

Labor

	Labor			
	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	3,624,887	5,898,955	6,008,200	1,774,000
Budget Reduction-General Fund	-143,700			
Reorganization Adjustment	-1,122,745	-3,216,921	-3,280,200	
Total General Fund	2,358,442	2,682,034	2,728,000	1,774,000
Restricted Funds				
Balance Forward	23,568,404	14,372,437	24,269,500	
Current Receipts	110,633,975	107,726,483	89,481,300	98,066,500
Non-Revenue Receipts	73,095,116	82,305,831	85,748,600	89,983,000
Total Restricted Funds	207,297,495	204,404,751	199,499,400	188,049,500
Federal Fund				
Balance Forward	126,444	-12,155		
Current Receipts	3,391,747	3,862,503	3,487,000	3,656,300
Non-Revenue Receipts	-22,475	-731		
Total Federal Fund	3,495,717	3,849,617	3,487,000	3,656,300
TOTAL SOURCE OF FUNDS	213,151,653	210,936,403	205,714,400	193,479,800
EXPENDITURES BY CLASS				
Personnel Costs	108,854,187	121,851,184	134,995,300	134,028,200
Operating Expenses	41,537,138	18,613,663	16,109,300	4,993,600
Grants Loans Benefits	48,118,997	45,811,469	54,358,000	54,358,000
Capital Outlay	132,926	250,000	251,800	100,000
Construction	47	29		
TOTAL EXPENDITURES	198,643,295	186,526,345	205,714,400	193,479,800
EXPENDITURES BY FUND SOURCE				
General Fund	2,210,365	2,541,528	2,728,000	1,774,000
Restricted Funds	192,925,058	180,135,200	199,499,400	188,049,500
Federal Fund	3,507,872	3,849,617	3,487,000	3,656,300
TOTAL EXPENDITURES	198,643,295	186,526,345	205,714,400	193,479,800
EXPENDITURES BY UNIT				
Secretary	7,180,834	8,858,678	11,206,500	9,737,200
Workplace Standards	10,228,721	11,506,604	14,349,700	11,815,300
Workers' Claims	62,975,261	60,839,172	72,456,800	71,231,900
Occupational Safety and Health Review Commission	530,202	600,993	697,500	715,700
Workers' Compensation Funding Commission	117,728,277	104,720,899	107,002,800	99,978,600
Workers' Compensation Nominating Committee			1,100	1,100
TOTAL EXPENDITURES	198,643,295	186,526,345	205,714,400	193,479,800

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. Workers' Claims 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 received by the Workers Compensation Funding Commission and are 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 Employers' Mutual Insurance Authority, the Workers' Compensation Nominating Commission, and the Workers' Compensation Board.

	Labor Secretary			
	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	304,054		3,573,600	
Budget Reduction-General Fund	-39,900			
Reorganization Adjustment	474,321	859,900	-2,702,000	
Other			-272,800	
Total General Fund	738,475	859,900	598,800	
Restricted Funds				
Balance Forward	891,472	935,132	1,179,300	
Current Receipts	79,014	228,709	100,000	100,000
Non-Revenue Receipts	6,267,255	7,879,000	9,188,600	9,498,100
Total Restricted Funds	7,237,741	9,042,840	10,467,900	9,598,100
Federal Fund				
Current Receipts	141,380	139,750	139,800	139,100
Non-Revenue Receipts	-1,630			
Total Federal Fund	139,750	139,750	139,800	139,100
TOTAL SOURCE OF FUNDS	8,115,966	10,042,490	11,206,500	9,737,200
EXPENDITURES BY CLASS				
Personnel Costs	6,256,773	7,846,257	9,878,900	8,630,300
Operating Expenses	919,507	862,392	1,175,800	1,106,900
Capital Outlay	4,553	150,000	151,800	
Construction		29		
TOTAL EXPENDITURES	7,180,834	8,858,678	11,206,500	9,737,200
EXPENDITURES BY FUND SOURCE				
General Fund	738,475	859,900	598,800	
Restricted Funds	6,302,609	7,859,028	10,467,900	9,598,100
Federal Fund	139,750	139,750	139,800	139,100
TOTAL EXPENDITURES	7,180,834	8,858,678	11,206,500	9,737,200
EXPENDITURES BY UNIT				
Office of Administrative Services	3,506,868	5,934,339	7,695,200	6,226,600
Secretary	3,673,966	2,924,338	3,511,300	3,510,600
TOTAL EXPENDITURES	7,180,834	8,858,678	11,206,500	9,737,200

The Secretary of Labor manages and administers the duties of the Cabinet. The primary responsibility of the Office of the Secretary is to advance the employee/employer relationship by protecting the worker, fostering employer success, and compensating the injured.

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.

Policy

The enacted budget reduced the base budget of the Labor Cabinet's Office of the Secretary by approximately \$2.4 million.

Labor
Workplace Standards

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,723,767	2,370,955	2,434,600	1,774,000
Budget Reduction-General Fund	-103,800			
Reorganization Adjustment		-548,821	-578,200	
Other			272,800	
Total General Fund	1,619,967	1,822,134	2,129,200	1,774,000
Restricted Funds				
Balance Forward	375,532	253,871	488,400	
Current Receipts	4,204	4		
Non-Revenue Receipts	5,262,844	6,349,731	8,384,900	6,524,100
Total Restricted Funds	5,642,580	6,603,606	8,873,300	6,524,100
Federal Fund				
Balance Forward	126,444	-12,155		
Current Receipts	3,250,367	3,722,753	3,347,200	3,517,200
Non-Revenue Receipts	-20,844	-731		
Total Federal Fund	3,355,967	3,709,867	3,347,200	3,517,200
TOTAL SOURCE OF FUNDS	10,618,514	12,135,607	14,349,700	11,815,300
EXPENDITURES BY CLASS				
Personnel Costs	8,625,225	10,037,477	12,592,300	10,007,600
Operating Expenses	1,372,002	1,220,978	1,507,400	1,557,700
Grants Loans Benefits	221,009	248,150	250,000	250,000
Capital Outlay	10,437			
Construction	47			
TOTAL EXPENDITURES	10,228,721	11,506,604	14,349,700	11,815,300
EXPENDITURES BY FUND SOURCE				
General Fund	1,471,890	1,681,628	2,129,200	1,774,000
Restricted Funds	5,388,709	6,115,109	8,873,300	6,524,100
Federal Fund	3,368,122	3,709,867	3,347,200	3,517,200
TOTAL EXPENDITURES	10,228,721	11,506,604	14,349,700	11,815,300
EXPENDITURES BY UNIT				
Employment Standards	202			
Wages & Hours	1,471,688	1,681,628	2,129,200	1,774,000
Occupational Safety and Health	8,215,323	9,020,570	11,275,200	9,157,100
Commissioner's Office	541,508	804,407	945,300	884,200
TOTAL EXPENDITURES	10,228,721	11,506,604	14,349,700	11,815,300

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

The Department is comprised of the Commissioner's Office, Division of Wages and Hours, Division of Occupational Safety and Health Compliance, and the Division of Occupational Safety and Health Education and Training.

The Commissioner's Office serves as the oversight unit for all programs and functions assigned to the DWS.

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 directed 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 Wages and Hours.

Policy

The enacted budget reduced the base General Fund budget for the wage and hour enforcement program by \$385,100. It also reduced the base budgets funded with restricted and federal funds by approximately \$2.4 million.

**Labor
Workers' Claims**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	4,402,621	1,041,505	6,574,000	
Current Receipts	582,628	818,895	455,600	455,600
Non-Revenue Receipts	59,031,516	65,548,341	65,427,200	70,776,300
Total Restricted Funds	64,016,766	67,408,741	72,456,800	71,231,900
TOTAL SOURCE OF FUNDS	64,016,766	67,408,741	72,456,800	71,231,900
EXPENDITURES BY CLASS				
Personnel Costs	12,198,458	12,707,256	15,156,500	15,003,400
Operating Expenses	2,766,340	2,468,597	3,092,300	2,020,500
Grants Loans Benefits	47,892,527	45,563,319	54,108,000	54,108,000
Capital Outlay	117,936	100,000	100,000	100,000
TOTAL EXPENDITURES	62,975,261	60,839,172	72,456,800	71,231,900
EXPENDITURES BY FUND SOURCE				
Restricted Funds	62,975,261	60,839,172	72,456,800	71,231,900
TOTAL EXPENDITURES	62,975,261	60,839,172	72,456,800	71,231,900
EXPENDITURES BY UNIT				
Workers' Claims	62,975,261	60,839,172	72,456,800	71,231,900
TOTAL EXPENDITURES	62,975,261	60,839,172	72,456,800	71,231,900

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 four divisions: Division of Ombudsman and Workers' Compensation Specialist Services, Division of Claims Processing, Division of Security and Compliance and the Division of Workers' Compensation Funds. Office of Administrative Law Judges and the Workers' Compensation Board are attached to the Department.

