	37,328,700	54,189,700	56,843,800	43,148,500	43,941,300
EXPENDITURES BY UNIT					
Secretary	4,276,100	4,709,600	4,919,500	4,346,000	4,384,900
Office of Drug Control Policy	3,996,900	3,957,400	3,978,200	3,837,500	4,000,900
Medical Examiner Program	4,513,000	5,109,800	6,860,300	4,700,800	4,733,500
Parole Board	1,004,800	1,105,800	1,160,700	1,031,000	1,041,200
Grants	11,742,300	21,778,400	21,764,300	11,767,900	11,715,000
Criminal Justice Council	179,400	184,200	188,300	182,800	183,300
Motorcycle Training Program	900,000	900,000	900,000	900,000	900,000
Access to Justice	716,200	750,000	750,000	682,500	682,500
Substance Abuse Initiatives	10,000,000	15,694,500	16,322,500	15,700,000	16,300,000
TOTAL EXPENDITURES	37,328,700	54,189,700	56,843,800	43,148,500	43,941,300

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

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

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

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

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

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

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

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

Policy

The Executive Budget includes General Fund in the amount of \$2,000,000 in each fiscal year for the Operation UNITE program, funded from the Local Government Economic Development Fund.

Heroin legislation was enacted during the 2015 Regular Session in an effort to reduce the trafficking and abuse of heroin and other opiates. It invests 50 percent of the savings realized as a result of the passage of HB 463 in the 2011 Regular Session in an array of substance abuse and criminal justice programs. In fiscal year 2015/2016, it appropriated \$10,000,000 as a necessary government expense. The Secretary of the Justice and Public Safety has authority to determine distribution of these funds among the several substance abuse treatment and prevention efforts. The Executive Budget provides \$15,700,000 in fiscal year 2016-2017 and \$16,300,000 in fiscal year 2017-2018. The amounts will be held in reserve until allocated by the Secretary of the Justice and Public Safety Cabinet.

**Justice and Public Safety
Criminal Justice Training**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	5,462,400	736,100	736,100	7,470,600	3,879,300
Current Receipts	513,800	510,500	519,500	561,700	563,300
Non-Revenue Receipts	65,494,400	52,916,800	53,732,500	70,542,000	72,430,800
Fund Transfers	-11,000,000				
Total Restricted Funds	60,470,600	54,163,400	54,988,100	78,574,300	76,873,400
Federal Fund					
Balance Forward	2,200				
Current Receipts	185,400	249,500	260,000	249,500	260,000
Total Federal Fund	187,600	249,500	260,000	249,500	260,000
TOTAL SOURCE OF FUNDS	60,658,200	54,412,900	55,248,100	78,823,800	77,133,400
EXPENDITURES BY CLASS					
Personnel Costs	20,242,800	21,441,600	22,160,900	23,246,700	23,486,000
Operating Expenses	2,961,300	3,107,400	2,972,800	3,444,800	3,310,200
Grants Loans Benefits	27,782,000	26,749,900	27,006,200	41,863,100	41,667,900
Debt Service	2,140,500	2,141,900	2,136,100	2,141,900	2,136,100
Capital Outlay	61,000	236,000	236,000	4,248,000	236,000
TOTAL EXPENDITURES	53,187,600	53,676,800	54,512,000	74,944,500	70,836,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	53,000,000	53,427,300	54,252,000	74,695,000	70,576,200
Federal Fund	187,600	249,500	260,000	249,500	260,000
TOTAL EXPENDITURES	53,187,600	53,676,800	54,512,000	74,944,500	70,836,200
EXPENDITURES BY UNIT					
Kentucky Law Enforcement Program Fund	51,787,100	52,185,100	52,979,600	73,451,900	69,327,500
Peace Officer Professional Standards	709,800	731,700	752,900	731,400	735,400
Special Training Programs	690,700	760,000	779,500	761,200	773,300
TOTAL EXPENDITURES	53,187,600	53,676,800	54,512,000	74,944,500	70,836,200

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

The DOCJT operates two training programs: the Kentucky Law Enforcement Foundation Program Fund (KLEFPF), and the Special Training programs, in addition to the Peace Officers Professional Standards (POPS) program. The KLEFPF agency resources are derived from property and casualty insurance premium surcharge proceeds, which accrue pursuant to KRS 136.392, and are allocated by KRS 42.190 between the KLEFPF and the Kentucky Firefighters Foundation Program Fund. The Department provides entry-level and in-service training for approximately 14,000 seats each year, totaling approximately 566,000 hours of training.

