Labor



		Labor			
	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS				-	
General Fund					
Regular Appropriation	5,244,300	6,731,000	7,079,000	5,932,500	6,008,200
Budget Reduction-General Fund	-268,700			-	
Total General Fund	4,975,600	6,731,000	7,079,000	5,932,500	6,008,200
Restricted Funds					
Balance Forward	23,785,900	11,433,600	7,772,700		
Current Receipts	99,704,500	111,161,200	112,020,000		
Non-Revenue Receipts	84,492,800	94,422,100	95,252,700		
Total Restricted Funds	207,983,200	217,016,900	215,045,400	219,775,900	215,785,200
Federal Fund					
Balance Forward	127,900	1,500	1,500		
Current Receipts	3,545,900	3,907,300	3,907,300		
Non-Revenue Receipts	-22,800	-22,800	-22,800	·	
Total Federal Fund	3,651,000	3,886,000	3,886,000	3,886,000	3,884,500
TOTAL SOURCE OF FUNDS	216,609,800	227,633,900	226,010,400	229,594,400	225,677,900
EXPENDITURES BY CLASS					
Personnel Costs	142,658,600	157,942,200	159,840,700	158,481,500	158,555,100
Operating Expenses	7,796,300	6,890,500	6,890,700	6,842,200	6,803,300
Grants Loans Benefits	54,352,800	54,349,800	54,349,800	54,349,800	54,349,800
Capital Outlay	367,000	677,200	677,200	2,095,200	1,719,200
TOTAL EXPENDITURES	205,174,700	219,859,700	221,758,400	221,768,700	221,427,400
EXPENDITURES BY FUND SOURCE					
General Fund	4,975,600	6,731,000	7,079,000	5,932,500	6,008,200
Restricted Funds	196,549,600	209,244,200	210,794,900	211,950,200	211,534,700
Federal Fund	3,649,500	3,884,500	3,884,500	3,886,000	3,884,500
TOTAL EXPENDITURES	205,174,700	219,859,700	221,758,400	221,768,700	221,427,400
EXPENDITURES BY UNIT					
Secretary	4,780,500	5,539,400	5,660,100	6,932,700	6,624,000
General Administration and	6,110,500	7,300,200	7,450,800	6,969,400	7,017,000
Program Support					
Workplace Standards	13,221,200	14,914,400	15,220,700		
Workers' Claims	72,464,600	75,105,200	75,509,400		
Occupational Safety and Health	813,100	748,900	761,700	745,700	752,600
Review Commission	407 700 700	440 050 500	447.454.000	147 200 000	110 000 000
Workers' Compensation Funding Commission	107,783,700	116,250,500	117,154,600	117,306,600	116,826,000
Workers' Compensation	1,100	1,100	1,100	1,100	1,100
Nominating Committee	1,100	1,130	1,100	1,100	1,100
TOTAL EXPENDITURES	205,174,700	219,859,700	221,758,400	221,768,700	221,427,400

The Labor Cabinet is created pursuant to KRS 336. The Cabinet consists of the Office of the Secretary, the Department of Workers' Claims, and the Department of Workplace Standards. The Office of the Secretary manages and administers the Cabinet. The Department of Workers' Claims administers workers' compensation claims and ensures that employers comply with the insurance, self-insurance and rehabilitation provisions in KRS Chapter 342. The Department of Workplace Standards regulates state and federal laws regarding prevailing wage, employment standards, occupational safety and health and child labor law. Workplace Standards also administers the payment of workers' compensation injury claims by the Special Fund. During the 2017 General Assembly, HB 377 directed the transfer of assets and liabilities of the Coal Workers Pneumoconiosis Fund to the Kentucky Employers' Mutual Insurance (KEMI) and the program was closed to new claims after July 1, 2017. The assessments are received by the Workers Compensation Funding Commission and are to be transferred annually to KEMI.

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

In addition, the Office of General Administration and Program Support for Shared Services and the Office of Inspector General are attached to the Labor Cabinet for administrative purposes. These offices provide principal administrative, human resources, budget, auditing, and internal investigation activities for the Labor Cabinet, Energy and Environment Cabinet, and Public Protection Cabinet.

Labor Secretary

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	336,200				
Non-Revenue Receipts	4,304,500	5,399,600	5,520,300	6,792,900	6,484,200
Total Restricted Funds	4,640,700	5,399,600	5,520,300	6,792,900	6,484,200
Federal Fund					
Current Receipts	139,800	139,800	139,800	139,800	139,800
Total Federal Fund	139,800	139,800	139,800	139,800	139,800
TOTAL SOURCE OF FUNDS	4,780,500	5,539,400	5,660,100	6,932,700	6,624,000
EXPENDITURES BY CLASS					
Personnel Costs	4,119,400	4,909,300	5,029,800	4,864,800	4,931,900
Operating Expenses	661,100	630,100	630,300	649,900	650,100
Capital Outlay				1,418,000	1,042,000
TOTAL EXPENDITURES	4,780,500	5,539,400	5,660,100	6,932,700	6,624,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	4,640,700	5,399,600	5,520,300	6,792,900	6,484,200
Federal Fund	139,800	139,800	139,800	139,800	139,800
TOTAL EXPENDITURES	4,780,500	5,539,400	5,660,100	6,932,700	6,624,000
EXPENDITURES BY UNIT					
Secretary	4,780,500	5,539,400	5,660,100	6,932,700	6,624,000
TOTAL EXPENDITURES	4,780,500	5,539,400	5,660,100	6,932,700	6,624,000

The Secretary of Labor manages and administers the duties of the Cabinet. The primary responsibility of the Office of the Secretary is to ensure all areas within the Cabinet work to fulfill the mission to advance a well trained workforce, providing protections for the worker, compensating the injured, promoting employer excellence and work to ensure Kentucky as a workplace of innovation and distinction.

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

Labor
General Administration and Program Support

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,219,000	4,246,500	4,535,800	3,528,000	3,573,600
Budget Reduction-General Fund	-164,900				
Total General Fund	3,054,100	4,246,500	4,535,800	3,528,000	3,573,600
Restricted Funds					
Balance Forward	772,700	467,100	164,200	467,100	217,200
Non-Revenue Receipts	2,677,400	2,677,400	2,677,400	3,116,600	3,152,800
Total Restricted Funds	3,450,100	3,144,500	2,841,600	3,583,700	3,370,000
Federal Fund					
Balance Forward	1,500	1,500	1,500	1,500	
Current Receipts	75,200	75,200	75,200	75,200	75,200
Non-Revenue Receipts	-1,800	-1,800	-1,800	-1,800	-1,800
Total Federal Fund	74,900	74,900	74,900	74,900	73,400
TOTAL SOURCE OF FUNDS	6,579,100	7,465,900	7,452,300	7,186,600	7,017,000
EXPENDITURES BY CLASS					
Personnel Costs	5,119,600	6,316,200	6,466,800	6,091,000	6,176,600
Operating Expenses	990,900	984,000	984,000	878,400	840,400
TOTAL EXPENDITURES	6,110,500	7,300,200	7,450,800	6,969,400	7,017,000
EXPENDITURES BY FUND SOURCE					
General Fund	3,054,100	4,246,500	4,535,800	3,528,000	3,573,600
Restricted Funds	2,983,000	2,980,300	2,841,600	3,366,500	3,370,000
Federal Fund	73,400	73,400	73,400	74,900	73,400
TOTAL EXPENDITURES	6,110,500	7,300,200	7,450,800	6,969,400	7,017,000
EXPENDITURES BY UNIT					
Office of General Admin & Program Support Shared Services	5,565,200	6,596,800	6,738,100	6,274,400	6,314,600
Inspector General Shared Services	545,300	703,400	712,700	695,000	702,400
TOTAL EXPENDITURES	6,110,500	7,300,200	7,450,800		

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

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

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

Labor Workplace Standards

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,025,300	2,484,500	2,543,200	2,404,500	2,434,600
Budget Reduction-General Fund	-103,800				
Total General Fund	1,921,500	2,484,500	2,543,200	2,404,500	2,434,600
Restricted Funds					
Balance Forward	375,600				
Non-Revenue Receipts	7,487,800	8,758,600	9,006,200	8,732,800	8,873,300
Total Restricted Funds	7,863,400	8,758,600	9,006,200	8,732,800	8,873,300
Federal Fund					
Balance Forward	126,400				
Current Receipts	3,330,900	3,692,300	3,692,300	3,692,300	3,692,300
Non-Revenue Receipts	-21,000	-21,000	-21,000		-21,000
Total Federal Fund	3,436,300	3,671,300	3,671,300	3,671,300	3,671,300
TOTAL SOURCE OF FUNDS	13,221,200	14,914,400	15,220,700	14,808,600	14,979,200
EXPENDITURES BY CLASS					
Personnel Costs	10,557,000	12,637,100	12,943,400	12,531,900	12,703,600
Operating Expenses	2,422,400	2,035,500	2,035,500	2,034,900	2,033,800
Grants Loans Benefits	241,800	241,800	241,800	241,800	241,800
TOTAL EXPENDITURES	13,221,200	14,914,400	15,220,700	14,808,600	14,979,200
EXPENDITURES BY FUND SOURCE					
General Fund	1,921,500	2,484,500	2,543,200	2,404,500	2,434,600
Restricted Funds	7,863,400	8,758,600	9,006,200	8,732,800	8,873,300
Federal Fund	3,436,300	3,671,300	3,671,300	3,671,300	3,671,300
TOTAL EXPENDITURES	13,221,200	14,914,400	15,220,700	14,808,600	14,979,200
EXPENDITURES BY UNIT					
Wages & Hours	1,428,700	2,042,500	2,091,100	1,831,300	1,856,400
Apprenticeship	581,900	766,100	776,200		
Occupational Safety and Health	10,606,600	11,522,600	11,757,100		
Commissioner's Office	604,000	583,200	596,300	580,500	588,100
TOTAL EXPENDITURES	13,221,200	14,914,400	15,220,700	14,808,600	14,979,200

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

The Department is comprised of the Division of Apprenticeship, Division of Wages and Hours, Division of Occupational Safety and Health Compliance, and the Division of Occupational Safety and Health Education and Training.

The Division of Apprenticeship administers the Commonwealth of Kentucky's Registered Apprenticeship program that encourages employers and employers to enter into voluntary agreements of apprenticeships while monitoring programs to ensure they provide quality training and instruction.

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

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

The Division of Wages and Hours is responsible for enforcing areas of Kentucky labor laws including Kentucky Right-to-Work Act, minimum wage, overtime, prevailing wage, child labor, wage discrimination based on sex.

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

Policy

The Executive Budget provides \$171,500 General Fund appropriation in each fiscal year for the Apprenticeship program.

Labor Workers' Claims

_	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	4,402,600				
Current Receipts	204,000	204,000	204,000	204,000	204,000
Non-Revenue Receipts	67,858,000	74,901,200	75,305,400	74,800,600	75,023,500
Total Restricted Funds	72,464,600	75,105,200	75,509,400	75,004,600	75,227,500
TOTAL SOURCE OF FUNDS	72,464,600	75,105,200	75,509,400	75,004,600	75,227,500
EXPENDITURES BY CLASS					
Personnel Costs	14,792,100	17,383,000	17,787,200	17,244,300	17,467,200
Operating Expenses	3,194,500	2,937,000	2,937,000	2,975,100	2,975,100
Grants Loans Benefits	54,111,000	54,108,000	54,108,000	54,108,000	54,108,000
Capital Outlay	367,000	677,200	677,200	677,200	677,200
TOTAL EXPENDITURES	72,464,600	75,105,200	75,509,400	75,004,600	75,227,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	72,464,600	75,105,200	75,509,400	75,004,600	75,227,500
TOTAL EXPENDITURES	72,464,600	75,105,200	75,509,400	75,004,600	75,227,500
EXPENDITURES BY UNIT					
Workers' Claims	72,464,600	75,105,200	75,509,400	75,004,600	75,227,500
TOTAL EXPENDITURES	72,464,600	75,105,200	75,509,400	75,004,600	75,227,500

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

The Department of Workers' Claims is managed by the Commissioner's office. The Department is comprised of five divisions: Division of Information Services, the Division of Ombudsman and Workers' Compensation Specialist Services, the Division of Claims Professing, the Division of Security and Compliance and the Division of Workers' Compensation Funds. Office of Administrative Law Judges and the Workers' Compensation Board are also attached to the Department.

The Division of Information Services has the responsibility of collecting, filing, analyzing and disseminating all of the data for the department. Division of Claims processes all work-related injury claims filed under the workers compensation system and follows the statutory framework for how to handle and process injury claims, occupational disease claims, hearing loss claims and claims for coal workers' pneumoconiosis. The claims once processed are assigned to the Administrative Law Judges.

Division of Security and Compliance regulates individual entities that are approved to self-insure and ensure that sufficient coverage or assets are maintained to pay claims. The Division of Ombudsman and Workers Compensation Specialist is focused on constituent services providing services to employees, employers, insurance carriers, and medical provider to assist in claim filing.

The Workers' Compensation Board is attached to the Department for administrative purposes. The Board rules on appeals of decisions rendered by administrative law judges in the Kentucky Workers Claims' and Compensation system pursuant to KRS 342.213 and KRS 342.285. The board consists of three members appointed by the Governor to four-year terms.