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 focuses on constituent services to provide services to employees, employers, insurance carriers, and medical provider to assist in claim filing.

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

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

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	51,979	77,176	16,400	
Non-Revenue Receipts	555,400	540,200	681,100	715,700
Total Restricted Funds	607,379	617,376	697,500	715,700
TOTAL SOURCE OF FUNDS	607,379	617,376	697,500	715,700
EXPENDITURES BY CLASS				
Personnel Costs	486,079	563,103	648,800	668,800
Operating Expenses	44,124	37,891	48,700	46,900
TOTAL EXPENDITURES	530,202	600,993	697,500	715,700
EXPENDITURES BY FUND SOURCE				
Restricted Funds	530,202	600,993	697,500	715,700
TOTAL EXPENDITURES	530,202	600,993	697,500	715,700
EXPENDITURES BY UNIT				
Occupational Safety and Health Review Commission	530,202	600,993	697,500	715,700
TOTAL EXPENDITURES	530,202	600,993	697,500	715,700

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				
	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	17,846,801	12,064,752	16,011,400	
Current Receipts	109,968,129	106,678,877	88,925,700	97,510,900
Non-Revenue Receipts	1,978,100	1,988,559	2,065,700	2,467,700
Total Restricted Funds	129,793,030	120,732,188	107,002,800	99,978,600
TOTAL SOURCE OF FUNDS	129,793,030	120,732,188	107,002,800	99,978,600
EXPENDITURES BY CLASS				
Personnel Costs	81,287,653	90,697,092	96,718,400	99,717,700
Operating Expenses	36,435,164	14,023,806	10,284,400	260,900
Grants Loans Benefits	5,460			
TOTAL EXPENDITURES	117,728,277	104,720,899	107,002,800	99,978,600
EXPENDITURES BY FUND SOURCE				
Restricted Funds	117,728,277	104,720,899	107,002,800	99,978,600
TOTAL EXPENDITURES	117,728,277	104,720,899	107,002,800	99,978,600
EXPENDITURES BY UNIT				
Workers' Compensation Funding Commission	1,642,440	1,937,270	2,277,500	2,500,400
Benefit Reserve	79,811,500	89,014,500	94,725,300	97,478,200
KCWP Fund	36,274,337	13,769,129	10,000,000	
TOTAL EXPENDITURES	117,728,277	104,720,899	107,002,800	99,978,600

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 Wages and Hours; 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. The assets and liabilities of the Coal Workers' Pneumoconiosis Fund were transferred 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.

Policy

The Budget of the Commonwealth reduced the restricted fund appropriation in fiscal year 2021 by \$3,976,300.

Labor				
Workers' Compensation Nominating Committee				
	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Non-Revenue Receipts			1,100	1,100
Total Restricted Funds			1,100	1,100
TOTAL SOURCE OF FUNDS			1,100	1,100
EXPENDITURES BY CLASS				
Personnel Costs			400	400
Operating Expenses			700	700
TOTAL EXPENDITURES			1,100	1,100
EXPENDITURES BY FUND SOURCE				
Restricted Funds			1,100	1,100
TOTAL EXPENDITURES			1,100	1,100
EXPENDITURES BY UNIT				
Workers' Compensation Nominating Committee			1,100	1,100
TOTAL EXPENDITURES			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			
	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	873,200			
Budget Reduction-General Fund	-44,700			
Total General Fund	828,500			
Restricted Funds				
Balance Forward	21,054,635	27,068,833	23,534,400	20,447,000
Current Receipts	53,406,325	47,951,532	52,123,200	50,832,300
Non-Revenue Receipts	8,758,432	6,080,017	9,374,900	10,172,700
Fund Transfers	-2,692,600	-2,689,000	-2,693,800	-2,690,700
Total Restricted Funds	80,526,793	78,411,381	82,338,700	78,761,300
TOTAL SOURCE OF FUNDS	81,355,293	78,411,381	82,338,700	78,761,300
EXPENDITURES BY CLASS				
Personnel Costs	48,690,746	49,870,702	55,426,700	55,633,000
Operating Expenses	4,767,214	5,006,235	6,465,000	6,867,200
Grants Loans Benefits	828,500			
TOTAL EXPENDITURES	54,286,460	54,876,937	61,891,700	62,500,200
EXPENDITURES BY FUND SOURCE				
General Fund	828,500			
Restricted Funds	53,457,960	54,876,937	61,891,700	62,500,200
TOTAL EXPENDITURES	54,286,460	54,876,937	61,891,700	62,500,200
EXPENDITURES BY UNIT				
General Operations	24,561,418	26,314,627	29,811,500	30,121,500
Public Employees Deferred Compensation Authority	8,035,413	7,524,677	7,961,000	8,284,500
Workers' Compensation Benefits and Reserve	20,861,129	21,037,632	24,119,200	24,094,200
State Group Health Insurance Fund	828,500			
TOTAL EXPENDITURES	54,286,460	54,876,937	61,891,700	62,500,200

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 four appropriation units: General Operations, Public Employees Deferred Compensation Authority, Workers' Compensation Benefits and Reserve, 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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	3,340,222	6,838,549	3,280,500	2,848,700
Current Receipts	19,983,913	19,210,068	22,533,600	22,897,100
Non-Revenue Receipts	10,768,432	6,235,537	9,539,900	10,342,700
Fund Transfers	-2,692,600	-2,689,000	-2,693,800	-2,690,700
Total Restricted Funds	31,399,967	29,595,155	32,660,200	33,397,800
TOTAL SOURCE OF FUNDS	31,399,967	29,595,155	32,660,200	33,397,800
EXPENDITURES BY CLASS				
Personnel Costs	20,240,733	21,768,556	23,800,600	23,810,200
Operating Expenses	4,320,685	4,546,071	6,010,900	6,311,300
TOTAL EXPENDITURES	24,561,418	26,314,627	29,811,500	30,121,500
EXPENDITURES BY FUND SOURCE				
Restricted Funds	24,561,418	26,314,627	29,811,500	30,121,500
TOTAL EXPENDITURES	24,561,418	26,314,627	29,811,500	30,121,500
EXPENDITURES BY UNIT				
General Administration	10,083,490	10,728,646	13,063,000	13,315,600
Governmental Service Center	1,262,586	1,186,327	1,263,000	1,330,600
Employee Relations	724,873	747,902	767,900	799,700
Employee Insurance	8,553,410	9,222,422	9,785,500	9,789,300
Personnel Administration	3,937,060	4,429,329	4,932,100	4,886,300
TOTAL EXPENDITURES	24,561,418	26,314,627	29,811,500	30,121,500

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, 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 \$2,690,700 in fiscal year 2021 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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	9,007,274	8,847,173	9,639,100	9,495,600
Current Receipts	7,952,812	8,392,099	7,900,000	7,600,000
Non-Revenue Receipts	-77,500	-75,520	-82,500	-85,000
Total Restricted Funds	16,882,586	17,163,753	17,456,600	17,010,600
TOTAL SOURCE OF FUNDS	16,882,586	17,163,753	17,456,600	17,010,600
EXPENDITURES BY CLASS				
Personnel Costs	7,661,462	7,139,338	7,596,200	7,819,800
Operating Expenses	373,951	385,339	364,800	464,700
TOTAL EXPENDITURES	8,035,413	7,524,677	7,961,000	8,284,500
EXPENDITURES BY FUND SOURCE				
Restricted Funds	8,035,413	7,524,677	7,961,000	8,284,500
TOTAL EXPENDITURES	8,035,413	7,524,677	7,961,000	8,284,500
EXPENDITURES BY UNIT				
Public Employees Deferred Compensation Authority	8,035,413	7,524,677	7,961,000	8,284,500
TOTAL EXPENDITURES	8,035,413	7,524,677	7,961,000	8,284,500

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	8,707,139	11,383,110	10,614,800	8,102,700
Current Receipts	25,469,600	20,349,364	21,689,600	20,335,200
Non-Revenue Receipts	-1,932,500	-80,000	-82,500	-85,000
Total Restricted Funds	32,244,239	31,652,474	32,221,900	28,352,900
TOTAL SOURCE OF FUNDS	32,244,239	31,652,474	32,221,900	28,352,900
EXPENDITURES BY CLASS				
Personnel Costs	20,788,551	20,962,808	24,029,900	24,003,000
Operating Expenses	72,578	74,825	89,300	91,200
TOTAL EXPENDITURES	20,861,129	21,037,632	24,119,200	24,094,200
EXPENDITURES BY FUND SOURCE				
Restricted Funds	20,861,129	21,037,632	24,119,200	24,094,200
TOTAL EXPENDITURES	20,861,129	21,037,632	24,119,200	24,094,200
EXPENDITURES BY UNIT				
Workers' Compensation Benefits and Reserve	20,861,129	21,037,632	24,119,200	24,094,200
TOTAL EXPENDITURES	20,861,129	21,037,632	24,119,200	24,094,200

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. 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.