Policy

Notwithstanding KRS 15.470, the Executive Budget includes Restricted Funds of \$10,300,000 in fiscal year 2016-2017

and \$10,402,800 in fiscal year 2017-2018 for a \$4,000 training incentive stipend and associated fringe benefit costs for state troopers, arson investigators, hazardous devices investigators, legislative security specialists, and Vehicle Enforcement officers within the Kentucky State Police; Horse Park mounted patrol officers; State Park rangers; Agriculture investigators, Charitable Gaming investigators; Alcoholic Beverage Control investigators; Insurance fraud investigators and Attorney General investigators. Each eligible peace officer must meet the requirements of Peace Officer Professional Standards Act training. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF) to approximately 7,500 certified peace officers in the amount of \$41,509,000 in fiscal year 2016-2017 and \$41,611,800 in fiscal year 2017-2018.

The Executive Budget includes \$73,451,900 in fiscal year 2016-2017 and \$69,327,500 in fiscal year 2017-2018 for the Kentucky Law Enforcement Program Fund.

Notwithstanding KRS 15.470, \$2,000,000 in fiscal year 2016-2017 and \$2,350,000 in fiscal year 2017-2018 from the Kentucky Law Enforcement Foundation Program Fund is provided for law enforcement capital projects and equipment for the State Police, and \$1,100,000 in fiscal year 2015-2016, \$5,013,300 2016-2017 and \$4,466,400 in fiscal year 2017-2018 from the KLEFP Fund is provided to the State Police operating budget for law enforcement purposes, including additional resources to the state laboratories to address the DNA analysis backlog.

Justice and Public Safety

Juvenile Justice

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	83,322,700	92,315,800	96,977,100	85,770,200	86,488,700
Total General Fund	83,322,700	92,315,800	96,977,100	85,770,200	86,488,700
Restricted Funds					
Balance Forward	1,917,100	4,929,700	7,912,300	3,134,600	2,719,100
Current Receipts	908,000	878,000	878,000	878,000	878,000
Non-Revenue Receipts	12,265,900	12,265,900	12,265,900	12,265,900	12,265,900
Total Restricted Funds	15,091,000	18,073,600	21,056,200	16,278,500	15,863,000
Federal Fund					
Balance Forward	281,400	2,100		2,100	
Current Receipts	11,426,500	11,703,700	11,705,800	12,224,400	12,323,400
Total Federal Fund	11,707,900	11,705,800	11,705,800	12,226,500	12,323,400
TOTAL SOURCE OF FUNDS	110,121,600	122,095,200	129,739,100	114,275,200	114,675,100
EXPENDITURES BY CLASS					
Personnel Costs	83,333,800	91,609,300	96,391,400	88,967,500	89,987,800
Operating Expenses	9,905,300	9,705,000	9,696,500	9,820,000	9,819,000
Grants Loans Benefits	12,597,300	12,868,600	12,756,300	12,768,600	12,656,300
TOTAL EXPENDITURES	105,836,400	114,182,900	118,844,200	111,556,100	112,463,100
EXPENDITURES BY FUND SOURCE					
General Fund	82,174,200	92,315,800	96,977,100	85,770,200	86,488,700
Restricted Funds	11,956,400	10,161,300	10,161,300	13,559,400	13,651,000
Federal Fund	11,705,800	11,705,800	11,705,800	12,226,500	12,323,400
TOTAL EXPENDITURES	105,836,400	114,182,900	118,844,200	111,556,100	112,463,100
EXPENDITURES BY UNIT					
Program Management	1,646,200	1,878,100	1,966,500	1,696,800	1,711,500
Program Operations	95,264,200	102,381,200	106,498,200	100,218,600	101,035,600
Support Services	8,926,000	9,923,600	10,379,500	9,640,700	9,716,000
TOTAL EXPENDITURES	105,836,400	114,182,900	118,844,200	111,556,100	112,463,100

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

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

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

Day Treatment Services is comprised of five state-owned and 19 contract programs. These programs are the least restrictive, since the youths remain in a home setting during the evening and attend a day treatment program during the day. A court or school system usually refers a youth to serve in these programs. Day Treatment provides educational alternatives, treatment, and counseling for youths between the ages of 12 and 17. The total capacity of the 24 centers is 847 youths.

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

Group Home Beds = 80

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

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

Residential Beds = 440

The 10 state-operated Residential Facilities provide 24-hour care and custody of juveniles who have been committed to the Department as public offenders or sentenced as youthful offenders. These facilities serve youths who are in need of treatment that cannot be provided in their community, or who require placement in a secure setting because they represent a threat to the community. The current capacity of the residential care program is 440 youths.