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

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

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

Labor
Occupational Safety and Health Review Commission

_	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	52,000				
Non-Revenue Receipts	761,100	748,900	761,700	745,700	752,600
Total Restricted Funds	813,100	748,900	761,700	745,700	752,600
TOTAL SOURCE OF FUNDS	813,100	748,900	761,700	745,700	752,600
EXPENDITURES BY CLASS					
Personnel Costs	733,800	669,600	682,400	666,400	673,300
Operating Expenses	79,300	79,300	79,300	79,300	79,300
TOTAL EXPENDITURES	813,100	748,900	761,700	745,700	752,600
EXPENDITURES BY FUND SOURCE					
Restricted Funds	813,100	748,900	761,700	745,700	752,600
TOTAL EXPENDITURES	813,100	748,900	761,700	745,700	752,600
EXPENDITURES BY UNIT					
Occupational Safety and Health	813,100	748,900	761,700	745,700	752,600
Review Commission					
TOTAL EXPENDITURES	813,100	748,900	761,700	745,700	752,600

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

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

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

Labor
Workers' Compensation Funding Commission

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	17,846,800	10,966,500	7,608,500	10,966,500	7,608,500
Current Receipts	99,500,500	110,957,200	111,816,000	112,026,500	111,520,500
Non-Revenue Receipts	1,402,900	1,935,300	1,980,600	1,922,100	1,947,500
Total Restricted Funds	118,750,200	123,859,000	121,405,100	124,915,100	121,076,500
TOTAL SOURCE OF FUNDS	118,750,200	123,859,000	121,405,100	124,915,100	121,076,500
EXPENDITURES BY CLASS					
Personnel Costs	107,336,300	116,026,600	116,930,700	117,082,700	116,602,100
Operating Expenses	447,400	223,900	223,900	223,900	223,900
TOTAL EXPENDITURES	107,783,700	116,250,500	117,154,600	117,306,600	116,826,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	107,783,700	116,250,500	117,154,600	117,306,600	116,826,000
TOTAL EXPENDITURES	107,783,700	116,250,500	117,154,600	117,306,600	116,826,000
EXPENDITURES BY UNIT					
Workers' Compensation Funding	2,100,400	2,265,300	2,310,600	2,252,100	2,277,500
Commission					
Benefit Reserve	96,123,300	98,985,200	99,844,000	0 100,054,500	99,548,500
KCWP Fund	9,560,000	15,000,000	15,000,000	15,000,000	15,000,000
TOTAL EXPENDITURES	107,783,700	116,250,500	117,154,600	117,306,600	116,826,000

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

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

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

These assessments are credited to the Commission's Benefit Reserve Fund, and the excess of collections over Special Fund liabilities, the Coal Workers' Pneumoconiosis Fund liabilities, and budgeted expenditures are invested according to the Commission's policies and in compliance with KRS Chapter 386. The agency may perform or contract for audits of those entities subject to assessments, and may coordinate with other governmental agencies to ensure compliance with the statutes relating to Workers' Compensation funding. During the 2017 General Assembly, HB 377 directed the transfer of assets and liabilities of the Coal Workers Pneumoconiosis Fund to the Kentucky Employers' Mutual Insurance (KEMI) and the program was closed to new claims after July 1, 2017. The assessments are received by the Workers Compensation Funding Commission and are to be transferred annually to KEMI.

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

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

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

Labor Workers' Compensation Nominating Committee

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Non-Revenue Receipts	1,100	1,100	1,100	1,100	1,100
Total Restricted Funds	1,100	1,100	1,100	1,100	1,100
TOTAL SOURCE OF FUNDS	1,100	1,100	1,100	1,100	1,100
EXPENDITURES BY CLASS					
Personnel Costs	400	400	400	400	400
Operating Expenses	700	700	700	700	700
TOTAL EXPENDITURES	1,100	1,100	1,100	1,100	1,100
EXPENDITURES BY FUND SOURCE					
Restricted Funds	1,100	1,100	1,100	01,100	1,100
TOTAL EXPENDITURES	1,100	1,100	1,100	1,100	1,100
EXPENDITURES BY UNIT					
Workers' Compensation Nominating Committee	1,100	1,100	1,100	1,100	1,100
TOTAL EXPENDITURES	1,100	1,100	1,100	1,100	1,100

HB 299 of the 2017 Regular Session of the General Assembly established the Workers' Compensation Nominating Committee (WCNC) in KRS 342.213. The Workers' Compensation Nominating Committee is an agency of the Commonwealth and comprised of five members appointed by the Governor. The WCNC shall make recommendations to the Governor of three qualified individuals nominated to fill the Administrative Law Judge vacant seat and Workers' Compensation Board members 30 days prior to the end of their term or sixty days if the vacancy occurs for any reason except term expiration.

Personnel



Personnel

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS				-	
General Fund					
Regular Appropriation	873,200	873,200	873,200		
Budget Reduction-General Fund	-44,700				
Total General Fund	828,500	873,200	873,200		
Restricted Funds					
Balance Forward	21,054,700	18,161,700	12,308,100		
Current Receipts	54,218,400	52,075,200	51,760,000		
Non-Revenue Receipts	8,683,800	11,041,000	11,167,500		11,085,500
Fund Transfers	-2,692,600	-2,689,000	-2,693,800		
Total Restricted Funds	81,264,300	78,588,900	72,541,800	78,563,200	72,540,300
TOTAL SOURCE OF FUNDS	82,092,800	79,462,100	73,415,000	78,563,200	72,540,300
EXPENDITURES BY CLASS					
Personnel Costs	55,220,400	58,758,100	59,320,700	58,645,300	58,957,400
Operating Expenses	7,866,600	7,522,700	7,522,800		7,529,400
Grants Loans Benefits	828,500	873,200	873,200		
Capital Outlay	15,600				
TOTAL EXPENDITURES	63,931,100	67,154,000	67,716,700	66,174,600	66,486,800
EXPENDITURES BY FUND SOURCE					
General Fund	828,500	873,200	873,200)	
Restricted Funds	63,102,600	66,280,800	66,843,500	66,174,600	66,486,800
TOTAL EXPENDITURES	63,931,100	67,154,000	67,716,700	66,174,600	66,486,800
EXPENDITURES BY UNIT					
General Operations	28,936,500	31,545,900	32,010,600	31,449,800	31,707,400
Public Employees Deferred	8,756,300	9,233,600	9,308,300	9,227,800	9,269,300
Compensation Authority					
Workers' Compensation Benefits and Reserve	25,409,800	25,501,300	25,524,600	25,497,000	25,510,100
State Group Health Insurance Fund	828,500	873,200	873,200)	
TOTAL EXPENDITURES	63,931,100	67,154,000	67,716,700	66,174,600	66,486,800

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

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

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

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

Personnel General Operations

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	3,340,300	2,824,800	2,036,100	2,824,800	2,106,500
Current Receipts	22,274,800	22,245,200	22,250,000	22,245,200	22,250,000
Non-Revenue Receipts	8,838,800	11,201,000	11,332,500	11,175,300	11,250,500
Fund Transfers	-2,692,600	-2,689,000	-2,693,800	-2,689,000	-2,693,800
Total Restricted Funds	31,761,300	33,582,000	32,924,800	33,556,300	32,913,200
TOTAL SOURCE OF FUNDS	31,761,300	33,582,000	32,924,800	33,556,300	32,913,200
EXPENDITURES BY CLASS					
Personnel Costs	21,532,500	24,501,500	24,966,200	24,405,300	24,662,900
Operating Expenses	7,388,400	7,044,400	7,044,400	7,044,500	7,044,500
Capital Outlay	15,600				
TOTAL EXPENDITURES	28,936,500	31,545,900	32,010,600	31,449,800	31,707,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	28,936,500	31,545,900	32,010,600	31,449,800	31,707,400
TOTAL EXPENDITURES	28,936,500	31,545,900	32,010,600	31,449,800	31,707,400
EXPENDITURES BY UNIT					
General Administration	11,934,300	12,976,700	13,166,400	12,934,800	13,040,700
Governmental Service Center	1,534,100	1,496,200	1,516,800	1,491,900	1,503,200
Employee Relations	835,100	967,600	988,200	963,100	974,200
Employee Insurance	10,187,200	11,018,500	11,151,900	10,991,500	11,065,500
Personnel Administration	4,445,800	5,086,900	5,187,300	5,068,500	5,123,800
TOTAL EXPENDITURES	28,936,500	31,545,900	32,010,600	31,449,800	31,707,400

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

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

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

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

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

The Office of Diversity and Equality and Training is responsible for administering the Equal Employment Opportunity and Diversity Programs, the Minority Management Trainee Program, and the Commonwealth's affirmative action plan established in 18A.138. The Office is also responsible for government-wide training, consultation, and organizational development, including the coordination of the Commonwealth's strategic planning, performance measurement processes and is responsible for maintaining the employee performance management system.

The Office of Public Affairs is responsible for setting the strategic direction for the Cabinet, improving processes, developing services, and planning future service offerings.

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

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

Policy

Included in the above Restricted Fund appropriation is \$2,869,000 in fiscal year 2018-2019 and \$2,693,800 in fiscal year 2019-2020 for debt service on bonds previously issued for the Kentucky Human Resources Information System (KHRIS). The Cabinet is authorized to collect a pro rata assessment from all state agencies and other organizations that will use the new personnel and payroll system. The Cabinet shall retain the funds in a Special Project Account, the balance of which will be transferred to the General Fund to cover the debt service payment.

Personnel
Public Employees Deferred Compensation Authority

_	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	9,007,300	8,248,500	6,714,900	8,248,500	6,720,700
Current Receipts	8,075,000	7,780,000	7,460,000	7,780,000	7,460,000
Non-Revenue Receipts	-77,500	-80,000	-82,500	-80,000	-82,500
Total Restricted Funds	17,004,800	15,948,500	14,092,400	15,948,500	14,098,200
TOTAL SOURCE OF FUNDS	17,004,800	15,948,500	14,092,400	15,948,500	14,098,200
EXPENDITURES BY CLASS					
Personnel Costs	8,353,600	8,830,800	8,905,500	8,818,700	8,860,200
Operating Expenses	402,700	402,800	402,800	409,100	409,100
TOTAL EXPENDITURES	8,756,300	9,233,600	9,308,300	9,227,800	9,269,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	8,756,300	9,233,600	9,308,300	9,227,800	9,269,300
TOTAL EXPENDITURES	8,756,300	9,233,600	9,308,300	9,227,800	9,269,300
EXPENDITURES BY UNIT					
Public Employees Deferred Compensation Authority	8,756,300	9,233,600	9,308,300	9,227,800	9,269,300
TOTAL EXPENDITURES	8,756,300	9,233,600	9,308,300	9,227,800	9,269,300

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

Personnel
Workers' Compensation Benefits and Reserve

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	8,707,100	7,088,400	3,557,100	7,088,400	3,561,400
Current Receipts	23,868,600	22,050,000	22,050,000	22,050,000	22,050,000
Non-Revenue Receipts	-77,500	-80,000	-82,500	-80,000	-82,500
Total Restricted Funds	32,498,200	29,058,400	25,524,600	29,058,400	25,528,900
TOTAL SOURCE OF FUNDS	32,498,200	29,058,400	25,524,600	29,058,400	25,528,900
EXPENDITURES BY CLASS					
Personnel Costs	25,334,300	25,425,800	25,449,000	25,421,300	25,434,300
Operating Expenses	75,500	75,500	75,600	75,700	75,800
TOTAL EXPENDITURES	25,409,800	25,501,300	25,524,600	25,497,000	25,510,100
EXPENDITURES BY FUND SOURCE					
Restricted Funds	25,409,800	25,501,300	25,524,600	25,497,000	25,510,100
TOTAL EXPENDITURES	25,409,800	25,501,300	25,524,600	25,497,000	25,510,100
EXPENDITURES BY UNIT					
Workers' Compensation Benefits and Reserve	25,409,800	25,501,300	25,524,600	25,497,000	25,510,100
TOTAL EXPENDITURES	25,409,800	25,501,300	25,524,600	25,497,000	25,510,100

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

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

Personnel State Group Health Insurance Fund

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	873,200	873,200	873,200		
Budget Reduction-General Fund	-44,700				
Total General Fund	828,500	873,200	873,200		
TOTAL SOURCE OF FUNDS	828,500	873,200	873,200)	-
EXPENDITURES BY CLASS					
Grants Loans Benefits	828,500	873,200	873,200)	
TOTAL EXPENDITURES	828,500	873,200	873,200)	
EXPENDITURES BY FUND SOURCE					
General Fund	828,500	873,200	873,200)	
TOTAL EXPENDITURES	828,500	873,200	873,200)	
EXPENDITURES BY UNIT					
State Group Health Insurance Fund	828,500	873,200	873,200)	
TOTAL EXPENDITURES	828,500	873,200	873,200	<u> </u>	

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

Policy

The Executive Budget provides no funding for the State Group Health Insurance Fund.