Postsecondary Education

Postsecondary Education

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,149,288,502	1,111,587,235	1,135,159,000	1,153,052,400
Special Appropriation	298,000	290,000		
Current Year Appropriation			497,400	
Continuing Approp-General Fund	15,755,084	42,565,758	42,426,400	
Budget Reduction-General Fund	-9,756,800			
Reorganization Adjustment		-840,500	-18,407,400	
Other	12,173,400	14,946,017	15,000,000	
Total General Fund	1,167,758,186	1,168,548,510	1,174,675,400	1,153,052,400
Tobacco Fund				
Tobacco Settlement - Phase I	6,276,100	7,000,000	6,686,500	7,526,100
Continuing Approp-Tob Settlement	862,121	1,199,564	642,300	
Budget Reduction-Tobacco			-553,700	
Other		-143,975		
Total Tobacco Fund	7,138,221	8,055,589	6,775,100	7,526,100
Restricted Funds				
Balance Forward	7,274,187	6,952,524	7,328,700	4,150,000
Current Receipts	5,066,409,378	5,101,745,346	6,111,787,400	6,451,577,300
Non-Revenue Receipts	12,764,327	13,005,338	17,328,200	15,433,000
Total Restricted Funds	5,086,447,892	5,121,703,208	6,136,444,300	6,471,160,300
Federal Fund				
Balance Forward		2,175	22,900	23,800
Current Receipts	770,685,719	787,041,045	837,738,200	878,925,300
Non-Revenue Receipts	-26,645			
Total Federal Fund	770,659,074	787,043,220	837,761,100	878,949,100
TOTAL SOURCE OF FUNDS	7,032,003,373	7,085,350,527	8,155,655,900	8,510,687,900
EXPENDITURES BY CLASS				
Personnel Costs	3,744,896,218	3,695,980,770	3,887,260,400	4,065,613,700
Operating Expenses	1,807,440,473	1,877,902,326	2,517,908,900	2,670,507,500
Grants Loans Benefits	899,776,144	933,490,752	1,375,032,500	1,388,078,900
Debt Service	158,887,292	163,307,500	171,929,400	173,081,400
Capital Outlay	177,909,706	197,475,894	199,350,900	211,967,300
TOTAL EXPENDITURES	6,788,909,832	6,868,157,241	8,151,482,100	8,509,248,800
EXPENDITURES BY FUND SOURCE				
General Fund	1,125,192,427	1,127,141,701	1,174,675,400	1,153,052,400
Tobacco Fund	5,938,657	7,413,300	6,775,100	7,526,100
Restricted Funds	4,922,454,641	4,953,102,426	6,132,294,300	6,469,745,000
Federal Fund	735,324,107	780,499,814	837,737,300	878,925,300
TOTAL EXPENDITURES	6,788,909,832	6,868,157,241	8,151,482,100	8,509,248,800
EXPENDITURES BY UNIT				
Council on Postsecondary Education	27,924,576	30,456,874	32,402,400	26,044,700
Kentucky Higher Education Assistance Authority	261,934,555	278,426,674	332,066,200	312,030,700
Postsecondary Education Institutions	6,499,050,700	6,559,273,693	7,787,013,500	8,171,173,400
TOTAL EXPENDITURES	6,788,909,832	6,868,157,241	8,151,482,100	8,509,248,800

Postsecondary Education
Council on Postsecondary Education

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	17,097,902	18,302,935	35,703,700	8,086,400
Special Appropriation	298,000			
Budget Reduction-General Fund	-887,300			
Reorganization Adjustment		-840,500	-18,407,400	
Other	173,400			
Total General Fund	16,682,002	17,462,435	17,296,300	8,086,400
Tobacco Fund				
Tobacco Settlement - Phase I	5,176,100	7,000,000	6,686,500	7,526,100
Budget Reduction-Tobacco			-553,700	
Other		-143,975		
Total Tobacco Fund	5,176,100	6,856,025	6,132,800	7,526,100
Restricted Funds				
Balance Forward	1,846,298	2,439,524	2,252,200	1,948,900
Current Receipts	698,444	448,397	620,000	635,000
Non-Revenue Receipts	3,646,603	3,649,347	4,050,000	4,100,000
Total Restricted Funds	6,191,345	6,537,268	6,922,200	6,683,900
Federal Fund				
Balance Forward			-900	
Current Receipts	2,314,653	1,852,450	4,000,900	3,997,000
Total Federal Fund	2,314,653	1,852,450	4,000,000	3,997,000
TOTAL SOURCE OF FUNDS	30,364,100	32,708,177	34,351,300	26,293,400
EXPENDITURES BY CLASS				
Personnel Costs	11,566,834	6,496,785	7,852,800	7,929,000
Operating Expenses	995,650	2,345,059	2,073,800	1,998,000
Grants Loans Benefits	15,362,092	21,615,030	22,475,800	16,117,700
TOTAL EXPENDITURES	27,924,576	30,456,874	32,402,400	26,044,700
EXPENDITURES BY FUND SOURCE				
General Fund	16,682,002	17,462,435	17,296,300	8,086,400
Tobacco Fund	5,176,100	6,856,025	6,132,800	7,526,100
Restricted Funds	3,751,822	4,285,100	4,973,300	6,435,200
Federal Fund	2,314,653	1,853,314	4,000,000	3,997,000
TOTAL EXPENDITURES	27,924,576	30,456,874	32,402,400	26,044,700
EXPENDITURES BY UNIT				
Agency Operations	5,515,333	6,392,901	6,380,700	6,341,100
Licensure	204,792	190,343	313,300	325,200
Pass Through Programs	9,723,698	9,684,691	10,092,000	5,021,600
Federal Programs	2,314,653	1,853,314	4,000,000	3,997,000
Strategic Investment and Incentive Funding Program	10,166,100	4,979,600	4,983,600	2,983,700
Ovarian Cancer Screening		500,000	500,000	500,000
Cancer Research and Screening		6,856,025	6,132,800	6,876,100
TOTAL EXPENDITURES	27,924,576	30,456,874	32,402,400	26,044,700

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 also licenses private non-profit and proprietary bachelor's degree-granting institutions.

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 education;
- 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; and
- implementation of the Postsecondary Education Performance Funding Model.

**Postsecondary Education
Council on Postsecondary Education
Agency Operations**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	5,517,902	6,841,935	7,686,900	4,341,100
Special Appropriation	197,100			
Budget Reduction-General Fund	-214,000			
Reorganization Adjustment		-840,500	-1,856,200	
Total General Fund	5,501,002	6,001,435	5,830,700	4,341,100
Restricted Funds				
Balance Forward	413,458	771,777	537,100	337,100
Current Receipts	372,650	130,768	350,000	350,000
Non-Revenue Receipts		26,000		1,500,000
Total Restricted Funds	786,108	928,544	887,100	2,187,100
TOTAL SOURCE OF FUNDS	6,287,110	6,929,979	6,717,800	6,528,200
EXPENDITURES BY CLASS				
Personnel Costs	4,632,791	4,852,496	5,314,700	5,346,300
Operating Expenses	871,414	1,540,405	1,066,000	994,700
Grants Loans Benefits	11,128			
TOTAL EXPENDITURES	5,515,333	6,392,901	6,380,700	6,341,000
EXPENDITURES BY FUND SOURCE				
General Fund	5,501,002	6,001,435	5,830,700	4,341,100
Restricted Funds	14,331	391,466	550,000	2,000,000
TOTAL EXPENDITURES	5,515,333	6,392,901	6,380,700	6,341,100

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, 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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	1,432,839	1,552,697	1,665,100	1,611,800
Current Receipts	324,650	302,750	260,000	275,000
Non-Revenue Receipts				-1,500,000
Total Restricted Funds	1,757,489	1,855,447	1,925,100	386,800
TOTAL SOURCE OF FUNDS	1,757,489	1,855,447	1,925,100	386,800
EXPENDITURES BY CLASS				
Personnel Costs	204,324	186,265	300,500	312,400
Operating Expenses	468	4,079	12,800	12,800
TOTAL EXPENDITURES	204,792	190,343	313,300	325,200
EXPENDITURES BY FUND SOURCE				
Restricted Funds	204,792	190,343	313,300	325,200
TOTAL EXPENDITURES	204,792	190,343	313,300	325,200

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	6,316,000	5,981,400	5,982,000	261,600
Special Appropriation	100,900			
Budget Reduction-General Fund	-399,300			
Other	173,400			
Total General Fund	6,191,000	5,981,400	5,982,000	261,600
Tobacco Fund				
Tobacco Settlement - Phase I				650,000
Total Tobacco Fund				650,000
Restricted Funds				
Balance Forward		115,050	50,000	
Current Receipts	1,144	14,880	10,000	10,000
Non-Revenue Receipts	3,646,603	3,623,347	4,050,000	4,100,000
Total Restricted Funds	3,647,748	3,753,276	4,110,000	4,110,000
TOTAL SOURCE OF FUNDS	9,838,748	9,734,676	10,092,000	5,021,600
EXPENDITURES BY CLASS				
Personnel Costs	8,700			
Grants Loans Benefits	9,714,998	9,684,691	10,092,000	5,021,600
TOTAL EXPENDITURES	9,723,698	9,684,691	10,092,000	5,021,600
EXPENDITURES BY FUND SOURCE				
General Fund	6,191,000	5,981,400	5,982,000	261,600
Tobacco Fund				650,000
Restricted Funds	3,532,698	3,703,291	4,110,000	4,110,000
TOTAL EXPENDITURES	9,723,698	9,684,691	10,092,000	5,021,600
EXPENDITURES BY UNIT				
Contract Spaces	5,781,000	5,981,400	5,982,000	211,600
Professional Education Preparation Program	119,600			
Minority Student College Prep Program	83,600			
State Autism Training Center	119,500			
SREB Doctoral Scholars Program	64,500			50,000
Pass Through - Other	22,800			
Cancer Research Insts Mtchg Fd	3,532,698	3,703,291	4,110,000	4,110,000
Spinal Cord and Head Injury Research				650,000
TOTAL EXPENDITURES	9,723,698	9,684,691	10,092,000	5,021,600

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 **Southern Regional Education Board (SREB) 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.