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

Detention Beds = 356

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

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

Private child care facilities and therapeutic foster care programs are utilized to alleviate facility capacity problems and to provide specialized treatment for youths. Approximately 20-30 juveniles are in these programs on any given day.

Community Services provide services to juvenile offenders. Workers in the community offices develop service objectives and comprehensive service plans for juvenile offenders and their families. These workers supervise over 2,400 juvenile offenders and recommend any necessary out-of-home placements.

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

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

Policy

The Executive Budget provides additional General Fund in the amount of \$627,000 in fiscal year 2016-2017 and \$633,600 in fiscal year 2017-2018 to support implementation of a new minimum salary plan to assist with retention of Social Service Workers and Social Service Clinicians.

Justice and Public Safety

State Police

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	75,272,600	172,783,600	180,399,400	80,402,000	81,479,200
Total General Fund	75,272,600	172,783,600	180,399,400	80,402,000	81,479,200
Restricted Funds					
Balance Forward	3,750,100	4,009,300	3,462,700	4,009,300	3,462,700
Current Receipts	16,526,700	16,654,300	16,835,600	16,124,500	15,736,300
Non-Revenue Receipts	7,494,800	6,386,500	6,386,500	13,761,100	13,319,800
Total Restricted Funds	27,771,600	27,050,100	26,684,800	33,894,900	32,518,800
Federal Fund					
Current Receipts	12,943,500	11,718,700	11,921,600	11,764,400	11,801,000
Non-Revenue Receipts	-1,381,500				
Total Federal Fund	11,562,000	11,718,700	11,921,600	11,764,400	11,801,000
Road Fund					
Regular Appropriation	96,845,800	112,253,700	116,436,700	102,676,700	103,596,700
Total Road Fund	96,845,800	112,253,700	116,436,700	102,676,700	103,596,700
TOTAL SOURCE OF FUNDS	211,452,000	323,806,100	335,442,500	228,738,000	229,395,700
EXPENDITURES BY CLASS					
Personnel Costs	156,309,300	184,861,200	193,427,400	175,907,200	178,364,400
Operating Expenses	44,172,900	59,042,500	57,277,300	43,782,400	43,022,000
Grants Loans Benefits	538,000	538,000	538,000	538,000	538,000
Debt Service			5,874,500		
Capital Outlay	5,037,300	75,901,300	75,901,300	5,047,300	5,047,300
Construction	400	400	400	400	400
TOTAL EXPENDITURES	206,057,900	320,343,400	333,018,900	225,275,300	226,972,100
EXPENDITURES BY FUND SOURCE					
General Fund	73,887,800	172,783,600	180,399,400	80,402,000	81,479,200
Restricted Funds	23,762,300	23,587,400	24,261,200	30,432,200	30,095,200
Federal Fund	11,562,000	11,718,700	11,921,600	11,764,400	11,801,000
Road Fund	96,845,800	112,253,700	116,436,700	102,676,700	103,596,700
TOTAL EXPENDITURES	206,057,900	320,343,400	333,018,900	225,275,300	226,972,100
EXPENDITURES BY UNIT					
Administration	28,793,700	39,297,600	46,450,500	29,889,000	30,276,400
Technical Services	38,298,400	122,073,600	121,756,300	40,237,000	39,980,600
Operations	122,531,600	142,206,600	147,645,400	138,149,300	139,618,400
Commercial Vehicle Enforcement	16,434,200	16,765,600	17,166,700	17,000,000	17,096,700
TOTAL EXPENDITURES	206,057,900	320,343,400	333,018,900	225,275,300	226,972,100

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

The Administrative Division, which includes the Office of the Commissioner, provides professional support services for the Department. These services include organizational policy, personnel, properties management and supplies, payroll, employee assistance, fiscal, internal investigations, and inspections. Media relations, training, analysis, research, strategic planning, and information coordination are other functions performed in this division. The State Police Drivers Testing Stations, Facilities Security, and Legislative Detail are also part of this division and provide external support to citizens and other public officials of Kentucky.

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

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

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

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

Policy

The Executive Budget includes Restricted Funds of \$7,706,200 in fiscal year 2016-2017 and \$7,811,800 in fiscal year 2017-2018 for a \$4,000 training incentive stipend for state troopers, arson investigators, hazardous devices investigators, legislative security specialists, and Vehicle Enforcement officers within the Kentucky State Police. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF).

The Executive Budget provides, General Fund in the amount of \$3,089,700 in fiscal year 2016-2017 and \$3,136,700 in fiscal year 2017-2018 for State Trooper salary improvements.