Postsecondary Education



Postsecondary Education

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,173,458,600	1,282,645,200	1,371,045,700		1,123,378,300
Postsecondary Ed Performance	000 000		-626,500		
Special Appropriation	298,000				
Continuing Approp-General Fund Budget Reduction-General Fund	18,158,500 -10,983,600				
Other	2,000,000				
Total General Fund	1,182,931,500	1,282,645,200	1,370,419,200	1,103,586,700	1,123,378,300
Tobacco Fund	, - , ,	, - ,,	, , , , , , , , , , , , , , , , , , , ,	,,,	, -,,
Tobacco Fund Tobacco Settlement - Phase I	6,276,100	6,276,100	6,276,100		
Continuing Approp-Tob Settlement	862,100	0,270,100	0,270,100		
Total Tobacco Fund	7,138,200	6,276,100	6,276,100	-	
Restricted Funds					
Balance Forward	7,323,800	6,618,814	3,405,514	5,043,200	1,431,800
Current Receipts	5,516,796,600	5,865,489,700	6,187,239,500		6,161,859,700
Non-Revenue Receipts	12,497,500	13,739,400	12,794,500	16,081,300	17,266,200
Total Restricted Funds	5,536,617,900	5,885,847,914	6,203,439,514	5,861,115,000	6,180,557,700
Federal Fund					
Balance Forward		28,400	28,400	28,400	28,400
Current Receipts	834,876,800	870,820,700	896,698,700	870,820,700	896,449,300
Non-Revenue Receipts	28,400				
Total Federal Fund	834,905,200	870,849,100	896,727,100	870,849,100	896,477,700
TOTAL SOURCE OF FUNDS	7,561,592,800	8,045,618,314	8,476,861,914	7,835,550,800	8,200,413,700
EXPENDITURES BY CLASS					
Personnel Costs	3,771,338,500	4,001,648,535	4,168,881,338		
Operating Expenses	2,253,211,100	2,420,040,230	2,589,243,922		
Grants Loans Benefits	1,199,576,600	1,258,639,681	1,276,596,457		
Debt Service Capital Outlay	156,514,600 175,880,400	160,607,700 186,194,393	222,796,000 202,237,422		
TOTAL EXPENDITURES	7,556,521,200	8,027,130,539	8,459,755,139		· — · · · · · · · · · · · · · · · · · ·
	7,330,321,200	0,027,130,339	0,409,700,100	7,004,090,000	0,200,114,000
EXPENDITURES BY FUND SOURCE General Fund	1 102 021 500	1 202 645 120	1 270 410 120	1 102 596 700	1,123,378,300
Tobacco Fund	1,182,931,500 7,138,200	1,282,645,139 6,276,100	1,370,419,139 6,276,100		1,123,376,300
Restricted Funds	5,531,574,700	5,868,443,600	6,186,610,600		6,180,287,000
Federal Fund	834,876,800	870,820,700	896,449,300		
TOTAL EXPENDITURES	7,556,521,200	8,028,185,539	8,459,755,139		
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EXPENDITURES BY UNIT					_,
Council on Postsecondary	70,079,400	68,026,000	128,308,700	58,759,300	71,006,200
Education Kentucky Higher Education	296,867,400	315,431,300	321,759,700	281,631,900	289,896,300
Assistance Authority	290,007,400	313,431,300	JZ 1,7 JJ,7 UC	201,001,900	203,030,300
Postsecondary Education	7,189,574,400	7,644,728,239	8,009,686,739	7,493,699,400	7,839,212,100
Institutions					
TOTAL EXPENDITURES	7,556,521,200	8,028,185,539	8,459,755,139	7,834,090,600	8,200,114,600

Postsecondary Education Council on Postsecondary Education

	Council on F	OSISECORDARY LO	Jucation		
	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS				_	
General Fund					
Regular Appropriation	41,268,000	45,285,400	106,110,700	40,619,300	53,410,900
Special Appropriation	298,000				
Continuing Approp-General Fund	2,403,400				
Budget Reduction-General Fund	-2,114,100			_	
Total General Fund	41,855,300	45,285,400	106,110,700	40,619,300	53,410,900
Tobacco Fund					
Tobacco Settlement - Phase I	5,176,100	5,176,100	5,176,100)	
Total Tobacco Fund	5,176,100	5,176,100	5,176,100)	
Restricted Funds					
Balance Forward	1,895,800	1,750,314	1,407,814	1,791,300	873,300
Current Receipts	732,000	341,000	291,000		·
Non-Revenue Receipts	4,109,000	4,109,000	4,109,000	4,109,000	4,109,000
Total Restricted Funds	6,736,800	6,200,314	5,807,814	6,241,300	5,273,300
Federal Fund					
Current Receipts	18,102,500	12,772,000	12,322,000		
Total Federal Fund	18,102,500	12,772,000	12,322,000	12,772,000	12,322,000
TOTAL SOURCE OF FUNDS	71,870,700	69,433,814	129,416,614	59,632,600	71,006,200
EXPENDITURES BY CLASS					
Personnel Costs	17,170,200	15,756,300	15,824,300		
Operating Expenses	3,111,000	2,243,000	2,237,600		
Grants Loans Benefits	49,798,200	50,026,700	49,922,800		
Debt Service			60,324,000		
TOTAL EXPENDITURES	70,079,400	68,026,000	128,308,700	58,759,300	71,006,200
EXPENDITURES BY FUND SOURCE					
General Fund	41,855,300	45,285,400	106,110,700		53,410,900
Tobacco Fund	5,176,100	5,176,100	5,176,100		
Restricted Funds	4,945,500	4,792,500	4,699,900		
Federal Fund	18,102,500	12,772,000	12,322,000		
TOTAL EXPENDITURES	70,079,400	68,026,000	128,308,700	0 58,759,300	71,006,200
EXPENDITURES BY UNIT					
Agency Operations	7,468,300	8,654,500	8,688,300	0 8,457,300	8,420,700
Licensure	285,500	332,500	339,900	0 312,000	314,400
Pass Through Programs	10,301,000	10,394,600	10,394,600	0 9,489,300	9,489,300
Federal Programs	5,780,500	450,000		450,000)
Strategic Investment and Incentive	46,244,100	48,194,400	108,885,900	0 40,050,700	52,781,800
Funding Program TOTAL EXPENDITURES	70,079,400	68,026,000	128,308,700	58,759,300	71,006,200

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

The Council's statutory responsibilities include:

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

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

Policy

House Bill 471 from the 2017 Regular Session of the General Assembly appropriated an additional \$298,000 from the General Fund to the Council on Postsecondary Education in the current fiscal year.

Postsecondary Education Council on Postsecondary Education Agency Operations

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,935,200	8,304,500	8,438,300	7,511,300	7,571,800
Special Appropriation	197,100				
Budget Reduction-General Fund	-214,000				
Total General Fund	6,918,300	8,304,500	8,438,300	7,511,300	7,571,800
Restricted Funds					
Balance Forward	462,000	451,975	291,975	452,000	202,400
Current Receipts	540,000	190,000	140,000	190,000	140,000
Non-Revenue Receipts				506,400	506,500
Total Restricted Funds	1,002,000	641,975	431,975	1,148,400	848,900
TOTAL SOURCE OF FUNDS	7,920,300	8,946,475	8,870,275	8,659,700	8,420,700
EXPENDITURES BY CLASS					
Personnel Costs	5,940,300	7,106,700	7,140,500	6,624,600	6,588,000
Operating Expenses	1,528,000	1,547,800	1,547,800	1,832,700	1,832,700
TOTAL EXPENDITURES	7,468,300	8,654,500	8,688,300	8,457,300	8,420,700
EXPENDITURES BY FUND SOURCE					
General Fund	6,918,300	8,304,500	8,438,300	7,511,300	7,571,800
Restricted Funds	550,000	350,000	250,000	946,000	848,900
TOTAL EXPENDITURES	7,468,300	8,654,500	8,688,300	8,457,300	8,420,700

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

Postsecondary Education Council on Postsecondary Education

Licensure

_	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	1,433,800	1,298,339	1,115,839	1,339,300	670,900
Current Receipts	191,000	150,000	150,000	150,000	150,000
Non-Revenue Receipts				-506,400	-506,500
Total Restricted Funds	1,624,800	1,448,339	1,265,839	982,900	314,400
TOTAL SOURCE OF FUNDS	1,624,800	1,448,339	1,265,839	982,900	314,400
EXPENDITURES BY CLASS					
Personnel Costs	261,500	308,500	315,900	288,000	290,400
Operating Expenses	24,000	24,000	24,000	24,000	24,000
TOTAL EXPENDITURES	285,500	332,500	339,900	312,000	314,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	285,500	332,500	339,900	0 312,000	314,400
TOTAL EXPENDITURES	285,500	332,500	339,900	312,000	314,400

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

Postsecondary Education Council on Postsecondary Education Pass Through Programs

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,316,000	6,284,600	6,284,600	5,379,300	5,379,300
Special Appropriation	100,900				
Budget Reduction-General Fund	-225,900				
Total General Fund	6,191,000	6,284,600	6,284,600	5,379,300	5,379,300
Restricted Funds					
Current Receipts	1,000	1,000	1,000	1,000	1,000
Non-Revenue Receipts	4,109,000	4,109,000	4,109,000	4,109,000	4,109,000
Total Restricted Funds	4,110,000	4,110,000	4,110,000	4,110,000	4,110,000
TOTAL SOURCE OF FUNDS	10,301,000	10,394,600	10,394,600	9,489,300	9,489,300
EXPENDITURES BY CLASS					
Grants Loans Benefits	10,301,000	10,394,600	10,394,600	9,489,300	9,489,300
TOTAL EXPENDITURES	10,301,000	10,394,600	10,394,600	9,489,300	9,489,300
EXPENDITURES BY FUND SOURCE					
General Fund	6,191,000	6,284,600	6,284,600	5,379,300	5,379,300
Restricted Funds	4,110,000	4,110,000	4,110,000	4,110,000	
TOTAL EXPENDITURES	10,301,000	10,394,600	10,394,600	9,489,300	9,489,300
EXPENDITURES BY UNIT					
Contract Spaces	5,781,000	6,070,600	6,070,600	5,379,300	5,379,300
Professional Education Preparation Program	119,600				
Minority Student College Prep	83,600				
Program	22,222				
State Autism Training Center	119,500	119,500	119,500)	
SREB Doctoral Scholars Program	64,500	94,500	94,500)	
Pass Through - Other	22,800				
Cancer Research Insts Mtchg Fd	4,110,000	4,110,000	4,110,000	4,110,000	4,110,000
TOTAL EXPENDITURES	10,301,000	10,394,600	10,394,600	9,489,300	9,489,300

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

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

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

The **Professional Education Preparation Program (PEPP)** was established in 1980 pursuant to KRS 164.028 through 164.0282. The program assists students and prospective students from rural and inner-city areas experiencing medical and dental workforce shortages to gain admission to and graduate from medical and dental school. All funds appropriated to the Council for the PEPP program are allocated to the University of Kentucky, the University of Louisville, and the University of Pikeville to conduct pre freshman workshops, undergraduate workshops, student assessment conferences, and MCAT/DAT test assistance with tutoring and summer job placement.

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

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

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

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

Postsecondary Education Council on Postsecondary Education

Federal Programs

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS	F1 2010	F1 2019	F1 2020	F1 2019	F1 2020
Federal Fund					
Current Receipts	5,780,500	450,000		450,000	
Total Federal Fund	5,780,500	450,000		450,000	
TOTAL SOURCE OF FUNDS	5,780,500	450,000		450,000	
EXPENDITURES BY CLASS					
Personnel Costs	2,974,100				
Operating Expenses	906,400				
Grants Loans Benefits	1,900,000	450,000		450,000	1
TOTAL EXPENDITURES	5,780,500	450,000		450,000	
EXPENDITURES BY FUND SOURCE					
Federal Fund	5,780,500	450,000		450,000)
TOTAL EXPENDITURES	5,780,500	450,000		450,000)

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

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

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

Postsecondary Education Council on Postsecondary Education

Strategic Investment and Incentive Funding Program

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS				-	
General Fund					
Regular Appropriation	28,016,800	30,696,300	91,387,800	27,728,700	40,459,800
Continuing Approp-General Fund	2,403,400				
Budget Reduction-General Fund	-1,674,200				
Total General Fund	28,746,000	30,696,300	91,387,800	27,728,700	40,459,800
Tobacco Fund					
Tobacco Settlement - Phase I	5,176,100	5,176,100	5,176,100		
Total Tobacco Fund	5,176,100	5,176,100	5,176,100		
Federal Fund					
Current Receipts	12,322,000	12,322,000	12,322,000		12,322,000
Total Federal Fund	12,322,000	12,322,000	12,322,000	12,322,000	12,322,000
TOTAL SOURCE OF FUNDS	46,244,100	48,194,400	108,885,900	40,050,700	52,781,800
EXPENDITURES BY CLASS					
Personnel Costs	7,994,300	8,341,100	8,367,900	1,564,600	1,572,900
Operating Expenses	652,600	671,200	665,800	616,300	613,100
Grants Loans Benefits	37,597,200	39,182,100	39,528,200		
Debt Service			60,324,000		
TOTAL EXPENDITURES	46,244,100	48,194,400	108,885,900	40,050,700	52,781,800
EXPENDITURES BY FUND SOURCE					
General Fund	28,746,000	30,696,300	91,387,800	27,728,700	40,459,800
Tobacco Fund	5,176,100	5,176,100	5,176,100)	
Federal Fund	12,322,000	12,322,000	12,322,000		
TOTAL EXPENDITURES	46,244,100	48,194,400	108,885,900	0 40,050,700	52,781,800
EXPENDITURES BY UNIT					
Research Challenge Trust Fund	5,176,100	5,176,100	5,176,100)	
Technology Initiative Trust Fund	3,638,000	3,885,500	3,890,200	3,601,300	3,601,300
Physical Facilities Trust Fund			60,324,000	6,363,000	19,089,000
Adult Education and Literacy	31,356,300	30,345,400	30,702,900	28,748,000	28,749,100
Funding Program		_ ,		_	
Science and Technology Funding Program	4,721,700	5,112,300	5,112,300)	
Special Initiatives Funding Program	1,352,000	3,675,100	3,680,400	1,338,400	1,342,400
TOTAL EXPENDITURES	46,244,100	48,194,400	108,885,900	40,050,700	52,781,800

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

Adult Education and Literacy Funding Program

Adult Education and Literacy aims to improve the educational status of adult Kentuckians who do not have a high school diploma, who function at low levels of literacy or who want to learn the English language. Kentucky Adult Education contracts with local boards of education, community and technical colleges, community-based organizations, education consortia, public and private non-profit organizations, and correctional institutions to provide adult education and literacy services in a variety of settings and locations. Every Kentucky county has a comprehensive adult education provider that offers all levels of adult education instruction, family literacy, and employability and life skills instruction. Many providers also offer English as a Second Language classes and workplace education. By statute, funds are allocated using a formula based on the number of adults in each county functioning at low literacy levels.

Research Challenge Trust Fund

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

Science and Technology Funding Program

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

Special Initiatives Funding Program

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

Technology Initiative Trust Fund

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

Policy

Included in the above General Fund appropriation is \$6,363,000 in fiscal year 2018-2019 and \$19,089,000 2019-2020 for new debt service to support \$300,000,000 in new bonds for capital projects at the postsecondary education institutions.

Funding for the Science and Technology Funding program is transferred to the Cabinet for Economic Development in fiscal years 2019 and 2020.