Policy

The Budget of the Commonwealth includes \$50,000 of General Fund in fiscal year 2021 to support two SREB Doctoral Scholars.

The Contract Spaces program has been transferred to the Kentucky Higher Education Assistance Authority pursuant to the appropriations act, House Bill 214, and Senate Bill 134 (2020 Regular Session). General Fund in the amount of \$211,600 remains appropriated to the Council on Postsecondary Education in fiscal year 2021 for Southern Regional Education Board dues.

New funding from Tobacco Settlement Funds in the amount of \$650,000 is included in fiscal year 2021 for the Spinal Cord and Head Injury Research program, codified in KRS 211.500 through 211.504.

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Federal Fund				
Balance Forward			-900	
Current Receipts	2,314,653	1,852,450	4,000,900	3,997,000
Total Federal Fund	2,314,653	1,852,450	4,000,000	3,997,000
TOTAL SOURCE OF FUNDS	2,314,653	1,852,450	4,000,000	3,997,000
EXPENDITURES BY CLASS				
Personnel Costs	794,919	730,958	1,679,100	1,710,300
Operating Expenses	58,368	782,688	975,000	970,500
Grants Loans Benefits	1,461,366	339,669	1,345,900	1,316,200
TOTAL EXPENDITURES	2,314,653	1,853,314	4,000,000	3,997,000
EXPENDITURES BY FUND SOURCE				
Federal Fund	2,314,653	1,853,314	4,000,000	3,997,000
TOTAL EXPENDITURES	2,314,653	1,853,314	4,000,000	3,997,000

The Council on Postsecondary Education administers two federal programs: 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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	5,264,000	4,979,600	21,534,800	2,983,700
Budget Reduction-General Fund	-274,000			
Reorganization Adjustment			-16,551,200	
Total General Fund	4,990,000	4,979,600	4,983,600	2,983,700
Tobacco Fund				
Tobacco Settlement - Phase I	5,176,100			
Total Tobacco Fund	5,176,100			
TOTAL SOURCE OF FUNDS	10,166,100	4,979,600	4,983,600	2,983,700
EXPENDITURES BY CLASS				
Personnel Costs	5,926,100	727,067	558,500	560,000
Operating Expenses	65,400	17,887	20,000	20,000
Grants Loans Benefits	4,174,600	4,234,646	4,405,100	2,403,800
Debt Service				
TOTAL EXPENDITURES	10,166,100	4,979,600	4,983,600	2,983,800
EXPENDITURES BY FUND SOURCE				
General Fund	4,990,000	4,979,600	4,983,600	2,983,700
Tobacco Fund	5,176,100			
TOTAL EXPENDITURES	10,166,100	4,979,600	4,983,600	2,983,700
EXPENDITURES BY UNIT				
Research Challenge Trust Fund	5,176,100			
Technology Initiative Trust Fund	3,638,000	3,628,300	3,628,300	1,628,300
Special Initiatives Funding Program	1,352,000	1,351,300	1,355,300	1,355,400
TOTAL EXPENDITURES	10,166,100	4,979,600	4,983,600	2,983,700

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 Physical Facilities Trust Fund and the Technology Initiative Trust Fund, as well as 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).

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.

Physical Facilities Trust Fund

The Physical Facilities Trust Fund includes funding to support the physical plants at public postsecondary education institutions. The Council is charged with distributing the funds in this program to the institutions as enacted in the biennial appropriations act.

Policy

In fiscal year 2019, the Adult Education and Literacy program was reorganized to the Education and Workforce Development Cabinet pursuant to Executive Order 2019-026.

**Postsecondary Education
Council on Postsecondary Education
Ovarian Cancer Screening**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation		500,000	500,000	500,000
Total General Fund		500,000	500,000	500,000
TOTAL SOURCE OF FUNDS		500,000	500,000	500,000
EXPENDITURES BY CLASS				
Grants Loans Benefits		500,000	500,000	500,000
TOTAL EXPENDITURES		500,000	500,000	500,000
EXPENDITURES BY FUND SOURCE				
General Fund		500,000	500,000	500,000
TOTAL EXPENDITURES		500,000	500,000	500,000

This program provides funding to support the Markey Cancer Center's Ovarian Cancer Screening Program at the University of Kentucky. The program provides free screenings to women across the Commonwealth with the goal of detecting cancer early. Begun in 1987, the program has served over 47,000 Kentuckians.

**Postsecondary Education
Council on Postsecondary Education
Cancer Research and Screening**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Tobacco Fund				
Tobacco Settlement - Phase I		7,000,000	6,686,500	6,876,100
Budget Reduction-Tobacco			-553,700	
Other		-143,975		
Total Tobacco Fund		6,856,025	6,132,800	6,876,100
TOTAL SOURCE OF FUNDS		6,856,025	6,132,800	6,876,100
EXPENDITURES BY CLASS				
Grants Loans Benefits		6,856,025	6,132,800	6,876,100
TOTAL EXPENDITURES		6,856,025	6,132,800	6,876,100
EXPENDITURES BY FUND SOURCE				
Tobacco Fund		6,856,025	6,132,800	6,876,100
TOTAL EXPENDITURES		6,856,025	6,132,800	6,876,100

Tobacco Settlement funds support the Cancer Research and Screening programs at the University of Kentucky and the University of Louisville. The 2018-2020 biennial budget bill created the program and directed that the funding be divided equally between the Commonwealth's two research institutions.

Postsecondary Education
Kentucky Higher Education Assistance Authority

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	245,244,000	232,100,000	239,100,000	279,293,600
Continuing Approp-General Fund	15,755,084	42,565,758	42,426,400	
Other	12,000,000	14,946,017	15,000,000	
Total General Fund	272,999,084	289,611,775	296,526,400	279,293,600
Tobacco Fund				
Tobacco Settlement - Phase I	1,100,000			
Continuing Approp-Tob Settlement	862,121	1,199,564	642,300	
Total Tobacco Fund	1,962,121	1,199,564	642,300	
Restricted Funds				
Balance Forward	5,427,890	4,513,000	5,076,500	2,201,100
Current Receipts	20,697,107	21,853,281	18,710,100	20,335,800
Non-Revenue Receipts	9,117,723	9,355,992	13,278,200	11,333,000
Total Restricted Funds	35,242,719	35,722,273	37,064,800	33,869,900
Federal Fund				
Balance Forward		2,175	23,800	23,800
Current Receipts	37,774	38,400	33,800	33,800
Non-Revenue Receipts	-26,645			
Total Federal Fund	11,129	40,575	57,600	57,600
TOTAL SOURCE OF FUNDS	310,215,054	326,574,187	334,291,100	313,221,100
EXPENDITURES BY CLASS				
Personnel Costs	17,502,391	17,596,132	16,875,100	18,388,300
Operating Expenses	1,855,327	1,913,977	1,950,200	1,965,000
Grants Loans Benefits	241,488,169	257,992,259	312,287,200	291,452,400
Debt Service	743,663	742,013	747,300	
Capital Outlay	345,006	182,294	206,400	225,000
TOTAL EXPENDITURES	261,934,555	278,426,674	332,066,200	312,030,700
EXPENDITURES BY FUND SOURCE				
General Fund	230,433,325	247,185,466	296,526,400	279,293,600
Tobacco Fund	762,557	557,275	642,300	
Restricted Funds	30,729,719	30,645,533	34,863,700	32,703,300
Federal Fund	8,954	38,400	33,800	33,800
TOTAL EXPENDITURES	261,934,555	278,426,674	332,066,200	312,030,700
EXPENDITURES BY UNIT				
General Administration and Support	20,071,176	20,011,988	19,379,000	20,178,300
College Access Program	73,412,993	83,186,694	111,413,500	87,955,200
Kentucky Coal County College Completion Program	2,943,151	2,107,050	522,800	
Work Study Program	363,642			
Kentucky Tuition Grant	29,700,483	33,555,766	49,167,000	44,578,100
Teacher Scholarships	1,938,646	513,252	14,700	50,000
Ky National Guard Tuition	6,736,883	7,218,782	8,629,000	7,448,100
Osteopathic Medicine Scholarship	425,000	215,400		
Ky Educational Excellence Scholarships	115,277,249	117,944,058	120,376,600	123,768,600
Early Childhood Development Scholarships	762,557	557,275	942,300	300,000
Kentucky's Affordable Prepaid Tuition (KAPT)	375,210	422,428	400,000	400,000