Notwithstanding KRS 15.470, \$2,000,000 in fiscal year 2016-2017 and \$2,350,000 in fiscal year 2017-2018 from the Kentucky Law Enforcement Foundation Program Fund is provided for law enforcement capital projects and equipment for the State Police, and \$1,100,000 in fiscal year 2015-2016, \$5,013,300 2016-2017 and \$4,466,400 in fiscal year 2017-2018 from the KLEFP Fund is provided to the State Police operating budget for law enforcement purposes, including additional resources to the state laboratories to address the DNA analysis backlog.

Justice and Public Safety

Corrections

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	474,198,200	567,834,500	572,889,600	502,044,600	507,973,200
Current Year Appropriation	15,800,000				
Mandated Allotments	16,800,000				
Total General Fund	506,798,200	567,834,500	572,889,600	502,044,600	507,973,200
Restricted Funds					
Balance Forward	6,232,900	2,030,000	2,030,000	2,030,000	2,030,000
Current Receipts	22,079,000	21,613,700	21,790,500	23,954,400	20,759,700
Total Restricted Funds	28,311,900	23,643,700	23,820,500	25,984,400	22,789,700
Federal Fund					
Balance Forward	93,100				
Current Receipts	1,394,100	1,292,000	1,292,000	1,292,000	1,292,000
Non-Revenue Receipts	-26,100				
Total Federal Fund	1,461,100	1,292,000	1,292,000	1,292,000	1,292,000
TOTAL SOURCE OF FUNDS	536,571,200	592,770,200	598,002,100	529,321,000	532,054,900
EXPENDITURES BY CLASS					
Personnel Costs	246,612,500	277,716,000	290,741,000	247,800,900	249,089,600
Operating Expenses	55,890,800	60,629,900	60,441,800	52,648,300	52,496,100
Grants Loans Benefits	227,733,300	242,570,900	243,478,400	225,934,400	226,826,300
Debt Service		6,757,000	671,000	267,500	973,000
Capital Outlay	639,900	3,066,400	639,900	639,900	639,900
TOTAL EXPENDITURES	530,876,500	590,740,200	595,972,100	527,291,000	530,024,900
EXPENDITURES BY FUND SOURCE					
General Fund	503,133,500	567,834,500	572,889,600	502,044,600	507,973,200
Restricted Funds	26,281,900	21,613,700	21,790,500	23,954,400	20,759,700
Federal Fund	1,461,100	1,292,000	1,292,000	1,292,000	1,292,000
TOTAL EXPENDITURES	530,876,500	590,740,200	595,972,100	527,291,000	530,024,900
EXPENDITURES BY UNIT					
Corrections Management	9,652,800	11,863,000	12,243,900	9,710,300	9,779,900
Adult Correctional Institutions	290,669,500	318,488,500	320,711,800	288,447,600	289,124,000
Community Services and Local Facilities	213,015,500	236,803,500	239,117,200	212,420,800	214,408,700
Local Jail Support	17,538,700	23,585,200	23,899,200	16,712,300	16,712,300
TOTAL EXPENDITURES	530,876,500	590,740,200	595,972,100	527,291,000	530,024,900

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

The Department's core cost driver is the felon population. In the 2011 Regular Session, HB 463 was passed with the intent to decrease the state's prison population; reduce incarceration costs; and implement programs that will reduce crime and increase overall public safety. KRS 196.111 mandates the use of evidence-based practices in the sentencing process for convicted felons and in the decision making process for the supervision and treatment of felons in prison or on probation or parole. HB 463 was passed with the intent to decrease the state's prison population; reduce incarceration costs; and implement programs that will reduce crime and increase overall public safety. KRS 196.111 mandates the use of

evidence-based practices in the sentencing process for convicted felons and in the decision making process for the supervision and treatment of felons in prison or on probation or parole. HB 463 modified KRS Chapter 218A controlled substance statutes and placed emphasis on probation, diversion, and treatment and diverts savings from the drug law changes to drug treatment programs. Other provisions in KRS 439.335, KRS 439.340, KRS 439.320, and KRS 197.045 emphasize the use of parole to effectuate accelerated parole hearings; to order mandatory reentry supervision release; and to allow for good time credit that reduces the sentence while on parole.

Policy

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

2016 - 2018 Felon and Community Beds Forecast

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Felons*	21,929	22,171	22,261
Other**	<u>2,145</u>	<u>2,262</u>	<u>2,262</u>
Total	24,074	24,433	24,523

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

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

The Executive Budget includes additional General Fund in the amount of \$6,300,000 in fiscal year 2015-2016, \$6,400,000 in fiscal year 2016-2017, and \$10,700,000 in fiscal year 2017-2018, as a result of accommodating a higher inmate population forecast.