Postsecondary Education Kentucky Higher Education Assistance Authority

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS General Fund					
Regular Appropriation	245,244,000	280,377,500	287,377,500	248,106,000	255,106,000
Continuing Approp-General Fund	15,755,100	, ,	, ,	, ,	, ,
Other	2,000,000				
Total General Fund	262,999,100	280,377,500	287,377,500	248,106,000	255,106,000
Tobacco Fund					
Tobacco Settlement - Phase I	1,100,000	1,100,000	1,100,000		
Continuing Approp-Tob Settlement	862,100				
Total Tobacco Fund	1,962,100	1,100,000	1,100,000		
Restricted Funds					
Balance Forward	5,428,000	4,868,500	1,997,700		
Current Receipts	21,307,800	21,418,800	24,097,700		
Non-Revenue Receipts	8,388,500	9,630,400	8,685,500		
Total Restricted Funds	35,124,300	35,917,700	34,780,900	34,050,600	35,027,200
Federal Fund					
Balance Forward		28,400	28,400	•	•
Current Receipts	33,800	33,800	33,800	33,800	33,800
Non-Revenue Receipts	28,400	62 200	62 200	62 200	62.200
Total Federal Fund	62,200	62,200	62,200	62,200	62,200
TOTAL SOURCE OF FUNDS	300,147,700	317,457,400	323,320,600	282,218,800	290,195,400
EXPENDITURES BY CLASS					
Personnel Costs	17,433,700	20,424,900	20,648,400		
Operating Expenses	1,855,500	1,855,300	1,852,000		
Grants Loans Benefits	276,609,500	292,184,100	298,287,000		
Debt Service	743,700	742,000	747,300		•
Capital Outlay	225,000	225,000	225,000		
TOTAL EXPENDITURES	296,867,400	315,431,300	321,759,700	281,631,900	289,896,300
EXPENDITURES BY FUND SOURCE	000 000 400	000 077 500	007.077.50	0.40.400.000	055 400 000
General Fund	262,999,100	280,377,500	287,377,500		255,106,000
Tobacco Fund	1,962,100	1,100,000	1,100,000		04750500
Restricted Funds	31,872,400	33,920,000	33,248,400		
Federal Fund	33,800	33,800	33,800		
TOTAL EXPENDITURES	296,867,400	315,431,300	321,759,700	281,631,900	289,896,300
EXPENDITURES BY UNIT					
General Administration and	19,807,900	22,847,200	23,072,700	20,154,800	20,186,500
Support College Access Program	77,266,700	95,110,000	97,805,000	70,405,900	74,591,600
Kentucky Coal County College	5,463,000	5,205,000	5,205,000		74,591,000
Completion Program	3,403,000	3,203,000	3,203,000	,	
Work Study Program	400,000	400,000	400,000)	
Kentucky Tuition Grant	36,722,900	41,090,000	42,245,000	36,876,300	38,670,500
Teacher Scholarships	2,119,800	2,357,500	2,357,500)	
Ky National Guard Tuition	8,782,100	50,000	50,000	7,448,100	7,448,100
Osteopathic Medicine Scholarship	898,400	626,000	626,000	326,000	326,000
Ky Educational Excellence Scholarships	113,652,900	118,886,900	121,139,800	118,887,000	121,139,800
Early Childhood Development Scholarships	2,984,100	1,153,400	1,153,400)	
Kentucky's Affordable Prepaid Tuition (KAPT)	450,000	400,000	400,000	400,000	400,000

EXPENDITURES BY UNIT					
Coal County Scholarship for	725,000	625,000	625,000	625,000	625,000
Pharmacy Students					
Early Graduation Scholarship	575,000	575,000	575,000	575,000	575,000
Certificate					
Work Ready Scholarship	15,900,000	15,900,000	15,900,000	15,900,000	15,900,000
Dual Credit Scholarship	10,464,300	10,000,000	10,000,000	10,000,000	10,000,000
Other Programs	655,300	205,300	205,300	33,800	33,800
TOTAL EXPENDITURES	296,867,400	315,431,300	321,759,700	281,631,900	289,896,300

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Dual Credit Scholarship is awarded to Kentucky high school juniors and seniors who enroll in an approved dual credit course at a participating institution.

The Work Ready Scholarship is awarded to Kentuckians with a high school credential but who have not earned an associate's degree and are enrolled in an industry-recognized certificate or diploma program in high-demand workforce sector.

Policy

The Executive Budget suspends the provisions of KRS 154A.130(4) and provides General Fund in the amount of \$107,519,700 in fiscal year 2018-2019 and \$108,539,800 in fiscal year 2019-2020 for the Kentucky Educational Excellence Scholarships (KEES). Included in the restricted funds appropriation is \$11,367,300 in fiscal year 2018-2019 and \$12,600,000 in fiscal year 2019-2020 for KEES.

The Executive Budget provides that lottery receipts received by the Commonwealth in any fiscal year in excess of the official estimate of the Consensus Forecasting Group, other than unclaimed prizes, will be transferred to the Kentucky Higher Education Assistance Authority and appropriated for the College Access Program and the Kentucky Tuition Grant Program.

Postsecondary Education Postsecondary Education Institutions

	Revised	Requested	Requested	Recommended	Recommended
SOURCE OF FUNDS	FY 2018	FY 2019	FY 2020	FY 2019	FY 2020
General Fund					
Regular Appropriation	886,946,600	956,982,300	977,557,500	814,861,400	814,861,400
Postsecondary Ed Performance	000,040,000	000,002,000	-626,500		014,001,400
Budget Reduction-General Fund	-8,869,500		020,000		
Total General Fund	878,077,100	956,982,300	976,931,000	814,861,400	814,861,400
Restricted Funds	, ,	, ,	, ,	, ,	, ,
Current Receipts	5,494,756,800	5,843,729,900	6,162,850,800	5,820,823,100	6,140,257,200
Total Restricted Funds	5,494,756,800	5,843,729,900	6,162,850,800	. <u> </u>	6,140,257,200
	0,101,100,000	0,0 :0,: =0,000	3,:32,333,333	0,020,020,100	0, 110,201,200
Federal Fund Current Receipts	816,740,500	858,014,900	884,342,900	858,014,900	884,093,500
Total Federal Fund	816,740,500	858,014,900	884,342,900		884,093,500
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TOTAL SOURCE OF FUNDS	7,189,574,400	7,658,727,100	8,024,124,700	7,493,699,400	7,839,212,100
EXPENDITURES BY CLASS					
Personnel Costs	3,736,734,600	3,965,467,335	4,132,408,638	3,911,484,000	4,076,275,100
Operating Expenses	2,248,244,600	2,415,941,930	2,585,154,322	2,377,467,700	2,528,402,200
Grants Loans Benefits	873,168,900	916,428,881	928,386,657	894,054,000	905,939,100
Debt Service	155,770,900	159,865,700	161,724,700		
Capital Outlay	175,655,400	185,969,393	202,012,422		
TOTAL EXPENDITURES	7,189,574,400	7,643,673,239	8,009,686,739	7,493,699,400	7,839,212,100
EXPENDITURES BY FUND SOURCE					
General Fund	878,077,100	956,982,239	976,930,939		
Restricted Funds	5,494,756,800	5,829,731,100	6,148,662,300		
Federal Fund	816,740,500	858,014,900	884,093,500		
TOTAL EXPENDITURES	7,189,574,400	7,644,728,239	8,009,686,739	7,493,699,400	7,839,212,100
EXPENDITURES BY UNIT					
Eastern Kentucky University	352,469,600	418,168,400	425,855,700	395,152,900	402,840,200
Kentucky State University	64,682,300	66,598,139	66,398,239		
Morehead State University	198,500,400	208,343,500	211,031,200		
Murray State University	194,022,500	199,468,000	199,468,000	190,703,100	190,703,100
Northern Kentucky University	240,235,700	259,969,600	265,883,200	242,691,400	249,107,900
University of Kentucky	3,658,056,500	3,933,450,000	4,234,164,700	3,907,216,600	4,207,931,300
University of Louisville	1,229,507,500	1,249,393,200	1,267,135,400	1,241,095,800	1,258,838,000
Western Kentucky University	401,063,900	425,947,300	430,440,700	413,315,000	417,808,400
Kentucky Community and	851,036,000	864,452,600	865,131,600	837,976,100	836,281,100
Technical College System		40.007.500	44 170 000		7.005.000
Postsecondary Education		18,937,500	44,178,000)	7,665,800
Performance Fund TOTAL EXPENDITURES	7,189,574,400	7,644,728,239	8,009,686,739	7,493,699,400	7,839,212,100
	.,,	.,,,,20,200	3,222,000,700	. , , , 100	.,,

Postsecondary Education Eastern Kentucky University

_	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					·
General Fund					!
Regular Appropriation	61,723,700	74,759,200	74,759,200		60,025,200
Postsecondary Ed Performance	3,321,500		-626,500)	1
Budget Reduction-General Fund	-650,500				
Total General Fund	64,394,700	74,759,200	74,132,700	60,651,700	60,025,200
Restricted Funds					1
Current Receipts	182,574,900	229,908,000	229,908,000	207,001,200	207,314,400
Total Restricted Funds	182,574,900	229,908,000	229,908,000	207,001,200	207,314,400
Federal Fund					!
Current Receipts	105,500,000	127,500,000	135,750,000	127,500,000	135,500,600
Total Federal Fund	105,500,000	127,500,000	135,750,000	127,500,000	135,500,600
TOTAL SOURCE OF FUNDS	352,469,600	432,167,200	439,790,700	395,152,900	402,840,200
EXPENDITURES BY CLASS					l
Personnel Costs	204,000,000	239,697,000	241,697,000	225,939,500	227,939,500
Operating Expenses	66,143,700	69,414,500	70,987,800		· · · · · ·
Grants Loans Benefits	72,472,900	90,052,900	94,052,900	90,052,900	94,052,900
Debt Service	9,853,000	19,004,000	19,118,000	10,096,000	10,210,000
TOTAL EXPENDITURES	352,469,600	418,168,400	425,855,700	395,152,900	402,840,200
EXPENDITURES BY FUND SOURCE					
General Fund	64,394,700	74,759,200	74,132,700	0 60,651,700	60,025,200
Restricted Funds	182,574,900	215,909,200	216,222,400	0 207,001,200	207,314,400
Federal Fund	105,500,000	127,500,000	135,500,600	0 127,500,000	135,500,600
TOTAL EXPENDITURES	352,469,600	418,168,400	425,855,700	0 395,152,900	402,840,200
EXPENDITURES BY UNIT					
Instruction	126,845,200	134,191,800	133,564,700	0 132,069,100	131,442,000
Research	1,040,000	1,040,000	1,040,000	0 1,040,000	1,040,000
Public Service	49,300,000	56,300,000	59,000,000	0 56,300,000	59,000,000
Libraries	6,000,000	6,000,000	6,000,000	0 6,000,000	6,000,000
Academic Support	25,950,000	31,064,600	31,064,600	0 30,065,000	30,065,000
Student Services	25,450,000	25,450,000	25,763,800	0 24,800,400	25,114,200
Institutional Support	30,000,000	30,000,000	30,000,000	0 30,000,000	30,000,000
Operation and Maintenance of Plant	44,349,500	46,000,000	46,000,000	0 45,378,400	45,378,400
Scholarships and Fellowships	18,000,000	23,000,000	20,300,600	0 23,000,000	20,300,600
Mandatory Transfers	·	8,908,000	8,908,000		
Non-Mandatory Transfers		29,714,000	37,714,000		28,000,000
Auxilliary Enterprises	25,534,900	26,500,000	26,500,000		
TOTAL EXPENDITURES	352,469,600	418,168,400	425,855,700	0 395,152,900	402,840,200

Eastern Kentucky University, originally founded as a training school for teachers, has grown into a comprehensive postsecondary institution with approximately 17,000 students. In addition to the main campus in Richmond, EKU operates regional campuses at Corbin, Danville, Manchester and Somerset.

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

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

Policy

The Executive Budget provides no funding for the Community Operations Board in fiscal years 2019 and 2020.

The <u>Executive Budget</u> provides General Fund in the amount of \$2,050,000 in fiscal years 2019 and 2020 for the Model Lab School.

Postsecondary Education Kentucky State University

_	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	26,729,600	28,378,200	28,178,300	25,059,000	24,859,100
Budget Reduction-General Fund	-267,300				
Total General Fund	26,462,300	28,378,200	28,178,300	25,059,000	24,859,100
Restricted Funds					
Current Receipts	19,220,000	19,220,000	19,220,000		
Total Restricted Funds	19,220,000	19,220,000	19,220,000	19,220,000	19,220,000
Federal Fund					
Current Receipts	19,000,000	19,000,000	19,000,000		
Total Federal Fund	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000
TOTAL SOURCE OF FUNDS	64,682,300	66,598,200	66,398,300	63,279,000	63,079,100
EXPENDITURES BY CLASS					
Personnel Costs	39,542,700	40,019,835	41,634,338	39,031,200	40,537,100
Operating Expenses	16,988,200	17,790,830	18,202,822	15,602,600	16,195,900
Grants Loans Benefits	6,907,400	7,118,781	5,261,157		
Debt Service	700,000	700,000	700,000	•	•
Capital Outlay	544,000	968,693	599,922		
TOTAL EXPENDITURES	64,682,300	66,598,139	66,398,239	63,279,000	63,079,100
EXPENDITURES BY FUND SOURCE					
General Fund	26,462,300	28,378,139	28,178,239	25,059,000	24,859,100
Restricted Funds	19,220,000	19,220,000	19,220,000	19,220,000	19,220,000
Federal Fund	19,000,000	19,000,000	19,000,000	19,000,000	
TOTAL EXPENDITURES	64,682,300	66,598,139	66,398,239	9 63,279,000	63,079,100
EXPENDITURES BY UNIT					
Instruction	11,266,600	14,251,796	14,756,725	5 12,255,400	12,760,300
Research	10,105,300	10,410,384	11,047,904	10,048,900	10,686,400
Public Service	8,623,700	9,334,153	9,603,992	9,006,800	9,276,600
Academic Support	4,307,200	4,599,551	4,696,728	3 4,437,200	4,534,400
Student Services	6,195,200	6,271,280	6,808,363	6,151,300	6,688,300
Institutional Support	9,992,400	7,603,464	5,238,866	7,378,700	5,014,200
Operation and Maintenance of Plant	5,284,900	5,107,307	5,218,67	1 4,980,500	5,091,900
Scholarships and Fellowships	6,778,900	6,785,699	6,792,485	5 6,785,700	6,792,500
Auxilliary Enterprises	2,128,100	2,234,505	2,234,505		
TOTAL EXPENDITURES	64,682,300	66,598,139	66,398,239		