EXPENDITURES BY UNIT

Coal County Scholarship for Pharmacy Students	638,000	393,600	145,000	
Early Graduation Scholarship Certificate	230,840	244,000	575,000	575,000
Work Ready Scholarship	2,885,048	6,687,270	11,327,700	7,500,000
Dual Credit Scholarship	5,993,782	5,330,712	9,139,800	13,200,000
Other Programs	179,896	38,400	33,800	33,800
Optometry Scholarship Program				795,600
Veterinary Contract Spaces Program				5,248,000
TOTAL EXPENDITURES	261,934,555	278,426,674	332,066,200	312,030,700

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 25 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 and Advanced Placement, International Baccalaureate, or Cambridge Advanced International test scores. 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 or additional 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 yet earned an associate's degree and are enrolled in an industry-recognized certificate or diploma program in a high-demand workforce sector. High School students pursuing dual credit coursework in a high-demand sector are also eligible.

Policy

The Budget of the Commonwealth dedicates an additional \$34,150,000 in Lottery revenue to KHEAA's student financial aid programs in fiscal year 2021 when compared to the fiscal year 2020 enacted budget. Additionally, Lottery revenue in the amount of \$500,000 is appropriated to the University of Kentucky for the Support Higher Education Project and \$250,000 is appropriated to the Kentucky Department of Education for the Jobs for America's Graduates program.

The Budget of the Commonwealth fully funds the Kentucky Educational Excellence Scholarship (KEES) program with General Fund in the amount of \$113,768,600 in fiscal year 2021 and Restricted Funds in the amount of \$10,000,000.

Additional General Fund Lottery receipts in fiscal years 2020 and 2021 that are appropriated to need-based financial aid programs (College Access Program [CAP] and Kentucky Tuition Grant [KTG] program), will support approximately 7,300 additional CAP recipients and 1,500 additional KTG recipients each year compared to the enacted budget. CAP and KTG recipients are the most economically disadvantaged college students in Kentucky's higher education system. General Fund in the amount of \$87,555,200 in fiscal year 2021 is included for the College Access Program. General Fund in the amount of \$44,078,100 in fiscal year 2021 is included for the Kentucky Tuition Grant Program.

The Work Ready Scholarship program includes additional General Fund in the amount of \$4,800,000 in fiscal year 2021 for a total of \$7,300,000.

The Dual Credit Scholarship program includes additional General Fund in the amount of \$8,150,000 in fiscal year 2021 for a total of \$13,150,000. Of that additional amount, \$4,500,000 is to support the dual credit component of the Work Ready Scholarship program, which is consolidated with the Dual Credit Scholarship program to reduce confusion and for ease of administration. Also included in the additional General Fund is \$2,200,000 to increase the tuition rate ceiling from 33.3% to 40% of the KCTCS credit hour rate.

The Budget of the Commonwealth includes General Fund in the amount of \$7,398,100 in fiscal year 2021 for the Kentucky National Guard Tuition Award program.

The Contract Spaces program, previously administered by the Council on Postsecondary Education, will be administered by KHEAA in accordance with House Bill 214 and Senate Bill 134 from the 2020 Regular Session of the General Assembly. General Fund in the amount of \$5,248,000 is included for the Veterinary Contract Spaces program and \$795,600 is included for the Optometry Contract Spaces program for a total of \$6,043,600 in fiscal year 2021. That represents \$273,200 in additional General Fund support for increased programmatic costs.

The Budget of the Commonwealth dedicates the first \$3,000,000 in excess Lottery receipts over the fiscal year 2021 enacted Lottery estimate of \$277,000,000 to KHEAA for its need-based financial aid programs. Any additional excess receipts shall be held in a trust and agency account until appropriated by the General Assembly.

Postsecondary Education
Postsecondary Education Institutions

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	886,946,600	861,184,300	860,355,300	865,672,400
Special Appropriation		290,000		
Current Year Appropriation			497,400	
Budget Reduction-General Fund	-8,869,500			
Total General Fund	878,077,100	861,474,300	860,852,700	865,672,400
Restricted Funds				
Current Receipts	5,045,013,827	5,079,443,668	6,092,457,300	6,430,606,500
Total Restricted Funds	5,045,013,827	5,079,443,668	6,092,457,300	6,430,606,500
Federal Fund				
Current Receipts	768,333,292	785,150,195	833,703,500	874,894,500
Total Federal Fund	768,333,292	785,150,195	833,703,500	874,894,500
TOTAL SOURCE OF FUNDS	6,691,424,219	6,726,068,163	7,787,013,500	8,171,173,400
EXPENDITURES BY CLASS				
Personnel Costs	3,715,826,993	3,671,887,853	3,862,532,500	4,039,296,400
Operating Expenses	1,804,589,496	1,873,643,290	2,513,884,900	2,666,544,500
Grants Loans Benefits	642,925,882	653,883,463	1,040,269,500	1,080,508,800
Debt Service	158,143,629	162,565,487	171,182,100	173,081,400
Capital Outlay	177,564,700	197,293,600	199,144,500	211,742,300
TOTAL EXPENDITURES	6,499,050,700	6,559,273,693	7,787,013,500	8,171,173,400
EXPENDITURES BY FUND SOURCE				
General Fund	878,077,100	862,493,800	860,852,700	865,672,400
Restricted Funds	4,887,973,100	4,918,171,793	6,092,457,300	6,430,606,500
Federal Fund	733,000,500	778,608,100	833,703,500	874,894,500
TOTAL EXPENDITURES	6,499,050,700	6,559,273,693	7,787,013,500	8,171,173,400
EXPENDITURES BY UNIT				
Eastern Kentucky University	376,925,000	369,208,793	406,568,600	411,448,400
Kentucky State University	65,291,800	69,028,100	69,230,600	68,881,700
Morehead State University	177,756,100	166,672,300	183,227,300	186,127,200
Murray State University	186,614,100	168,947,800	186,615,200	186,615,200
Northern Kentucky University	241,900,100	244,209,400	254,757,300	263,534,400
University of Kentucky	3,199,912,200	3,409,907,300	4,190,939,600	4,511,271,800
University of Louisville	1,229,507,500	1,243,752,900	1,262,331,300	1,296,975,000
Western Kentucky University	335,766,500	278,676,800	386,831,500	385,704,400
Kentucky Community and Technical College System	685,377,400	608,870,300	846,512,100	845,620,500
Postsecondary Education Performance Fund				14,994,800
TOTAL EXPENDITURES	6,499,050,700	6,559,273,693	7,787,013,500	8,171,173,400

**Postsecondary Education
Eastern Kentucky University**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	61,723,700	60,801,700	60,175,200	65,337,000
Postsecondary Ed Performance	3,321,500	3,387,300	3,578,400	
Budget Reduction-General Fund	-650,500			
Total General Fund	64,394,700	64,189,000	63,753,600	65,337,000
Restricted Funds				
Current Receipts	208,836,227	194,728,768	207,314,400	210,611,400
Total Restricted Funds	208,836,227	194,728,768	207,314,400	210,611,400
Federal Fund				
Current Receipts	140,864,492	134,006,595	135,500,600	135,500,000
Total Federal Fund	140,864,492	134,006,595	135,500,600	135,500,000
TOTAL SOURCE OF FUNDS	414,095,419	392,924,363	406,568,600	411,448,400
EXPENDITURES BY CLASS				
Personnel Costs	180,640,593	161,644,953	165,501,000	171,801,000
Operating Expenses	40,192,396	34,344,490	46,387,600	38,602,700
Grants Loans Benefits	146,157,382	164,207,363	179,064,200	182,014,600
Debt Service	9,934,629	9,011,987	15,615,800	19,030,100
TOTAL EXPENDITURES	376,925,000	369,208,793	406,568,600	411,448,400
EXPENDITURES BY FUND SOURCE				
General Fund	64,394,700	64,189,000	63,753,600	65,337,000
Restricted Funds	207,001,200	177,519,793	207,314,400	210,611,400
Federal Fund	105,529,100	127,500,000	135,500,600	135,500,000
TOTAL EXPENDITURES	376,925,000	369,208,793	406,568,600	411,448,400
EXPENDITURES BY UNIT				
Instruction	101,209,101	67,496,989	68,000,000	68,580,800
Research	948,979	794,972	800,000	800,000
Public Service	43,557,364	40,762,385	44,000,000	44,000,000
Libraries	4,656,962	3,063,218	3,100,000	3,100,000
Academic Support	22,646,142	16,741,955	16,742,000	16,742,000
Student Services	21,571,905	15,466,201	15,470,000	15,470,000
Institutional Support	30,136,637	18,745,107	18,995,300	22,292,300
Operation and Maintenance of Plant	43,973,317	39,775,532	40,000,000	40,000,000
Scholarships and Fellowships	77,258,613	135,974,560	169,061,300	169,746,300
Mandatory Transfers				317,000
Auxilliary Enterprises	30,965,980	30,387,874	30,400,000	30,400,000
TOTAL EXPENDITURES	376,925,000	369,208,793	406,568,600	411,448,400

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, ECU operates regional campuses at Corbin, Danville, Manchester and Somerset.