The Executive Budget provides additional General Fund in the amount of \$2,078,800 in fiscal year 2016-2017 and \$2,073,800 in fiscal year 2017-2018 to support salary increases for entry level Correctional Officers to improve recruitment efforts.

**Justice and Public Safety
Corrections Management**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,634,800	11,488,000	11,868,900	9,335,300	9,404,900
Total General Fund	9,634,800	11,488,000	11,868,900	9,335,300	9,404,900
Restricted Funds					
Balance Forward	700				
Current Receipts	299,300	300,000	300,000	300,000	300,000
Total Restricted Funds	300,000	300,000	300,000	300,000	300,000
Federal Fund					
Balance Forward	93,100				
Current Receipts	8,000	75,000	75,000	75,000	75,000
Non-Revenue Receipts	-26,100				
Total Federal Fund	75,000	75,000	75,000	75,000	75,000
TOTAL SOURCE OF FUNDS	10,009,800	11,863,000	12,243,900	9,710,300	9,779,900
EXPENDITURES BY CLASS					
Personnel Costs	8,963,400	10,633,700	11,163,800	8,924,300	9,008,300
Operating Expenses	689,400	1,229,300	1,080,100	786,000	771,600
TOTAL EXPENDITURES	9,652,800	11,863,000	12,243,900	9,710,300	9,779,900
EXPENDITURES BY FUND SOURCE					
General Fund	9,277,800	11,488,000	11,868,900	9,335,300	9,404,900
Restricted Funds	300,000	300,000	300,000	300,000	300,000
Federal Fund	75,000	75,000	75,000	75,000	75,000
TOTAL EXPENDITURES	9,652,800	11,863,000	12,243,900	9,710,300	9,779,900
EXPENDITURES BY UNIT					
Commissioner	5,314,200	6,485,700	6,795,900	5,316,300	5,355,500
Corrections Training	1,639,100	2,170,800	2,111,700	1,643,800	1,656,700
Administrative Services	1,802,900	2,131,500	2,206,800	1,843,200	1,852,300
Division of Personnel	896,600	1,075,000	1,129,500	907,000	915,400
TOTAL EXPENDITURES	9,652,800	11,863,000	12,243,900	9,710,300	9,779,900

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

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

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

The Division of Administrative Services, referenced in KRS 12.020, is comprised of two branches that provide support services to the entire Department in accounting and purchasing, property inventory, and budgeting.

**Justice and Public Safety
Adult Correctional Institutions**

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	247,520,000	300,453,300	302,499,800	270,471,700	271,142,800
Current Year Appropriation	15,800,000				
Mandated Allotments	10,500,000				
Total General Fund	273,820,000	300,453,300	302,499,800	270,471,700	271,142,800
Restricted Funds					
Balance Forward	3,451,900				
Current Receipts	14,979,700	17,513,700	17,690,500	17,454,400	17,459,700
Total Restricted Funds	18,431,600	17,513,700	17,690,500	17,454,400	17,459,700
Federal Fund					
Current Receipts	521,500	521,500	521,500	521,500	521,500
Total Federal Fund	521,500	521,500	521,500	521,500	521,500
TOTAL SOURCE OF FUNDS	292,773,100	318,488,500	320,711,800	288,447,600	289,124,000
EXPENDITURES BY CLASS					
Personnel Costs	187,819,500	207,586,600	217,730,400	187,924,900	188,142,600
Operating Expenses	46,876,300	46,462,000	46,390,900	45,548,500	45,412,600
Grants Loans Benefits	55,333,800	55,390,500	55,279,600	54,066,800	53,955,900
Debt Service		6,757,000	671,000	267,500	973,000
Capital Outlay	639,900	2,292,400	639,900	639,900	639,900
TOTAL EXPENDITURES	290,669,500	318,488,500	320,711,800	288,447,600	289,124,000
EXPENDITURES BY FUND SOURCE					
General Fund	271,716,400	300,453,300	302,499,800	270,471,700	271,142,800
Restricted Funds	18,431,600	17,513,700	17,690,500	17,454,400	17,459,700
Federal Fund	521,500	521,500	521,500	521,500	521,500
TOTAL EXPENDITURES	290,669,500	318,488,500	320,711,800	288,447,600	289,124,000
EXPENDITURES BY UNIT					
Institutions Operations	3,812,700	4,039,400	4,156,600	3,971,200	4,676,300
Medical Services	58,002,900	57,916,700	57,995,800	57,086,000	57,085,600
Education	5,827,700	5,955,500	6,121,200	5,742,800	5,742,000
Correctional Industries	12,645,600	13,477,700	13,654,500	12,668,400	12,673,700
Correctional Facilities	201,955,100	228,386,200	229,723,700	200,653,900	200,622,400
Mental Health	8,425,500	8,713,000	9,060,000	8,325,300	8,324,000
TOTAL EXPENDITURES	290,669,500	318,488,500	320,711,800	288,447,600	289,124,000