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

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

Postsecondary Education Morehead State University

_	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	39,899,700	44,926,400	44,540,800	38,852,400	38,466,800
Postsecondary Ed Performance	1,742,900				
Budget Reduction-General Fund	-416,400				
Total General Fund	41,226,200	44,926,400	44,540,800	38,852,400	38,466,800
Restricted Funds					
Current Receipts	110,592,400	113,211,900	114,991,300	113,211,900	114,991,300
Total Restricted Funds	110,592,400	113,211,900	114,991,300	113,211,900	114,991,300
Federal Fund					
Current Receipts	46,681,800	50,205,200	51,499,100	50,205,200	51,499,100
Total Federal Fund	46,681,800	50,205,200	51,499,100	50,205,200	51,499,100
TOTAL SOURCE OF FUNDS	198,500,400	208,343,500	211,031,200	202,269,500	204,957,200
EXPENDITURES BY CLASS					
Personnel Costs	94,280,800	99,756,200	100,684,600	96,472,400	97,400,800
Operating Expenses	35,939,800	38,042,600	37,842,300		
Grants Loans Benefits	48,385,600	50,650,500	52,610,100		
Debt Service	9,611,500	9,611,500	9,611,500	9,611,500	9,611,500
Capital Outlay	10,282,700	10,282,700	10,282,700	10,282,700	10,282,700
TOTAL EXPENDITURES	198,500,400	208,343,500	211,031,200	202,269,500	204,957,200
EXPENDITURES BY FUND SOURCE					
General Fund	41,226,200	44,926,400	44,540,800	38,852,400	38,466,800
Restricted Funds	110,592,400	113,211,900	114,991,300	113,211,900	114,991,300
Federal Fund	46,681,800	50,205,200	51,499,100	50,205,200	51,499,100
TOTAL EXPENDITURES	198,500,400	208,343,500	211,031,200	202,269,500	204,957,200
EXPENDITURES BY UNIT					
Instruction	42,141,300	43,771,900	44,097,300	42,547,600	42,873,000
Research	5,192,700	7,560,000	7,560,000	7,534,200	7,534,200
Public Service	12,003,800	12,381,100	12,419,900	12,213,500	12,252,300
Libraries	3,072,600	3,247,000	3,273,200	3,058,800	3,085,000
Academic Support	11,119,800	10,998,400	11,060,500	10,580,000	10,642,100
Student Services	20,090,000	20,645,500	20,767,500	19,869,200	19,991,200
Institutional Support	17,384,600	18,428,900	18,175,200	17,400,500	17,146,800
Operation and Maintenance of Plant	10,354,300	12,229,100	12,560,500	10,631,500	10,962,900
Scholarships and Fellowships	46,575,100	48,423,600	50,383,200	47,995,800	49,955,400
Mandatory Transfers	4,216,700	4,216,700	4,216,700		
Non-Mandatory Transfers	6,175,000	6,175,000	6,175,000		
Auxilliary Enterprises	20,174,500	20,266,300	20,342,200		
TOTAL EXPENDITURES	198,500,400	208,343,500	211,031,200		

Morehead State University has an enrollment of nearly 11,000 students, including its enrollment of high school juniors at the Craft Academy for Excellence in Science and Mathematics.

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

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

Policy

The Executive Budget provides no funding for the Kentucky Folk Art Center in fiscal years 2019 and 2020.

Postsecondary Education Murray State University

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	43,570,800	50,579,400	50,146,300	41,814,500	41,381,400
Postsecondary Ed Performance	2,231,300				
Budget Reduction-General Fund	-458,000				
Total General Fund	45,344,100	50,579,400	50,146,300	41,814,500	41,381,400
Restricted Funds					
Current Receipts	129,986,300	129,986,300	130,419,400	·	
Total Restricted Funds	129,986,300	129,986,300	130,419,400	129,986,300	130,419,400
Federal Fund					
Current Receipts	18,692,100	18,902,300	18,902,300		
Total Federal Fund	18,692,100	18,902,300	18,902,300	18,902,300	18,902,300
TOTAL SOURCE OF FUNDS	194,022,500	199,468,000	199,468,000	190,703,100	190,703,100
EXPENDITURES BY CLASS					
Personnel Costs	116,267,000	121,044,300	121,044,300	116,267,000	116,267,000
Operating Expenses	52,119,600	52,119,600	52,119,600		
Grants Loans Benefits	17,310,600	17,978,800	17,978,800		
Debt Service	6,657,500	6,657,500	6,657,500		
Capital Outlay	1,667,800	1,667,800	1,667,800		
TOTAL EXPENDITURES	194,022,500	199,468,000	199,468,000	190,703,100	190,703,100
EXPENDITURES BY FUND SOURCE					
General Fund	45,344,100	50,579,400	50,146,300		
Restricted Funds	129,986,300	129,986,300	130,419,400		
Federal Fund	18,692,100	18,902,300	18,902,300		
TOTAL EXPENDITURES	194,022,500	199,468,000	199,468,000	190,703,100	190,703,100
EXPENDITURES BY UNIT					
Instruction	62,840,000	63,359,500	63,359,500	61,135,700	61,135,700
Research	2,052,500	2,085,700	2,085,700	2,032,000	2,032,000
Public Service	6,302,800	6,615,900	6,615,900	6,086,200	6,086,200
Libraries	3,895,800	4,061,800	4,061,800	3,785,700	3,785,700
Academic Support	5,507,400	5,745,300	5,745,300		
Student Services	15,952,300	16,293,200	16,293,200	15,505,000	15,505,000
Institutional Support	25,202,500	26,600,100	26,600,100	24,935,100	24,935,100
Operation and Maintenance of Plant	21,569,400	22,789,400	22,789,400	20,959,700	20,959,700
Scholarships and Fellowships	13,815,000	14,025,200	14,025,200	14,025,200	14,025,200
Mandatory Transfers	6,657,500	6,657,500	6,657,500		
Non-Mandatory Transfers	1,280,800	1,280,800	1,280,800		
Auxilliary Enterprises	28,946,500	29,953,600	29,953,600	28,946,500	
TOTAL EXPENDITURES	194,022,500	199,468,000	199,468,000	190,703,100	190,703,100

Murray State University's total enrollment is approximately 10,000 students. In addition to the main campus in Calloway County, Murray operates regional campuses at Paducah, Madisonville, Hopkinsville, Henderson and Fort Campbell. Cooperation agreements with local community and technical colleges make it possible for students in those locations to earn a four-year degree in education, business, social work or nursing. MSU faculty also provide instructional support for the University of Kentucky's engineering program in Paducah.

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

Policy

The <u>Executive Budget</u> provides General Fund in the amount of \$1,287,400 in fiscal years 2019 and 2020 for the Breathitt Veterinary Center.

Postsecondary Education Northern Kentucky University

	Davisasi		70.t.y		'
_	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					!
General Fund					!
Regular Appropriation	48,875,200	64,431,800	63,928,800	47,153,600	46,650,600
Postsecondary Ed Performance	2,745,900				1
Budget Reduction-General Fund	-516,200				
Total General Fund	51,104,900	64,431,800	63,928,800	47,153,600	46,650,600
Restricted Funds					!
Current Receipts	176,055,200	182,462,200	189,381,700	182,462,200	189,381,700
Total Restricted Funds	176,055,200	182,462,200	189,381,700	182,462,200	189,381,700
Federal Fund					,
Current Receipts	13,075,600	13,075,600	13,075,600		
Total Federal Fund	13,075,600	13,075,600	13,075,600	13,075,600	13,075,600
TOTAL SOURCE OF FUNDS	240,235,700	259,969,600	266,386,100	0 242,691,400	249,107,900
EXPENDITURES BY CLASS					!
Personnel Costs	150,375,300	166,555,600	168,949,900		
Operating Expenses	38,918,600	40,652,000	42,005,700		
Grants Loans Benefits	35,468,800	36,234,000	38,394,600		· · · · ·
Debt Service	6,113,500	6,113,500	6,113,500		· · ·
Capital Outlay	9,359,500	9,359,500	10,419,500		
TOTAL EXPENDITURES	240,235,700	258,914,600	265,883,200	0 242,691,400	249,107,900
EXPENDITURES BY FUND SOURCE					
General Fund	51,104,900	64,431,800	63,928,800		
Restricted Funds	176,055,200	182,462,200	188,878,800		
Federal Fund	13,075,600	13,075,600	13,075,600		
TOTAL EXPENDITURES	240,235,700	259,969,600	265,883,200	0 242,691,400	249,107,900
EXPENDITURES BY UNIT					
Instruction	71,001,800	75,877,900	76,970,500	0 70,929,300	72,524,800
Research	1,169,800	1,171,400	1,291,100	0 1,166,700	1,286,400
Public Service	10,052,400	10,569,400	10,707,500	0 9,932,500	10,070,600
Libraries	6,123,100	6,509,500	6,753,000	0 6,203,900	6,447,400
Academic Support	21,092,600	23,195,100	23,449,600	0 21,268,600	21,523,100
Student Services	22,351,800	25,522,400	25,634,500	0 22,532,400	22,644,500
Institutional Support	28,819,100	32,861,700	33,103,800		
Operation and Maintenance of Plant	19,805,700	23,076,900	24,106,400		
Scholarships and Fellowships	35,045,700	35,810,900	37,971,500	0 35,577,200	37,737,800
Mandatory Transfers	6,113,500	6,113,500	6,113,500		
Non-Mandatory Transfers	1,881,200	1,881,200	1,881,200		
Auxilliary Enterprises	16,779,000	17,379,700	17,900,600		
TOTAL EXPENDITURES	240,235,700	259,969,600	265,883,200		

Northern Kentucky University is the only one of Kentucky's comprehensive universities that did not start as an institution for training teachers. NKU began as a community college under the University of Kentucky and became an autonomous institution by an act of the General Assembly in 1968. Upper division courses were offered beginning in 1971, the same year that Salmon P. Chase College of Law merged with what was then known as Northern Kentucky State College. Today there are over 14,000 students enrolled. Although about one-third are non-residents, the Kentuckians among them come from 106 of the state's 120 counties. Boone, Kenton and Campbell counties in northern Kentucky account for 7,107 students. Due to limited dormitory space, 86% of undergraduates commute.

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

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

Policy

The Executive Budget provides no funding for the Kentucky Center for Mathematics in fiscal years 2019 and 2020.

Postsecondary Education University of Kentucky

_	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS				-	
General Fund					
Regular Appropriation	253,677,400	267,089,200	265,277,300	240,855,800	239,043,900
Postsecondary Ed Performance	13,411,800				
Budget Reduction-General Fund	-2,670,900			-	
Total General Fund	264,418,300	267,089,200	265,277,300	240,855,800	239,043,900
Restricted Funds					
Current Receipts	3,155,198,700	3,412,380,500	3,698,123,000	 	3,698,123,000
Total Restricted Funds	3,155,198,700	3,412,380,500	3,698,123,000	3,412,380,500	3,698,123,000
Federal Fund					
Current Receipts	238,439,500	253,980,300	270,764,400	253,980,300	270,764,400
Total Federal Fund	238,439,500	253,980,300	270,764,400	253,980,300	270,764,400
TOTAL SOURCE OF FUNDS	3,658,056,500	3,933,450,000	4,234,164,700	3,907,216,600	4,207,931,300
EXPENDITURES BY CLASS					
Personnel Costs	1,776,161,100	1,909,535,500	2,054,072,700	1,909,535,500	2,054,072,700
Operating Expenses	1,453,478,100	1,583,938,500	1,718,542,800		
Grants Loans Benefits	209,432,300	216,172,900	220,654,000	216,172,900	
Debt Service	86,842,400	81,786,200	83,531,200	81,786,200	83,531,200
Capital Outlay	132,142,600	142,016,900	157,364,000	115,783,500	131,130,600
TOTAL EXPENDITURES	3,658,056,500	3,933,450,000	4,234,164,700	3,907,216,600	4,207,931,300
EXPENDITURES BY FUND SOURCE					
General Fund	264,418,300	267,089,200	265,277,300		
Restricted Funds	3,155,198,700	3,412,380,500	3,698,123,000		
Federal Fund	238,439,500	253,980,300	270,764,400		
TOTAL EXPENDITURES	3,658,056,500	3,933,450,000	4,234,164,700	3,907,216,600	4,207,931,300
EXPENDITURES BY UNIT					
Instruction	424,170,600	434,261,100	442,052,300	408,027,700	415,818,900
Research	351,867,800	368,558,700	386,352,100		
Public Service	428,885,500	451,248,500	474,928,100	451,248,500	474,928,100
Libraries	27,889,400	28,332,100	29,799,600	28,332,100	29,799,600
Academic Support	100,444,600	103,193,500	106,107,100	103,193,500	106,107,100
Student Services	46,564,300	47,424,100	48,326,300	47,424,100	48,326,300
Institutional Support	145,065,700	146,948,700	147,126,800	146,948,700	147,126,800
Operation and Maintenance of Plant	96,854,600	99,746,300	106,186,400	99,746,300	106,186,400
Scholarships and Fellowships	209,432,300	216,172,900	220,654,000	216,172,900	220,654,000
Mandatory Transfers	19,788,800	14,732,600	16,477,600	14,732,600	16,477,600
Auxilliary Enterprises	227,066,700	248,355,300	267,642,800	248,355,300	267,642,800
Hospitals	1,580,026,200	1,774,476,200	1,988,511,600	1,774,476,200	1,988,511,600
TOTAL EXPENDITURES	3,658,056,500	3,933,450,000	4,234,164,700	3,907,216,600	4,207,931,300

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

In fall 2017 UK enrolled 30,474 students, including 83.4% of last year's freshman class who returned as sophomores, the highest retention rate ever.

The University campus is undergoing dramatic physical change. In the past six years, UK has completed, initiated, or approved more than \$2.4 billion in capital investment focused on living, learning, health care, research, and dining spaces.