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

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

Policy

The Budget of the Commonwealth includes additional General Fund in the amount of \$2,500,000 in fiscal year 2021 for a total of \$4,571,900 for ECU's Mandated Program, the Model Laboratory School.

The Budget of the Commonwealth includes General Fund in the amount of \$317,000 in fiscal year 2021 for debt service to support new bonds in the Capital Projects Budget.

**Postsecondary Education
Kentucky State University**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	26,729,600	25,459,000	25,259,100	25,384,300
Special Appropriation		290,000		
Current Year Appropriation			497,400	
Budget Reduction-General Fund	-267,300			
Total General Fund	26,462,300	25,749,000	25,756,500	25,384,300
Restricted Funds				
Current Receipts	18,455,500	21,010,000	23,474,100	23,000,000
Total Restricted Funds	18,455,500	21,010,000	23,474,100	23,000,000
Federal Fund				
Current Receipts	20,374,000	22,269,100	20,000,000	20,497,400
Total Federal Fund	20,374,000	22,269,100	20,000,000	20,497,400
TOTAL SOURCE OF FUNDS	65,291,800	69,028,100	69,230,600	68,881,700
EXPENDITURES BY CLASS				
Personnel Costs	40,554,000	45,183,700	41,899,000	41,985,300
Operating Expenses	18,888,000	13,190,100	19,081,600	17,506,000
Grants Loans Benefits	5,607,800	6,630,600	7,000,000	6,890,400
Debt Service	242,000	162,300	750,000	750,000
Capital Outlay		3,861,400	500,000	1,750,000
TOTAL EXPENDITURES	65,291,800	69,028,100	69,230,600	68,881,700
EXPENDITURES BY FUND SOURCE				
General Fund	26,462,300	25,749,000	25,756,500	25,384,300
Restricted Funds	18,455,500	21,010,000	23,474,100	23,000,000
Federal Fund	20,374,000	22,269,100	20,000,000	20,497,400
TOTAL EXPENDITURES	65,291,800	69,028,100	69,230,600	68,881,700
EXPENDITURES BY UNIT				
Instruction	9,621,700	10,725,000	10,604,500	9,673,800
Research	8,061,300	7,575,700	8,487,400	8,633,800
Public Service	9,361,800	10,230,200	9,794,200	9,940,900
Academic Support	1,421,800	700,800	1,382,300	1,435,900
Student Services	6,331,600	7,491,900	6,155,900	6,888,600
Institutional Support	11,895,400	15,895,900	14,565,000	13,624,600
Operation and Maintenance of Plant	7,483,600	5,551,400	7,376,400	7,551,100
Scholarships and Fellowships	5,821,600	6,364,000	5,659,900	5,874,000
Auxilliary Enterprises	5,293,000	4,493,200	5,205,000	5,259,000
TOTAL EXPENDITURES	65,291,800	69,028,100	69,230,600	68,881,700

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.

Policy

The Budget of the Commonwealth includes additional General Fund in the amount of \$497,400 in fiscal years 2020 and 2021 for a total of \$7,148,800 for Kentucky State University's Mandated Program, the federal land grant program. These additional General Fund dollars will be used to match additional federal funds.

**Postsecondary Education
Morehead State University**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	39,899,700	38,852,400	38,466,800	38,332,900
Postsecondary Ed Performance	1,742,900			
Budget Reduction-General Fund	-416,400			
Total General Fund	41,226,200	38,852,400	38,466,800	38,332,900
Restricted Funds				
Current Receipts	112,459,500	110,544,200	115,527,200	117,811,000
Total Restricted Funds	112,459,500	110,544,200	115,527,200	117,811,000
Federal Fund				
Current Receipts	25,925,500	25,638,500	29,233,300	29,983,300
Total Federal Fund	25,925,500	25,638,500	29,233,300	29,983,300
TOTAL SOURCE OF FUNDS	179,611,200	175,035,100	183,227,300	186,127,200
EXPENDITURES BY CLASS				
Personnel Costs	84,259,000	75,637,500	82,904,900	84,124,000
Operating Expenses	29,542,000	27,885,500	37,214,400	37,389,600
Grants Loans Benefits	48,062,600	50,358,200	50,242,200	51,497,800
Debt Service	10,141,300	8,717,700	8,589,600	8,589,600
Capital Outlay	5,751,200	4,073,400	4,276,200	4,526,200
TOTAL EXPENDITURES	177,756,100	166,672,300	183,227,300	186,127,200
EXPENDITURES BY FUND SOURCE				
General Fund	41,226,200	38,852,400	38,466,800	38,332,900
Restricted Funds	110,601,800	102,216,800	115,527,200	117,811,000
Federal Fund	25,928,100	25,603,100	29,233,300	29,983,300
TOTAL EXPENDITURES	177,756,100	166,672,300	183,227,300	186,127,200
EXPENDITURES BY UNIT				
Instruction	42,897,500	42,085,500	42,919,000	42,789,300
Research	1,989,500	1,395,400	3,453,000	3,462,700
Public Service	8,206,300	6,406,200	8,181,400	8,588,600
Libraries	3,238,100	2,776,800	2,652,500	2,695,200
Academic Support	8,554,200	6,322,200	5,643,200	5,630,000
Student Services	19,950,600	19,542,300	20,510,900	20,861,300
Institutional Support	14,832,200	11,685,700	13,541,800	13,120,200
Operation and Maintenance of Plant	12,271,800	9,807,300	9,499,300	9,875,500
Scholarships and Fellowships	43,342,700	45,612,400	45,437,700	46,774,100
Mandatory Transfers	4,303,300	3,536,600	3,481,500	4,075,200
Non-Mandatory Transfers	1,535,400	403,700	9,561,000	9,601,400
Auxilliary Enterprises	16,634,500	17,098,200	18,346,000	18,653,700
TOTAL EXPENDITURES	177,756,100	166,672,300	183,227,300	186,127,200

Morehead State University has an enrollment of nearly 11,000 students, including its enrollment of high school juniors and seniors 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

Included in the above General Fund is \$3,401,400 in fiscal year 2021 for Morehead State University's Mandated Programs, including \$3,151,400 for the Craft Academy for Excellence in Science and Mathematics and \$250,000 for installation of the Jet Propulsion Laboratory antenna.

Of the \$3,151,400 of General Fund support for the Craft Academy, \$329,000 is new funding. The Craft Academy is a dual-credit residential high school for academically talented juniors and seniors on the campus of Morehead State University. This investment of additional state dollars will allow the Academy to leverage additional private funds.

**Postsecondary Education
Murray State University**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	43,570,800	45,014,500	44,581,400	43,753,800
Postsecondary Ed Performance	2,231,300	557,800		
Budget Reduction-General Fund	-458,000			
Total General Fund	45,344,100	45,572,300	44,581,400	43,753,800
Restricted Funds				
Current Receipts	123,132,400	103,792,600	119,324,800	120,152,400
Total Restricted Funds	123,132,400	103,792,600	119,324,800	120,152,400
Federal Fund				
Current Receipts	18,137,600	19,582,900	22,709,000	22,709,000
Total Federal Fund	18,137,600	19,582,900	22,709,000	22,709,000
TOTAL SOURCE OF FUNDS	186,614,100	168,947,800	186,615,200	186,615,200
EXPENDITURES BY CLASS				
Personnel Costs	110,752,200	98,610,900	105,379,400	105,379,400
Operating Expenses	55,071,900	50,296,500	46,596,300	46,596,300
Grants Loans Benefits	13,396,900	12,664,800	26,644,000	26,644,000
Debt Service	6,354,800	6,273,000	6,399,400	6,399,400
Capital Outlay	1,038,300	1,102,600	1,596,100	1,596,100
TOTAL EXPENDITURES	186,614,100	168,947,800	186,615,200	186,615,200
EXPENDITURES BY FUND SOURCE				
General Fund	45,344,100	45,572,300	44,581,400	43,753,800
Restricted Funds	123,132,400	103,792,600	119,324,800	120,152,400
Federal Fund	18,137,600	19,582,900	22,709,000	22,709,000
TOTAL EXPENDITURES	186,614,100	168,947,800	186,615,200	186,615,200
EXPENDITURES BY UNIT				
Instruction	62,572,500	61,065,000	59,307,100	58,833,900
Research	2,471,900	2,258,100	3,259,900	3,267,500
Public Service	6,731,700	5,977,200	5,137,800	5,137,800
Libraries	3,527,400	3,391,500	3,447,500	3,469,000
Academic Support	6,399,300	6,699,900	6,444,900	6,484,900
Student Services	13,598,400	7,074,500	15,830,100	15,928,200
Institutional Support	18,453,800	18,292,200	19,843,500	19,967,400
Operation and Maintenance of Plant	33,108,400	29,110,900	22,748,500	22,890,600
Scholarships and Fellowships	12,735,900	12,649,500	17,139,800	17,139,800
Mandatory Transfers	6,354,800	6,273,000	6,399,400	6,439,400
Non-Mandatory Transfers	1,495,200	4,584,000	2,911,600	2,911,600
Auxilliary Enterprises	19,164,800	11,572,000	24,145,100	24,145,100
TOTAL EXPENDITURES	186,614,100	168,947,800	186,615,200	186,615,200

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

Included in the above General Fund is \$3,200,000 in fiscal year 2021 for Murray State's Mandated Program, the Breathitt Veterinary Center.