Adult Correctional Institutions is comprised of 13 state correctional facilities for adult felon offenders. Seven additional programmatic areas serve all institutions and their incarcerated populations: the Division of Operations, the Division of Mental Health, the Division of Substance Abuse, Education programs, Inmate Medical Services, the Division of Adult Institutions and the Division of Correctional Industries.

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

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

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

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

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

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

Correctional Institutions

Kentucky State Reformatory (KSR) is a medium security institution with an operational capacity of 2,000 inmates located near LaGrange in Oldham County. The inmate population is divided into four segments: general population, special management unit, nursing care facility, and mental health unit. Since 1980, KSR has converted designated living areas into single cell facilities and opened a new 150-bed mental health unit during 1998. In 1995 KSR opened the Nursing Care Facility which houses inmates in need of medical care due to their medical condition.

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

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

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

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

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

Western Kentucky Correctional Complex (WKCC) is a medium security institution with an operational capacity of 470 inmates located near Caldwell County. The institution operates a full farm operation on 2,500 acres, a community work program for surrounding parks and cities, and the Correctional Industries recycling program serving the surrounding counties.

Roederer Correctional Complex (RCC) is a medium security institution with an operational capacity of 1,052 inmates located near LaGrange in Oldham County. The institution operates the Department's Assessment and Classification Center, serving all incoming male inmates with the exception of inmates sentenced to capital punishment. The institution also operates a full farm operation on approximately 2,800 acres.

Luther Lockett Correctional Complex (LLCC) is a medium security institution with an operational capacity of 1,097 inmates, also located near LaGrange in Oldham County. The facility houses two separate institutions: the Department of Correction's prison facility and the Cabinet for Health and Family Services' Kentucky Correctional Psychiatric Center

(KCPC). Due to KCPC, the inmate population has a variety of psychological, pharmaceutical, recreational, academic, vocational, and substance abuse programs available.

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

Northpoint Training Center (NTC) is a medium security institution with an operational capacity of 1,226 inmates located near Danville in Boyle County. The institution operates a prison farm, along with counseling, academic, and vocational programs.

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

Ross-Cash Center (R-CC) is located on the grounds of Western Kentucky Correctional Complex in Lyon County and has an operational capacity of 200 female inmates. The facility, which opened in October 2015, is named for two correctional employees killed in the line of duty during the 1980s.

Policy

The Executive Budget provides General Fund in the amount of \$15,800,000 in fiscal year 2015-2016, \$15,500,000 in fiscal year 2016-2017 and \$15,500,000 in fiscal year 2017-2018 for a compensation increase for all correctional officers that was implemented in July 2015 to address recruitment and retention issues. To further address recruitment challenges, and to ensure a safe environment in Kentucky's correctional institutions, the Executive Budget provides General Fund in the amount of \$2,078,800 in fiscal year 2016-2017 and \$2,073,800 in fiscal year 2017-2018 to increase the entry-level salary for correctional officer new hires. Due to compression, the Correctional Sergeant and Correctional Lieutenant salaries would also receive increases.

The Executive Budget provides General Fund debt service in the amount of \$267,500 in fiscal year 2016-2017 and \$973,000 in fiscal year 2017-2018 to support new bonds for capital projects.

The Executive Budget provides additional General Fund in the amount of \$55,600 in fiscal year 2016-2017 and \$56,200 in fiscal year 2017-2018 to support implementation of a new minimum salary plan to assist with retention of Social Services Workers and Social Service Clinicians.