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

Policy

The <u>Executive Budget</u> provides no funding in fiscal years 2019 and 2020 for the following programs: Hospital Direct Support, Agriculture Public Service, the University Press, and the Center for Entrepreneurship.

General Fund in the amount of \$2,063,100 is provided in fiscal years 2019 and 2020 for the Livestock Disease Diagnostic Laboratory.

General Fund in the amount of \$2,673,300 is provided in fiscal years 2019 and 2020 for the Center for Applied Energy Research.

Postsecondary Education University of Louisville

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_	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	126,177,500	132,758,000	131,437,800	124,460,600	123,140,400
Postsecondary Ed Performance	6,580,500				
Budget Reduction-General Fund	-1,327,600			-	·
Total General Fund	131,430,400	132,758,000	131,437,800	124,460,600	123,140,400
Restricted Funds					
Current Receipts	999,620,600	1,018,178,700	1,037,241,100	1,018,178,700	1,037,241,100
Total Restricted Funds	999,620,600	1,018,178,700	1,037,241,100	1,018,178,700	1,037,241,100
Federal Fund					
Current Receipts	98,456,500	98,456,500	98,456,500	98,456,500	98,456,500
Total Federal Fund	98,456,500	98,456,500	98,456,500		98,456,500
_					· · · ·
TOTAL SOURCE OF FUNDS	1,229,507,500	1,249,393,200	1,267,135,400	1,241,095,800	1,258,838,000
EXPENDITURES BY CLASS					
Personnel Costs	751,302,700	762,630,500	774,291,000	762,630,500	774,291,000
Operating Expenses	332,577,600	341,135,500	347,217,200	332,838,100	338,919,800
Grants Loans Benefits	114,035,900	114,035,900	114,035,900	114,035,900	114,035,900
Debt Service	19,308,500	19,308,500	19,308,500	19,308,500	
Capital Outlay	12,282,800	12,282,800	12,282,800		
TOTAL EXPENDITURES	1,229,507,500	1,249,393,200	1,267,135,400	1,241,095,800	1,258,838,000
EXPENDITURES BY FUND SOURCE					
General Fund	131,430,400	132,758,000	131,437,800	124,460,600	123,140,400
Restricted Funds	999,620,600	1,018,178,700	1,037,241,100	1,018,178,700	1,037,241,100
Federal Fund	98,456,500	98,456,500	98,456,500	98,456,500	98,456,500
TOTAL EXPENDITURES	1,229,507,500	1,249,393,200	1,267,135,400	1,241,095,800	1,258,838,000
EXPENDITURES BY UNIT					
Instruction	531,205,700	532,533,300	531,962,100	528,943,300	528,372,100
Research	64,863,400	64,863,400	64,793,800		
Public Service	56,848,400	56,848,400	56,787,400	, ,	
Libraries	18,852,800	18,852,800	18,832,500		
Academic Support	137,604,900	137,604,900	137,457,300		
Student Services	33,014,000	33,014,000	32,978,600		
Institutional Support	80,592,700	80,592,700	80,506,300		
Operation and Maintenance of	54,352,700	72,910,800	91,914,900		
Plant	54,552,700	72,910,000	31,314,300	72,544,400	91,540,500
Scholarships and Fellowships	117,580,500	117,580,500	117,454,400	116,787,900	116,661,800
Mandatory Transfers	19,332,800	19,332,800	19,312,100		
Auxilliary Enterprises	113,547,800	113,547,800	113,426,000		
Hospitals	1,711,800	1,711,800	1,710,000		
TOTAL EXPENDITURES	1,229,507,500	1,249,393,200	1,267,135,400		

The University of Louisville is Kentucky's metropolitan research university, with missions of teaching, research and service. Located in the state's largest city, U of L operates on three campuses: the historic Belknap Campus, the Health Sciences Campus in downtown Louisville's medical complex, and the Shelby Campus in suburban Jefferson County. U of L enrolled 22,640 students in the fall of 2016, with 79.7 percent of the previous fall's freshman class returning. The six-year graduation rate is now 52.8 percent.

U of L researchers received almost \$135 million in grant funding in 2016. The University focuses on translational research, new knowledge and discoveries that can improve people's lives now. The Nucleus facility downtown was developed with innovative tax-increment financing to incubate and accelerate business entities that provide the bridges from the academy into the larger world. The FirstBuild micro-factory on the Belknap campus designs and builds the next generation of home appliances in collaboration with GE Appliances and Local Motors. Medical research focuses on treatment of pediatric spinal cord injuries, biodefense and emerging infectious diseases, and cancer. Development continues at the Shelby Campus where a conference center and hotel are planned.

Postsecondary Education Western Kentucky University

	Revised	Requested FY 2019	Requested FY 2020	Recommended	Recommended
SOURCE OF FUNDS	FY 2018	F1 2013	F 1 2020	FY 2019	FY 2020
General Fund					!
Regular Appropriation	70,823,600	81,917,100	81,226,500	69,284,800	68,594,200
Postsecondary Ed Performance	3,830,200	01,011,100	0.,22,011	00,20.,011	33,031,231
Budget Reduction-General Fund	-746,500				!
Total General Fund	73,907,300	81,917,100	81,226,500	69,284,800	68,594,200
Restricted Funds					1
Current Receipts	294,816,600	311,690,200	316,874,200	311,690,200	316,874,200
Total Restricted Funds	294,816,600	311,690,200	316,874,200		
Federal Fund					1
Current Receipts	32,340,000	32,340,000	32,340,000	32,340,000	32,340,000
Total Federal Fund	32,340,000	32,340,000	32,340,000	32,340,000	32,340,000
TOTAL SOURCE OF FUNDS	401,063,900	425,947,300	430,440,700	413,315,000	417,808,400
EXPENDITURES BY CLASS					I
Personnel Costs	190,983,000	201,304,300	204,234,500	0 194,041,000	196,971,200
Operating Expenses	113,036,800	114,370,300	114,502,500	0 114,370,300	114,502,500
Grants Loans Benefits	76,164,100	89,377,700	90,792,700		, ,
Debt Service	16,684,500	16,684,500	16,684,500		· · ·
Capital Outlay	4,195,500	4,210,500	4,226,500		
TOTAL EXPENDITURES	401,063,900	425,947,300	430,440,700	0 413,315,000	417,808,400
EXPENDITURES BY FUND SOURCE					
General Fund	73,907,300	81,917,100	81,226,500		
Restricted Funds	294,816,600	311,690,200	316,874,200		
Federal Fund	32,340,000	32,340,000	32,340,000		
TOTAL EXPENDITURES	401,063,900	425,947,300	430,440,700	0 413,315,000	417,808,400
EXPENDITURES BY UNIT					I
Instruction	124,071,800	130,457,200	132,051,300	0 124,245,200	125,839,300
Research	5,940,800	6,039,500	6,057,600	0 5,913,200	5,931,300
Public Service	10,422,400	10,521,100	10,532,300	0 10,341,100	10,352,300
Libraries	8,693,200	9,144,500	9,355,900	0 8,711,800	8,923,200
Academic Support	24,275,200	25,374,000	25,760,700	0 24,344,500	24,731,200
Student Services	38,762,000	40,021,300	40,419,000	0 38,792,800	39,190,500
Institutional Support	54,772,200	56,151,000	56,479,300	0 54,455,100	54,783,400
Operation and Maintenance of Plant	35,491,500	36,522,300	36,837,500	0 35,170,600	35,485,800
Scholarships and Fellowships	64,076,300	77,157,900	78,388,600	0 76,782,200	78,012,900
Non-Mandatory Transfers	11,726,500	11,726,500	11,726,500	0 11,726,500	11,726,500
Auxilliary Enterprises	22,832,000	22,832,000	22,832,000	0 22,832,000	22,832,000
TOTAL EXPENDITURES	401,063,900	425,947,300	430,440,700	0 413,315,000	417,808,400

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

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

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

Last year 1,460 WKU students participated in study abroad in 32 countries. WKU students also enjoy a global experience through the presence of faculty and fellow students recruited from around the world. The Confucius Institute expands knowledge and strengthens ties with China through language education and arts and cultural programming.

Policy

The Executive Budget includes no funding in fiscal years 2019 and 2020 for the Kentucky Mesonet.

Postsecondary Education Kentucky Community and Technical College System

	•	•	0 ,		
	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS				-	
General Fund					
Regular Appropriation	172,524,700	193,205,500	193,884,500	166,729,000	165,034,000
Postsecondary Ed Performance	9,080,300				
Budget Reduction-General Fund	-1,816,100				
Total General Fund	179,788,900	193,205,500	193,884,500	166,729,000	165,034,000
Restricted Funds					
Current Receipts	426,692,100	426,692,100	426,692,100	426,692,100	426,692,100
Total Restricted Funds	426,692,100	426,692,100	426,692,100	426,692,100	426,692,100
Federal Fund					
Current Receipts	244,555,000	244,555,000	244,555,000	244,555,000	244,555,000
Total Federal Fund	244,555,000	244,555,000	244,555,000	244,555,000	244,555,000
TOTAL SOURCE OF FUNDS	851,036,000	864,452,600	865,131,600	837,976,100	836,281,100
EXPENDITURES BY CLASS					
Personnel Costs	413,822,000	424,924,100	425,800,300	413,822,000	412,656,600
Operating Expenses	139,042,200	139,540,600	139,555,600	139,042,200	138,724,800
Grants Loans Benefits	292,991,300	294,807,400	294,606,500	279,931,400	· · · · ·
Capital Outlay	5,180,500	5,180,500	5,169,200	5,180,500	5,169,200
TOTAL EXPENDITURES	851,036,000	864,452,600	865,131,600	837,976,100	836,281,100
EXPENDITURES BY FUND SOURCE					
General Fund	179,788,900	193,205,500	193,884,500	166,729,000	165,034,000
Restricted Funds	426,692,100	426,692,100	426,692,100	426,692,100	426,692,100
Federal Fund	244,555,000	244,555,000	244,555,000	244,555,000	244,555,000
TOTAL EXPENDITURES	851,036,000	864,452,600	865,131,600	837,976,100	836,281,100
EXPENDITURES BY UNIT					
Instruction	250,897,900	258,282,200	258,898,400	248,121,200	247,597,900
Public Service	56,077,200	57,353,200	57,460,300		
Libraries	9,815,800	9,931,800	9,928,300		
Academic Support	35,959,400	36,887,500	36,989,200	35,185,400	35,097,200
Student Services	75,141,700	75,837,800	75,821,300		
Institutional Support	38,527,800	39,919,800	39,923,100		
Operation and Maintenance of Plant	92,263,200	93,887,300	93,958,900		
Scholarships and Fellowships	292,353,000	292,353,000	292,152,100	290,590,000	290,389,100
TOTAL EXPENDITURES	851,036,000	864,452,600	865,131,600	837,976,100	836,281,100

The Kentucky Community and Technical College System was created in 1997 by the merger of the technical college system in the Cabinet for Workforce Development and the community college system then under the direction of the University of Kentucky. There are 16 community and technical colleges operating at more than 70 locations across the state, with more than 107,000 students enrolled.

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

KCTCS operates more than 140 on-line programs leading to associate degrees and certificates. The system is Kentucky's largest provider of workforce training, reaching nearly 42,000 employees annually.

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

Policy

The <u>Executive Budget</u> provides no funding in fiscal years 2019 and 2020 for the Adult Agriculture program or the Kentucky Coal Academy.

Postsecondary Education Postsecondary Education Performance Fund

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	42,944,400	18,937,500	44,178,000	j	7,665,800
Postsecondary Ed Performance	-42,944,400				
Total General Fund		18,937,500	44,178,000		7,665,800
TOTAL SOURCE OF FUNDS		18,937,500	44,178,000	J	7,665,800
EXPENDITURES BY CLASS					
Operating Expenses		18,937,500	44,178,000)	7,665,800
TOTAL EXPENDITURES		18,937,500	44,178,000)	7,665,800
EXPENDITURES BY FUND SOURCE					
General Fund		18,937,500	44,178,000	<u> </u>	7,665,800
TOTAL EXPENDITURES		18,937,500	44,178,000	J	7,665,800
EXPENDITURES BY UNIT					
Postsecondary Education		18,937,500	44,178,000	J	7,665,800
Performance Fund					
TOTAL EXPENDITURES		18,937,500	44,178,000	ე	7,665,800

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

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

The 2017 Regular Session of the General Assembly enacted Senate Bill 153, now codified in KRS 164.092. The bill established a comprehensive funding model for Kentucky's public postsecondary education system to distribute resources based on rational criteria, including student success, course completion, and operational support components. The first allocation from the Postsecondary Education Performance Fund was made in fiscal year 2018.

Policy

KRS 164.092(9)(a)1 includes a hold-harmless provision for fiscal year 2019, preventing a reduction in an institution's funding amount based solely on the performance formula calculation. Thus, no funding is allocated to institutions via the Postsecondary Education Performance Fund in fiscal year 2018-2019. KRS 164.092(9)(a)2 includes a stop-loss provision for fiscal year 2019-2020, limiting the performance-based reduction in funding to any institution to one percent (1%) of that institution's base amount. The Executive Budget includes General Fund in the amount of \$7,665,800 in fiscal year 2019-2020 for the Postsecondary Education Performance Fund, which represents one percent (1%) of the institutions' allocable resources. The amount shall be allocated according to the comprehensive funding model established in KRS 164.092.