**Postsecondary Education
Northern Kentucky University**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	48,875,200	47,458,000	47,974,500	51,280,500
Postsecondary Ed Performance	2,745,900	4,837,200	4,325,500	
Budget Reduction-General Fund	-516,200			
Total General Fund	51,104,900	52,295,200	52,300,000	51,280,500
Restricted Funds				
Current Receipts	177,719,600	177,819,100	189,381,700	199,178,300
Total Restricted Funds	177,719,600	177,819,100	189,381,700	199,178,300
Federal Fund				
Current Receipts	13,075,600	13,075,600	13,075,600	13,075,600
Total Federal Fund	13,075,600	13,075,600	13,075,600	13,075,600
TOTAL SOURCE OF FUNDS	241,900,100	243,189,900	254,757,300	263,534,400
EXPENDITURES BY CLASS				
Personnel Costs	176,925,600	169,667,100	154,308,700	159,625,100
Operating Expenses	35,311,900	40,489,300	42,713,600	44,185,200
Grants Loans Benefits	15,406,900	17,011,300	36,775,800	38,042,800
Debt Service	11,175,600	11,647,200	10,768,900	11,139,900
Capital Outlay	3,080,100	5,394,500	10,190,300	10,541,400
TOTAL EXPENDITURES	241,900,100	244,209,400	254,757,300	263,534,400
EXPENDITURES BY FUND SOURCE				
General Fund	51,104,900	53,314,700	52,300,000	51,280,500
Restricted Funds	177,719,600	177,819,200	189,381,700	199,178,300
Federal Fund	13,075,600	13,075,500	13,075,600	13,075,600
TOTAL EXPENDITURES	241,900,100	244,209,400	254,757,300	263,534,400
EXPENDITURES BY UNIT				
Instruction	70,761,700	75,550,900	75,678,500	77,035,800
Research	1,443,000	2,003,400	1,237,900	1,457,600
Public Service	13,104,500	11,677,400	10,637,200	10,076,100
Libraries	6,343,900	5,410,600	6,479,300	5,794,500
Academic Support	23,626,400	22,796,500	24,802,700	26,535,200
Student Services	30,086,400	29,123,400	23,652,100	24,137,200
Institutional Support	36,628,800	35,470,200	30,495,600	31,377,100
Operation and Maintenance of Plant	22,322,500	21,091,300	20,957,900	20,529,800
Scholarships and Fellowships	15,024,100	16,511,800	37,084,400	44,194,000
Mandatory Transfers	5,975,000	5,826,300	6,469,100	5,772,600
Non-Mandatory Transfers	-148,600	-110,800	-492,500	-492,600
Auxilliary Enterprises	16,732,400	18,858,400	17,755,100	17,117,100
TOTAL EXPENDITURES	241,900,100	244,209,400	254,757,300	263,534,400

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 7,227 students. Due to limited dormitory space, 80% 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

Included in the above General Fund is \$1,323,900 in fiscal year 2021 for NKU’s Mandated Program, the Kentucky Center for Mathematics.

**Postsecondary Education
University of Kentucky**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	253,677,400	250,224,300	246,563,900	258,609,200
Postsecondary Ed Performance	13,411,800	9,119,000	14,492,500	
Budget Reduction-General Fund	-2,670,900			
Total General Fund	264,418,300	259,343,300	261,056,400	258,609,200
Restricted Funds				
Current Receipts	2,853,960,500	3,033,921,100	3,667,977,500	3,972,440,600
Total Restricted Funds	2,853,960,500	3,033,921,100	3,667,977,500	3,972,440,600
Federal Fund				
Current Receipts	234,881,400	252,378,500	261,905,700	280,222,000
Total Federal Fund	234,881,400	252,378,500	261,905,700	280,222,000
TOTAL SOURCE OF FUNDS	3,353,260,200	3,545,642,900	4,190,939,600	4,511,271,800
EXPENDITURES BY CLASS				
Personnel Costs	1,938,121,300	2,014,479,900	2,046,258,400	2,199,363,000
Operating Expenses	1,026,917,300	1,125,353,300	1,651,339,300	1,799,767,900
Grants Loans Benefits	40,671,600	40,989,900	237,644,500	247,582,800
Debt Service	81,062,900	87,187,900	88,673,400	86,787,400
Capital Outlay	113,139,100	141,896,300	167,024,000	177,770,700
TOTAL EXPENDITURES	3,199,912,200	3,409,907,300	4,190,939,600	4,511,271,800
EXPENDITURES BY FUND SOURCE				
General Fund	264,418,300	259,343,300	261,056,400	258,609,200
Restricted Funds	2,700,612,500	2,898,185,500	3,667,977,500	3,972,440,600
Federal Fund	234,881,400	252,378,500	261,905,700	280,222,000
TOTAL EXPENDITURES	3,199,912,200	3,409,907,300	4,190,939,600	4,511,271,800
EXPENDITURES BY UNIT				
Instruction	314,880,800	320,713,800	441,923,600	450,436,600
Research	287,815,700	306,290,700	381,310,900	400,664,900
Public Service	589,943,900	629,787,400	636,834,100	667,563,500
Libraries	25,264,600	25,763,500	27,367,200	27,800,600
Academic Support	85,830,700	90,795,400	108,529,200	111,280,200
Student Services	42,616,600	45,032,700	54,189,000	55,187,000
Institutional Support	63,232,600	80,798,900	196,026,000	196,503,100
Operation and Maintenance of Plant	68,264,800	70,906,500	96,934,300	101,322,200
Scholarships and Fellowships	40,671,600	40,989,900	237,644,500	247,582,800
Mandatory Transfers	21,261,300	22,636,500	22,181,600	22,981,900
Non-Mandatory Transfers	-96,949,600	-56,100,900	6,700,000	6,700,000
Auxilliary Enterprises	242,354,700	238,061,000	248,140,000	266,534,300
Hospitals	1,514,724,500	1,594,231,900	1,733,159,200	1,956,714,700
TOTAL EXPENDITURES	3,199,912,200	3,409,907,300	4,190,939,600	4,511,271,800

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 eight 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.

The University campus is undergoing dramatic physical change. In the past eight years, UK has completed, initiated, or approved more than \$2.5 billion in capital investment focused on living, learning, health care, research, and dining spaces.

University researchers employ over 8,000 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

Included in the above General Fund is \$80,568,800 in fiscal year 2021 for UK's Mandated Programs, including:

- \$31,275,300 for the College of Agriculture Cooperative Extension Service;
- \$29,479,600 for the Kentucky Agricultural Experiment Station;
- \$5,176,200 for the Center for Applied Energy Research;
- \$4,076,300 for the Kentucky Geological Survey;
- \$4,034,200 for the Veterinary Diagnostic Laboratory;
- \$2,040,500 for the Sanders-Brown Center on Aging;
- \$1,800,000 for the College of Agriculture Division of Regulatory Services;
- \$600,000 for the College of Agriculture Kentucky Small Business Development Center;
- \$586,300 for the University Press of Kentucky;
- \$500,000 for the Human Development Institute Supported Higher Education Project;
- \$450,200 for the Center for Excellence in Rural Health;
- \$450,200 for the Kentucky Cancer Registry; and
- \$100,000 for the Sports Medicine Research Institute.

Of the funding outlined above, \$586,300 for the University Press; \$500,000 for the Supported Higher Education Project; and \$100,000 for the Sports Medicine Research Institute is new funding. The \$500,000 for the Supported Higher Education Project comes from Lottery funds.

Included in the above Restricted Fund appropriation is \$1,500,000 from the Horse Racing Commission's Equine Drug Research Council to support UK's Equine Analytical Chemistry Lab.