Justice and Public Safety
Community Services and Local Facilities

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	198,678,300	232,308,000	234,621,700	205,530,000	210,717,900
Mandated Allotments	6,300,000				
Total General Fund	204,978,300	232,308,000	234,621,700	205,530,000	210,717,900
Restricted Funds					
Balance Forward	2,780,300	2,030,000	2,030,000	2,030,000	2,030,000
Current Receipts	6,800,000	3,800,000	3,800,000	6,200,000	3,000,000
Total Restricted Funds	9,580,300	5,830,000	5,830,000	8,230,000	5,030,000
Federal Fund					
Current Receipts	864,600	695,500	695,500	695,500	695,500
Total Federal Fund	864,600	695,500	695,500	695,500	695,500
TOTAL SOURCE OF FUNDS	215,423,200	238,833,500	241,147,200	214,455,500	216,443,400
EXPENDITURES BY CLASS					
Personnel Costs	49,829,600	59,495,700	61,846,800	50,951,700	51,938,700
Operating Expenses	8,325,100	10,889,700	10,607,900	6,313,800	6,311,900
Grants Loans Benefits	154,860,800	165,644,100	166,662,500	155,155,300	156,158,100
Capital Outlay		774,000			
TOTAL EXPENDITURES	213,015,500	236,803,500	239,117,200	212,420,800	214,408,700
EXPENDITURES BY FUND SOURCE					
General Fund	204,600,600	232,308,000	234,621,700	205,525,300	210,713,200
Restricted Funds	7,550,300	3,800,000	3,800,000	6,200,000	3,000,000
Federal Fund	864,600	695,500	695,500	695,500	695,500
TOTAL EXPENDITURES	213,015,500	236,803,500	239,117,200	212,420,800	214,408,700
EXPENDITURES BY UNIT					
Probation and Parole Program	52,542,300	60,941,700	62,092,200	52,701,000	53,579,100
Local Facilities Operations	1,314,500	1,498,700	1,410,700	1,322,300	1,324,300
Local Facilities - Jail Program	115,898,300	129,194,700	130,234,400	118,399,300	119,499,600
Community Corrections Commission	1,054,500	1,058,800	1,058,800	1,050,500	1,050,500
Halfway Houses	26,889,000	28,350,500	28,350,500	26,778,000	26,778,000
Electronic Monitoring	1,916,100	1,770,400	1,816,200	1,744,000	1,745,700
Substance Abuse Programs	13,400,800	13,988,700	14,154,400	10,425,700	10,431,500
TOTAL EXPENDITURES	213,015,500	236,803,500	239,117,200	212,420,800	214,408,700

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

The Division of Probation and Parole, pursuant to KRS 439.370 and 439.480, through the probation and parole officers in the 20 districts, provides supervision of approximately 45,576 probationers and parolees in the community, investigations of offenders for the courts and parole board, rehabilitative services to offenders, and assistance in employment and home placement. The Division also oversees contracts with 25 halfway houses located across the state which provide housing for approximately 2,027 community custody inmates and parolees, which includes community placements in the Recovery Kentucky substance abuse programs.

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

This division is also responsible for payment of local jail per diems, medical per diems, excess medical costs, and inmate labor for the state inmates housed in the Commonwealth's 75 full service jails and 4 regional jails.

The Community Corrections area is comprised of the Halfway House program, Kentucky Corrections Commissioner, and Electronic Monitoring program. Pursuant to KRS Chapter 439, the Halfway House program provides rehabilitation in community residential correctional centers throughout the Commonwealth where inmates are transitioned prior to their release. Pursuant to KRS Chapter 196, the Kentucky Corrections Commission grants funds for the purpose of assisting judges, throughout the Commonwealth, develop alternatives to incarceration. In accordance with KRS 532.260, the Department of Corrections has initiated the Home Incarceration program (HIP). The current average daily population of HIP participants is 216.

Policy

The Department of Corrections estimates a 3.5 percent growth in the number of probationers and parolees compared to fiscal year 2015. Much of this increase is due to accelerated parole hearings and mandatory reentry supervision release.

<u>Fiscal Year</u>	<u>Probation and Parole Population</u>
2015 Actual	46,008
2016 Estimated	45,576
2017 Estimated	46,573
2018 Estimated	47,615

The Executive Budget provides \$800,000 in fiscal year 2016-2017 and \$1,600,000 in fiscal year 2017-2018 to hire 32 additional probation and parole officers to accommodate the projected increase in caseload.

The Executive Budget provides additional General Fund in the amount of \$40,900 in fiscal year 2016-2017 and \$41,300 in fiscal year 2017-2018 to support implementation of a new minimum salary plan to assist with retention of Social Services Workers and Social Service Clinicians.