Public Protection



Public Protection

_	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,172,300	8,371,900	9,549,500	7,968,000	8,079,000
Budget Reduction-General Fund	-367,400				
Total General Fund	6,804,900	8,371,900	9,549,500	7,968,000	8,079,000
Restricted Funds					
Balance Forward	81,852,800	68,313,500	76,328,400		53,925,800
Current Receipts	99,441,300	99,616,800	100,536,000	99,616,800	100,536,000
Non-Revenue Receipts	22,228,500	22,553,600	24,231,900	23,890,200	24,075,600
Fund Transfers	-30,850,000			-23,000,000	-24,500,000
Total Restricted Funds	172,672,600	190,483,900	201,096,300	168,820,500	154,037,400
Federal Fund					
Balance Forward	3,500	3,500		3,500	
Current Receipts	1,295,700	857,200	157,200	857,200	157,200
Total Federal Fund	1,299,200	860,700	157,200	860,700	157,200
TOTAL SOURCE OF FUNDS	180,776,700	199,716,500	210,803,000	177,649,200	162,273,600
EXPENDITURES BY CLASS					
Personnel Costs	71,787,800	83,144,800	84,146,800	81,799,100	82,015,000
Operating Expenses	12,771,100	12,665,300	12,665,300	12,680,300	12,680,300
Grants Loans Benefits	25,829,800	25,772,300	25,772,300		
Capital Outlay	2,071,000	1,805,700	1,805,500		·
TOTAL EXPENDITURES	112,459,700	123,388,100	124,389,900	123,723,400	122,273,100
EXPENDITURES BY FUND SOURCE					
General Fund	6,804,900	8,371,900	9,549,500		
Restricted Funds	104,359,100	114,155,500	114,683,200		
Federal Fund	1,295,700	860,700	157,200		
TOTAL EXPENDITURES	112,459,700	123,388,100	124,389,900	123,723,400	122,273,100
EXPENDITURES BY UNIT					
Secretary	5,907,000	6,567,300	6,722,200	6,494,100	6,581,000
Professional Licensing	5,193,200	5,948,100	6,044,500		
Kentucky Claims Commission	2,364,300	2,585,700	2,620,600	2,496,200	
Boxing and Wrestling Commission	161,800	179,100	182,400		
Alcoholic Beverage Control	7,678,500	8,493,500	8,620,900		
Charitable Gaming	3,742,200	4,231,400	4,307,400		
Financial Institutions	12,678,500	14,612,500	14,909,600		
Horse Racing Commission	32,026,000	33,027,400	33,145,000		
Housing, Buildings and	23,197,500	26,852,300	27,362,300		
Construction	,,	—-, ,	,-,-	, , ,	, - ,
Insurance	19,510,700	20,890,800	20,475,000	20,849,400	20,300,800
TOTAL EXPENDITURES	112,459,700	123,388,100	124,389,900	123,723,400	122,273,100

The Public Protection Cabinet is charged with the supervision and regulation of industries. The mission of the Cabinet is to provide for public safety, consumer protection and financial integrity through enforcement and administration of laws and regulations throughout the Commonwealth. The Cabinet has six departments: Alcoholic Beverage Control, Charitable Gaming, Financial Institutions, Housing, Buildings and Construction, Insurance and Professional Licensing. The Cabinet has commissions attached for administrative purposes only: Kentucky Horse Racing Commission, Boxing & Wrestling Commission and Kentucky Claims Commission. The Office of the Secretary also includes the Office of Communications and Public Outreach and the Office of Legal Services.

Public Protection Secretary

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	279,700	289,700	299,700	305,100	309,000
Budget Reduction-General Fund	-32,100				
Total General Fund	247,600	289,700	299,700	305,100	309,000
Restricted Funds					
Balance Forward	1,710,000	2,075,800	702,600	2,075,800	791,200
Non-Revenue Receipts	6,025,200	4,904,400	5,719,900	4,904,400	5,719,900
Total Restricted Funds	7,735,200	6,980,200	6,422,500	6,980,200	6,511,100
TOTAL SOURCE OF FUNDS	7,982,800	7,269,900	6,722,200	7,285,300	6,820,100
EXPENDITURES BY CLASS					
Personnel Costs	5,664,200	6,254,200	6,409,100	6,184,100	6,271,000
Operating Expenses	242,800	313,100	313,100	310,000	310,000
TOTAL EXPENDITURES	5,907,000	6,567,300	6,722,200	6,494,100	6,581,000
EXPENDITURES BY FUND SOURCE					
General Fund	247,600	289,700	299,700	305,100	309,000
Restricted Funds	5,659,400	6,277,600	6,422,500	6,189,000	6,272,000
TOTAL EXPENDITURES	5,907,000	6,567,300	6,722,200	6,494,100	6,581,000
EXPENDITURES BY UNIT					
Office of the Secretary - Comm - Legal	5,907,000	6,567,300	6,722,200	6,494,100	6,581,000
TOTAL EXPENDITURES	5,907,000	6,567,300	6,722,200	6,494,100	6,581,000

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

Public Protection Kentucky Claims Commission

_	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund	4 220 202	4 205 000	1 402 000	1 074 000	1 200 000
Regular Appropriation Total General Fund	1,239,200 1,239,200	1,325,200 1,325,200	1,493,900 1,493,900		1,390,000
i otai Generai Fund	1,239,200	1,325,200	1,493,900	1,371,000	1,390,000
Restricted Funds					
Balance Forward	641,400	517,900	214,400	•	,
Current Receipts	844,400	799,800	771,100	 	
Total Restricted Funds	1,485,800	1,317,700	985,500	1,317,700	1,120,800
Federal Fund					
Current Receipts	157,200	157,200	157,200	157,200	157,200
Total Federal Fund	157,200	157,200	157,200	157,200	157,200
TOTAL SOURCE OF FUNDS	2,882,200	2,800,100	2,636,600	2,845,900	2,668,000
EXPENDITURES BY CLASS					
Personnel Costs	1,410,500	1,592,900	1,627,800	1,523,700	1,542,700
Operating Expenses	678,800	717,800	717,800	697,500	697,500
Grants Loans Benefits	275,000	275,000	275,000	275,000	275,000
TOTAL EXPENDITURES	2,364,300	2,585,700	2,620,600	2,496,200	2,515,200
EXPENDITURES BY FUND SOURCE					
General Fund	1,239,200	1,325,200	1,493,900	1,371,000	1,390,000
Restricted Funds	967,900	1,103,300	969,500	968,000	968,000
Federal Fund	157,200	157,200	157,200	157,200	157,200
TOTAL EXPENDITURES	2,364,300	2,585,700	2,620,600	2,496,200	2,515,200
EXPENDITURES BY UNIT					
Kentucky Claims Commission	808,000	870,000	883,700	819,400	826,800
Kentucky Claims Commission	1,556,300	1,715,700	1,736,900	1,676,800	1,688,400
Reparations				<u> </u>	
TOTAL EXPENDITURES	2,364,300	2,585,700	2,620,600	2,496,200	2,515,200

The Kentucky Claims Commission was created by Executive Order 2016-576 and codified in KRS 49 and combined the former Board of Claims, the Crime Victims Compensation Board and the Kentucky Board of Tax Appeals. The Claims-Administration Section (formerly Board of Claims), Tax Appeals and Crime Victims Compensation share the same Commission members appointed by the Governor.

The Claims Commission is the only forum through which a citizen may sue the state for alleged negligence. Payments to claimants of less than \$5,000 are from funds of the state agency determined to be at fault, awards over \$5,000 are paid from appropriations from the General Fund (ANOC), and awards against the Transportation Cabinet are paid from the Road Fund. The maximum award on a single claim is \$250,000 and there is a cap of \$400,000 on multiple claims arising from the same incident.

The Claims Commission as a payer of last resort is able to reimburse innocent crime victims up to \$25,000 for their medical expenses, lost wages that are not paid by any other source, and include funeral expenses up to \$5,000. The amount of time that a claimant has to submit a claim is five years. The Commission receives an allocation of 3.4 percent of the state court cost fees and pursuant to KRS 186.574 receives 5.7% of the \$30 fee from county attorney's traffic safety programs.

Pursuant to KRS 216B.400 and KRS 49, the Claims Commission is responsible for paying health care providers and facilities for sexual assault examinations. The Commission receives federal funding from the Victims of Crime Act (VOCA) matching grant at 60% based on prior year claims from General and Restricted Funds.

The Claims Commission has exclusive jurisdiction to hear and resolve appeals arising from final rulings, orders, and determinations of any agency of state or county government relating to revenue and taxation.

Public Protection Professional Licensing

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS				-	
General Fund					
Regular Appropriation		394,800	433,100	-	
Total General Fund		394,800	433,100		
Restricted Funds					
Balance Forward	5,109,300	4,535,100	3,890,100	4,535,100	3,674,600
Current Receipts	4,745,700	5,017,100	5,024,100		
Non-Revenue Receipts	-126,700	-108,800	-138,100	-108,800	
Total Restricted Funds	9,728,300	9,443,400	8,776,100	9,443,400	8,560,600
TOTAL SOURCE OF FUNDS	9,728,300	9,838,200	9,209,200	9,443,400	8,560,600
EXPENDITURES BY CLASS					
Personnel Costs	3,945,200	4,884,800	4,981,200	4,693,100	4,743,500
Operating Expenses	1,090,500	958,300	958,300	970,700	970,700
Grants Loans Benefits	142,500	105,000	105,000	105,000	105,000
Capital Outlay	15,000				
TOTAL EXPENDITURES	5,193,200	5,948,100	6,044,500	5,768,800	5,819,200
EXPENDITURES BY FUND SOURCE					
General Fund		394,800	433,100)	
Restricted Funds	5,193,200	5,553,300	5,611,400	5,768,800	5,819,200
TOTAL EXPENDITURES	5,193,200	5,948,100	6,044,500	5,768,800	5,819,200
EXPENDITURES BY UNIT					
Occupations, Professions, and	1,479,700	1,874,500	1,912,800	1,704,600	1,724,100
Licensing Kentucky Real Estate Authority	3,713,500	4,073,600	4,131,700	4,064,200	4,095,100
TOTAL EXPENDITURES	5,193,200	5,948,100	6,044,500		

The 2017 General Assembly codified Executive Order 2017-325 in HB443 to establish the Department of Professional Licensing that altered the Office of Occupations and Professions. The Department provides oversight, administrative and fiscal management, technical support and advice to the professional licensing boards.

Executive Order 2016-859 was codified in KRS 324B.020 to establish the Kentucky Real Estate Authority within the Department in order to provide oversight of the over four professional licensing boards that serve functions in the real estate industry. The four boards were abolished and the Board of Real Estate Professionals, Kentucky Board of Real Estate Appraisers, Board of Home Inspectors and Kentucky Board of Auctioneers were recreated under the Authority. Each board under the Authority has five voting members and an Executive Director. The Real Estate Authority utilizes the administrative support services provided by the Department of Professional Licensing.

Public Protection Boxing and Wrestling Commission

_	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					<u> </u>
Restricted Funds					
Balance Forward	258,500	214,700	170,900	214,700	171,900
Current Receipts	118,000	135,300	138,600	135,300	138,600
Total Restricted Funds	376,500	350,000	309,500	350,000	310,500
TOTAL SOURCE OF FUNDS	376,500	350,000	309,500	350,000	310,500
EXPENDITURES BY CLASS					
Personnel Costs	140,200	166,600	169,900	165,400	166,900
Operating Expenses	21,600	12,500	12,500	12,700	12,700
TOTAL EXPENDITURES	161,800	179,100	182,400	178,100	179,600
EXPENDITURES BY FUND SOURCE					
Restricted Funds	161,800	179,100	182,400	178,100	179,600
TOTAL EXPENDITURES	161,800	179,100	182,400	178,100	179,600
EXPENDITURES BY UNIT					
Boxing and Wrestling Commission	161,800	179,100	182,400	178,100	179,600
TOTAL EXPENDITURES	161,800	179,100	182,400	178,100	179,600

The Boxing and Wrestling Commission, pursuant to KRS Chapter 229, is the sole authority over professional boxing, wrestling, and amateur and professional mixed martial arts (MMA) shows or exhibitions in Kentucky. The five Commission board members are appointed by the Governor and recommend statutory and regulatory changes, review applications for licensure and review recommendations from the Kentucky Boxing and Wrestling Commission Medical Advisory Panel. The Commission is responsible for enforcement of KRS Chapter 229 and 201 KAR Chapter 27 including investigation of complaints and issuance of violations, processing licenses for all parties involved including: professional and amateur MMA contestants, professional boxers, professional wrestlers, mangers, trainers, referees, judges, timekeepers, physicians, promoters, and event staff. Requested show dates and participants are subject to the Commission review and approval. All wrestling events undergo inspection on a random basis and a Commission Inspector supervises all boxing and MMA events.

Public Protection Alcoholic Beverage Control

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	591,700	591,700	591,700	588,800	591,900
Budget Reduction-General Fund	-67,900				
Total General Fund	523,800	591,700	591,700	588,800	591,900
Restricted Funds					
Balance Forward	2,939,500	2,891,300	2,244,100		, ,
Current Receipts	7,888,100	7,924,100	7,949,100		
Non-Revenue Receipts	-481,600	-669,500	-507,100	-669,500	•
Fund Transfers	-300,000				-1,500,000
Total Restricted Funds	10,046,000	10,145,900	9,686,100	10,145,900	8,478,200
TOTAL SOURCE OF FUNDS	10,569,800	10,737,600	10,277,800	0 10,734,700	9,070,100
EXPENDITURES BY CLASS					
Personnel Costs	6,075,100	6,906,800	7,034,200	6,587,700	6,646,700
Operating Expenses	1,123,400	1,121,700	1,121,700		, ,
Capital Outlay	480,000	465,000	465,000	465,000	465,000
TOTAL EXPENDITURES	7,678,500	8,493,500	8,620,900	8,198,500	8,257,500
EXPENDITURES BY FUND SOURCE					
General Fund	523,800	591,700	591,700	0 588,800	591,900
Restricted Funds	7,154,700	7,901,800	8,029,200	07,609,700	7,665,600
TOTAL EXPENDITURES	7,678,500	8,493,500	8,620,900	0 8,198,500	8,257,500
EXPENDITURES BY UNIT					
Administration, Enforcement and License	7,290,900	8,493,500	8,620,900	0 7,922,200	7,979,700
Tobacco Enforcement	387,600			276,300	
TOTAL EXPENDITURES	7,678,500	8,493,500	8,620,900	0 8,198,500	8,257,500

The Department of Alcoholic Beverage Control (ABC), pursuant to KRS Chapters 241-244, enforces laws relating to the manufacture, sale, transportation, storage, and advertising of alcoholic beverages.