Justice and Public Safety

Local Jail Support

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	18,365,100	23,585,200	23,899,200	16,712,300	16,712,300
Total General Fund	18,365,100	23,585,200	23,899,200	16,712,300	16,712,300
TOTAL SOURCE OF FUNDS	18,365,100	23,585,200	23,899,200	16,712,300	16,712,300
EXPENDITURES BY CLASS					
Operating Expenses		2,048,900	2,362,900		
Grants Loans Benefits	17,538,700	21,536,300	21,536,300	16,712,300	16,712,300
TOTAL EXPENDITURES	17,538,700	23,585,200	23,899,200	16,712,300	16,712,300
EXPENDITURES BY FUND SOURCE					
General Fund	17,538,700	23,585,200	23,899,200	16,712,300	16,712,300
TOTAL EXPENDITURES	17,538,700	23,585,200	23,899,200	16,712,300	16,712,300
EXPENDITURES BY UNIT					
Local Jail Allotment	10,576,400	14,245,900	14,245,900	10,078,100	10,078,100
Restricted Medical	889,200	931,100	931,100	847,300	847,300
Jailers' Allowance	460,000	481,700	481,700	438,300	438,300
Catastrophic Medical	916,800	960,000	960,000	873,600	873,600
Local Corrections Assistance Fund	4,696,300	6,966,500	7,280,500	4,475,000	4,475,000
TOTAL EXPENDITURES	17,538,700	23,585,200	23,899,200	16,712,300	16,712,300

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

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

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

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

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

Policy

Notwithstanding KRS 196.288, \$5,796,800 in each year of the biennium is allocated to the Local Corrections Assistance Fund. Of that amount, \$879,200 is re-aligned to the Catastrophic Medical program as coordinated between the Department of Corrections and the Kentucky County Jailers Association. As a result, the net amount displayed for this program is \$4,917,600 in each year of the biennium.

Justice and Public Safety

Public Advocacy

	Revised FY 2016	Requested FY 2017	Requested FY 2018	Recommended FY 2017	Recommended FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	47,472,900	63,997,500	70,722,100	51,789,900	52,231,900
Current Year Appropriation	377,500				
Total General Fund	47,850,400	63,997,500	70,722,100	51,789,900	52,231,900
Restricted Funds					
Balance Forward	96,500				
Current Receipts	4,139,400	4,055,200	3,916,100	2,855,200	2,716,100
Total Restricted Funds	4,235,900	4,055,200	3,916,100	2,855,200	2,716,100
Federal Fund					
Current Receipts	2,257,500	1,892,900	1,830,200	2,004,800	1,962,900
Total Federal Fund	2,257,500	1,892,900	1,830,200	2,004,800	1,962,900
TOTAL SOURCE OF FUNDS	54,343,800	69,945,600	76,468,400	56,649,900	56,910,900
EXPENDITURES BY CLASS					
Personnel Costs	47,484,500	62,662,900	69,018,400	51,108,500	51,588,600
Operating Expenses	6,179,000	7,262,700	7,430,000	5,521,400	5,302,300
Grants Loans Benefits	20,000	20,000	20,000	20,000	20,000
TOTAL EXPENDITURES	53,683,500	69,945,600	76,468,400	56,649,900	56,910,900
EXPENDITURES BY FUND SOURCE					
General Fund	47,190,100	63,997,500	70,722,100	51,789,900	52,231,900
Restricted Funds	4,235,900	4,055,200	3,916,100	2,855,200	2,716,100
Federal Fund	2,257,500	1,892,900	1,830,200	2,004,800	1,962,900
TOTAL EXPENDITURES	53,683,500	69,945,600	76,468,400	56,649,900	56,910,900
EXPENDITURES BY UNIT					
Office of the Public Advocate	1,456,900	6,454,000	8,243,600	1,471,800	1,482,200
Defense Services	47,533,000	58,753,000	63,334,100	50,752,300	51,013,900
Law Operations	2,354,800	2,060,300	2,074,500	2,005,900	1,956,500
Protection and Advocacy	2,338,800	2,678,300	2,816,200	2,419,900	2,458,300
TOTAL EXPENDITURES	53,683,500	69,945,600	76,468,400	56,649,900	56,910,900

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

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

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

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

The Trial Division represents all needy persons accused of crimes punishable by loss of liberty, persons accused of

juvenile delinquency and status offenses, and all needy persons faced with involuntary commitments due to mental state or condition in all of Kentucky's 120 counties. This includes district, circuit, drug, juvenile, mental health, veterans and family court venues.

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

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

Policy

The Executive Budget provides \$3,122,700 in fiscal year 2016-2017 and \$3,153,200 in fiscal year 2017-2018 to hire 44 attorneys necessary to reduce average caseloads per attorney from 514 to 395 and ensure adequate representation and facilitate a more efficient criminal justice system.

The Executive Budget provides additional General Fund in the amount of \$14,700 in fiscal year 2016-2017 and \$14,900 in fiscal year 2017-2018 to support implementation of a new minimum salary plan to assist with retention of Social Services Workers and Social Service Clinicians