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

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

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

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

Public Protection Charitable Gaming

_	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	2,955,800	2,972,100	2,514,400	2,972,100	2,453,000
Current Receipts	3,732,300	3,747,500	3,748,400	3,747,500	3,748,400
Non-Revenue Receipts	26,200	26,200	26,200	26,200	26,200
Total Restricted Funds	6,714,300	6,745,800	6,289,000	6,745,800	6,227,600
TOTAL SOURCE OF FUNDS	6,714,300	6,745,800	6,289,000	6,745,800	6,227,600
EXPENDITURES BY CLASS					
Personnel Costs	3,096,400	3,602,200	3,678,200	3,574,600	3,615,700
Operating Expenses	521,700	526,700	526,700	615,700	615,700
Grants Loans Benefits	2,500	2,500	2,500	2,500	2,500
Capital Outlay	121,600	100,000	100,000	100,000	100,000
TOTAL EXPENDITURES	3,742,200	4,231,400	4,307,400	4,292,800	4,333,900
EXPENDITURES BY FUND SOURCE					
Restricted Funds	3,742,200	4,231,400	4,307,400	4,292,800	4,333,900
TOTAL EXPENDITURES	3,742,200	4,231,400	4,307,400	4,292,800	4,333,900
EXPENDITURES BY UNIT					
Charitable Gaming	3,742,200	4,231,400	4,307,400	4,292,800	4,333,900
TOTAL EXPENDITURES	3,742,200	4,231,400	4,307,400	4,292,800	4,333,900

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

Public Protection Financial Institutions

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS	-				
Restricted Funds					
Balance Forward	6,835,700	4,576,500	5,782,600	4,576,500	2,872,100
Current Receipts	17,598,000	17,351,000	17,376,000	17,351,000	17,376,000
Non-Revenue Receipts	-1,678,700	-1,532,400	-1,668,000	-1,532,400	-1,668,000
Fund Transfers	-5,500,000			-3,000,000	-3,000,000
Total Restricted Funds	17,255,000	20,395,100	21,490,600	17,395,100	15,580,100
TOTAL SOURCE OF FUNDS	17,255,000	20,395,100	21,490,600	17,395,100	15,580,100
EXPENDITURES BY CLASS					
Personnel Costs	10,907,000	12,690,400	12,987,500	12,588,100	12,753,800
Operating Expenses	1,771,500	1,922,100	1,922,100	1,934,900	1,934,900
TOTAL EXPENDITURES	12,678,500	14,612,500	14,909,600	14,523,000	14,688,700
EXPENDITURES BY FUND SOURCE					
Restricted Funds	12,678,500	14,612,500	14,909,600	14,523,000	14,688,700
TOTAL EXPENDITURES	12,678,500	14,612,500	14,909,600	14,523,000	14,688,700
EXPENDITURES BY UNIT					
Administrative Services	1,690,400	1,936,800	1,974,000	1,925,800	1,947,000
Securities	1,944,700	2,249,300	2,297,300	2,236,400	2,262,600
Depository Institutions	5,919,100	6,795,000	6,928,600	6,751,400	6,826,200
Non-Depository Institutions	3,124,300	3,631,400	3,709,700	3,609,400	3,652,900
TOTAL EXPENDITURES	12,678,500	14,612,500	14,909,600	14,523,000	14,688,700

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

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

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

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

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

Public Protection Horse Racing Commission

	5			_	!
_	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					·
General Fund					
Regular Appropriation	2,647,200	3,085,400	3,440,800	3,092,300	3,147,700
Budget Reduction-General Fund	-267,400				
Total General Fund	2,379,800	3,085,400	3,440,800	3,092,300	3,147,700
Restricted Funds					
Balance Forward	33,248,400	31,114,000	29,008,300	31,114,000	29,186,000
Current Receipts	4,094,400	4,586,500	4,884,200	4,586,500	4,884,200
Non-Revenue Receipts	23,417,400	23,249,800	23,341,300		
Total Restricted Funds	60,760,200	58,950,300	57,233,800	58,922,000	57,380,900
TOTAL SOURCE OF FUNDS	63,140,000	62,035,700	60,674,600	62,014,300	60,528,600
EXPENDITURES BY CLASS					
Personnel Costs	5,337,800	6,398,400	6,516,000		
Operating Expenses	1,200,400	1,161,200	1,161,200		
Grants Loans Benefits	25,409,800	25,389,800	25,389,800	25,389,800	25,389,800
Capital Outlay	78,000	78,000	78,000		
TOTAL EXPENDITURES	32,026,000	33,027,400	33,145,000	32,828,300	32,893,100
EXPENDITURES BY FUND SOURCE					
General Fund	2,379,800	3,085,400	3,440,800	0 3,092,300	3,147,700
Restricted Funds	29,646,200	29,942,000	29,704,200	0 29,736,000	29,745,400
TOTAL EXPENDITURES	32,026,000	33,027,400	33,145,000	0 32,828,300	32,893,100
EXPENDITURES BY UNIT					
Administration and Regulation of	4,948,500	5,902,600	6,009,500	0 5,706,900	5,765,900
Racing	, ,	• , ,	, .	, ,	, .
Equine Drug Research Fund	1,000,000	1,000,000	1,000,000	0 1,000,000	1,000,000
Thoroughbred Development Fund	8,451,900	8,451,900	8,451,900	0 8,451,900	8,451,900
Standardbred Development Fund	1,550,000	1,550,000	1,550,000	0 1,550,000	1,550,000
Standardbred Horsemen Fees	395,000	395,000	395,000	0 395,000	395,000
Ky Quarter Horse, Appaloosa &	20,000	20,000	20,000	0 20,000	20,000
Arabian Development Fund					
County Fair Purse Fund	89,300	89,300	89,300		
Backside Improvement	300,400	300,400	300,400	0 300,400	300,400
Commission					
Ky Thoroughbred Breeder Incentive Fund	12,285,900	12,353,200	12,363,900	0 12,349,800	12,355,600
Ky Standardbred Breeder Incentive Fund	1,715,000	1,715,000	1,715,000	0 1,715,000	1,715,000
Ky Horse Breeders Incentive Fund	1,250,000	1,250,000	1,250,000	0 1,250,000	1,250,000
KY Quarter Horse, Appaloosa &	20,000	, .	•		, ,
Arabian Purse Fund					
TOTAL EXPENDITURES	32,026,000	33,027,400	33,145,000	0 32,828,300	32,893,100

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

The Commission's charge is to:

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

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

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

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

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

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

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

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

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

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

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

Public Protection Housing, Buildings and Construction

_	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS			_		·
General Fund					
Regular Appropriation	2,414,500	2,685,100	3,290,300		
Total General Fund	2,414,500	2,685,100	3,290,300	2,610,800	2,640,400
Restricted Funds					
Balance Forward	13,462,400	13,284,300	8,556,100		
Current Receipts	20,746,100	20,863,000	20,938,000		
Non-Revenue Receipts	-141,200	-1,424,000	-102,300	·	-102,300
Total Restricted Funds	34,067,300	32,723,300	29,391,800	34,053,300	29,405,600
TOTAL SOURCE OF FUNDS	36,481,800	35,408,400	32,682,100	36,664,100	32,046,000
EXPENDITURES BY CLASS					
Personnel Costs	17,744,300	21,737,600	22,247,800	21,460,300	21,736,400
Operating Expenses	4,076,800	3,952,000	3,952,000	3,805,200	3,805,200
Capital Outlay	1,376,400	1,162,700	1,162,500	2,828,700	1,162,500
TOTAL EXPENDITURES	23,197,500	26,852,300	27,362,300	28,094,200	26,704,100
EXPENDITURES BY FUND SOURCE					
General Fund	2,414,500	2,685,100	3,290,300	2,610,800	2,640,400
Restricted Funds	20,783,000	24,167,200	24,072,000	25,483,400	24,063,700
TOTAL EXPENDITURES	23,197,500	26,852,300	27,362,300	28,094,200	26,704,100
EXPENDITURES BY UNIT					
General Administration and	1,916,900	2,035,700	2,076,000	3,688,100	2,044,200
Management		. 700 000		1.0=0.000	
Fire Prevention	1,460,300	1,793,300	1,819,200		
Boiler Inspections	984,500	1,233,100	1,255,400		
Hazardous Materials Inspections	896,000	1,019,300	1,038,000		
Manufactured Housing Inspections	632,300	727,500	741,500		•
General Inspections	1,741,200	2,006,100	2,044,400		
Sprinkler/Alarm Inspections	95,800	109,700	111,800		
Elevator Inspections	1,231,700	1,410,000	1,435,800		
Plumbing	6,330,900	7,318,100	7,465,800	7,268,600	7,347,900
Safe Cigarette Program	6,000	6,000	6,000	6,000	6,000
HVAC	2,791,700	3,176,400	3,236,400	3,159,200	3,191,700
Building Codes Enforcement	3,381,700	3,872,200	3,946,800	3,846,200	3,886,500
Electrical	1,728,500	2,144,900	2,185,200	2,132,200	2,154,000
TOTAL EXPENDITURES	23,197,500	26,852,300	27,362,300	28,094,200	26,704,100

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

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

The Division of Plumbing, a fee-supported program, enforces the Kentucky State Plumbing code (KRS 318.130; 815 KAR Chapter 20). Duties of the Division include: installation inspections of all plumbing systems throughout the state; approval of plumbing plans for all public buildings; testing of applicants for licensure; issuing renewal licenses to master and journeyman plumbers, and assisting the State Plumbing Code Committee in its review of plumbing code administrative

regulations. The Division of Plumbing, a fee-supported program, enforces the Kentucky State Plumbing code (KRS 318.130; 815 KAR Chapter 20). Duties of the Division include: installation inspections of all plumbing systems throughout the state; approval of plumbing plans for all public buildings; testing of applicants for licensure; issuing renewal licenses to master and journeyman plumbers, and assisting the State Plumbing Code Committee in its review of plumbing code administrative regulations. The Plumbing Code Committee, among other duties, reviews and recommends new materials and techniques to be included in the approved parts and materials lists of the Kentucky State Plumbing Code. The Division may pursue sanctions and penalties against both licensed and unlicensed individuals performing plumbing.

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

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

The Division of Electrical is composed of the Electrical Licensing and Electrical Inspection Sections. The Electrical Division enforces the mandates contained within KRS Chapter 227A and KRS 224.450-530 to protect the public through regulation, licensure and inspection of the electrical industry.

Public Protection Insurance

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	14,691,800	6,131,800	23,244,900	6,131,800	3,321,200
Current Receipts	39,674,300	39,192,500	39,706,500	39,192,500	39,706,500
Non-Revenue Receipts	-4,812,100	-1,892,100	-2,440,000	-1,857,200	-2,565,700
Fund Transfers	-25,050,000			-20,000,000	-20,000,000
Total Restricted Funds	24,504,000	43,432,200	60,511,400	23,467,100	20,462,000
Federal Fund					
Balance Forward	3,500	3,500		3,500	
Current Receipts	1,138,500	700,000		700,000	
Total Federal Fund	1,142,000	703,500		703,500	
TOTAL SOURCE OF FUNDS	25,646,000	44,135,700	60,511,400	24,170,600	20,462,000
EXPENDITURES BY CLASS					
Personnel Costs	17,467,100	18,910,900	18,495,100	18,802,400	18,253,800
Operating Expenses	2,043,600	1,979,900	1,979,900	2,047,000	2,047,000
TOTAL EXPENDITURES	19,510,700	20,890,800	20,475,000	20,849,400	20,300,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	18,372,200	20,187,300	20,475,000	0 20,145,900	20,300,800
Federal Fund	1,138,500	703,500		703,500	<u> </u>
TOTAL EXPENDITURES	19,510,700	20,890,800	20,475,000	0 20,849,400	20,300,800
EXPENDITURES BY UNIT					
Executive Director and Administration	1,523,400	1,732,000	1,765,200	0 1,725,500	1,744,000
Administrative Services	2,193,200	2,460,600	2,502,500	0 2,445,000	2,466,700
Financial Standards and	3,843,000	3,969,000	3,738,900		
Examination	, ,	, ,	, ,	, ,	, ,
Agent Licensing	1,877,700	2,054,700	2,082,300	0 2,055,800	2,070,700
Consumer Protection	3,212,500	3,542,300	3,344,600	3,550,000	3,330,100
Insurance Fraud Investigation	1,688,300	1,899,400	1,934,100	0 1,872,000	1,887,500
Mine Subsidence Program	197,600	208,300	210,000	0 208,400	209,400
Insurance Product Regulation	4,975,000	5,024,500	4,897,400	5,011,300	4,850,100
TOTAL EXPENDITURES	19,510,700	20,890,800	20,475,000	20,849,400	20,300,800

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

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

In 2017 General Assembly, HB242 established new divisions within the Department of Insurance.

The Division of Product Regulation was created by combining the previous Health and Life Division and Property and Casualty Division. The Health and Life Branch regulates insurance companies selling health, life and disability products. The Division approves policies, certificates, provider networks, quality improvement programs, and rate filings. The Division reviews promotional literature and activities for the protection of the public. The Division handles inquiries about Medicare and long-term care insurance. The Division is responsible for conducting research on strategies related to financial services modernization. The Property and Casualty Branch regulates coverage and marketing practices of property and casualty insurers. Through its annual review of property and casualty insurance rate and form filings, the Division ensures that companies comply with the standards set forth in the Kentucky Insurance Code. The Division is also responsible for reporting medical malpractice claims, recording of no-fault rejections (tort liability), and verifying such rejection. It is responsible for the regulation of surplus lines insurance.

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

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

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

The Consumer Protection Division is the main link between the Department and the citizens of the Commonwealth. The Division also administers the emergency response program, which provides on-site assistance to citizens or communities affected by insured disasters within the Commonwealth. The Market Conduct unit of Consumer Protection observes and analyzes the business practices of insurers.

The Division of Administrative Services provides administrative and technological support to the Department through accounting, budgeting, purchasing, human resource, telecommunications, property management and mail center operations.