Postsecondary Education
University of Louisville

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	126,177,500	124,610,600	123,290,400	124,117,900
Postsecondary Ed Performance	6,580,500	2,507,100	3,343,300	
Budget Reduction-General Fund	-1,327,600			
Total General Fund	131,430,400	127,117,700	126,633,700	124,117,900
Restricted Funds				
Current Receipts	999,620,600	1,018,178,700	1,037,241,100	1,052,772,700
Total Restricted Funds	999,620,600	1,018,178,700	1,037,241,100	1,052,772,700
Federal Fund				
Current Receipts	98,456,500	98,456,500	98,456,500	120,084,400
Total Federal Fund	98,456,500	98,456,500	98,456,500	120,084,400
TOTAL SOURCE OF FUNDS	1,229,507,500	1,243,752,900	1,262,331,300	1,296,975,000
EXPENDITURES BY CLASS				
Personnel Costs	665,491,300	673,202,100	683,257,800	694,886,900
Operating Expenses	403,902,100	408,581,700	414,685,000	412,762,000
Grants Loans Benefits	128,944,300	130,438,200	132,386,600	157,324,200
Debt Service	22,547,700	22,808,900	23,149,600	23,149,600
Capital Outlay	8,622,100	8,722,000	8,852,300	8,852,300
TOTAL EXPENDITURES	1,229,507,500	1,243,752,900	1,262,331,300	1,296,975,000
EXPENDITURES BY FUND SOURCE				
General Fund	131,430,400	127,117,700	126,633,700	124,117,900
Restricted Funds	999,620,600	1,018,178,700	1,037,241,100	1,052,772,700
Federal Fund	98,456,500	98,456,500	98,456,500	120,084,400
TOTAL EXPENDITURES	1,229,507,500	1,243,752,900	1,262,331,300	1,296,975,000
EXPENDITURES BY UNIT				
Instruction	208,296,600	210,710,100	213,857,600	217,852,600
Research	97,270,800	98,397,800	99,867,700	102,908,000
Public Service	88,938,700	89,969,000	91,313,100	94,093,100
Libraries	13,254,600	13,408,200	13,608,500	14,022,800
Academic Support	98,827,800	99,972,800	101,466,100	104,555,200
Student Services	20,993,200	21,236,500	21,553,600	20,938,500
Institutional Support	55,073,900	55,712,000	56,544,200	58,265,400
Operation and Maintenance of Plant	35,699,700	36,113,200	36,652,700	37,768,600
Scholarships and Fellowships	23,706,400	23,981,200	24,339,200	25,080,300
Mandatory Transfers	10,918,000	11,044,700	11,209,400	11,550,900
Auxilliary Enterprises	10,337,000	10,456,600	10,612,900	10,935,900
Hospitals	566,190,800	572,750,800	581,306,300	599,003,700
TOTAL EXPENDITURES	1,229,507,500	1,243,752,900	1,262,331,300	1,296,975,000

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 22,471 students in the fall of 2018, with 80.3 percent of the previous fall's freshman class returning. The six-year graduation rate is now 56.6 percent.

U of L researchers received almost \$138 million in grant funding in 2018. 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.

Policy

Included in the above General Fund is \$845,200 in fiscal year 2021 for U of L's Mandated Programs, including \$695,200 for the Rural Health Education Program and \$150,000 for the Kentucky Autism Training Center.

**Postsecondary Education
Western Kentucky University**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	70,823,600	70,034,800	69,344,200	72,596,200
Postsecondary Ed Performance	3,830,200	3,748,600	4,379,100	
Budget Reduction-General Fund	-746,500			
Total General Fund	73,907,300	73,783,400	73,723,300	72,596,200
Restricted Funds				
Current Receipts	227,284,800	171,504,300	280,768,200	280,768,200
Total Restricted Funds	227,284,800	171,504,300	280,768,200	280,768,200
Federal Fund				
Current Receipts	34,574,400	33,389,100	32,340,000	32,340,000
Total Federal Fund	34,574,400	33,389,100	32,340,000	32,340,000
TOTAL SOURCE OF FUNDS	335,766,500	278,676,800	386,831,500	385,704,400
EXPENDITURES BY CLASS				
Personnel Costs	200,864,000	159,641,400	192,127,200	192,127,200
Operating Expenses	53,513,400	52,605,600	79,951,000	78,823,900
Grants Loans Benefits	21,555,000	19,955,400	94,260,900	94,260,900
Debt Service	16,684,700	16,756,500	17,235,400	17,235,400
Capital Outlay	43,149,400	29,717,900	3,257,000	3,257,000
TOTAL EXPENDITURES	335,766,500	278,676,800	386,831,500	385,704,400
EXPENDITURES BY FUND SOURCE				
General Fund	73,907,300	73,783,400	73,723,300	72,596,200
Restricted Funds	227,284,800	171,504,300	280,768,200	280,768,200
Federal Fund	34,574,400	33,389,100	32,340,000	32,340,000
TOTAL EXPENDITURES	335,766,500	278,676,800	386,831,500	385,704,400
EXPENDITURES BY UNIT				
Instruction	110,635,700	104,742,900	121,983,800	120,619,300
Research	7,471,100	6,561,100	4,323,000	4,323,000
Public Service	13,651,300	14,291,700	9,617,300	9,617,300
Libraries	5,994,600	5,314,900	8,513,800	8,513,800
Academic Support	21,995,700	19,253,700	26,771,900	26,771,900
Student Services	34,620,100	31,399,700	36,195,400	36,195,400
Institutional Support	26,284,300	-734,800	29,353,700	29,353,700
Operation and Maintenance of Plant	41,638,800	29,903,100	33,642,400	33,642,400
Scholarships and Fellowships	22,252,400	20,285,000	81,538,400	81,538,400
Mandatory Transfers			11,482,800	11,720,200
Non-Mandatory Transfers	22,156,000	19,362,800		
Auxilliary Enterprises	29,066,500	28,296,700	23,409,000	23,409,000
TOTAL EXPENDITURES	335,766,500	278,676,800	386,831,500	385,704,400

Founded in 1906, Western Kentucky University is the largest of Kentucky's six comprehensive postsecondary institutions with nearly 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 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.

In 2018, 646 WKU students participated in study abroad in 28 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

Included in the above General Fund is \$5,735,100 in fiscal year 2021 for WKU's Mandated Programs, including \$4,985,100 for the Gatton Academy of Mathematics and Science and \$750,000 for the Kentucky Mesonet.

Of the \$4,985,100 of General Fund support for the Gatton Academy, \$237,400 is new funding. The Gatton Academy is a dual-credit residential high school for academically talented juniors and seniors on the campus of Western Kentucky University.

Postsecondary Education
Kentucky Community and Technical College System

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	172,524,700	167,729,000	166,034,000	171,265,800
Postsecondary Ed Performance	9,080,300	6,843,000	8,547,000	
Budget Reduction-General Fund	-1,816,100			
Total General Fund	179,788,900	174,572,000	174,581,000	171,265,800
Restricted Funds				
Current Receipts	323,544,700	247,944,900	451,448,300	453,871,900
Total Restricted Funds	323,544,700	247,944,900	451,448,300	453,871,900
Federal Fund				
Current Receipts	182,043,800	186,353,400	220,482,800	220,482,800
Total Federal Fund	182,043,800	186,353,400	220,482,800	220,482,800
TOTAL SOURCE OF FUNDS	685,377,400	608,870,300	846,512,100	845,620,500
EXPENDITURES BY CLASS				
Personnel Costs	318,219,000	273,820,300	390,896,100	390,004,500
Operating Expenses	141,250,500	120,896,800	175,916,100	175,916,100
Grants Loans Benefits	223,123,400	211,627,700	276,251,300	276,251,300
Capital Outlay	2,784,500	2,525,500	3,448,600	3,448,600
TOTAL EXPENDITURES	685,377,400	608,870,300	846,512,100	845,620,500
EXPENDITURES BY FUND SOURCE				
General Fund	179,788,900	174,572,000	174,581,000	171,265,800
Restricted Funds	323,544,700	247,944,900	451,448,300	453,871,900
Federal Fund	182,043,800	186,353,400	220,482,800	220,482,800
TOTAL EXPENDITURES	685,377,400	608,870,300	846,512,100	845,620,500
EXPENDITURES BY UNIT				
Instruction	190,950,700	161,943,500	240,711,800	237,396,600
Public Service	45,870,000	38,641,100	56,956,500	59,380,100
Libraries	7,663,800	6,849,900	9,509,800	9,509,800
Academic Support	29,288,600	25,417,000	36,226,400	36,226,400
Student Services	61,455,300	54,507,600	75,802,200	75,802,200
Institutional Support	34,130,200	31,635,100	36,103,000	36,103,000
Operation and Maintenance of Plant	93,990,300	79,455,100	116,565,200	116,565,200
Scholarships and Fellowships	222,028,500	210,421,000	274,637,200	274,637,200
TOTAL EXPENDITURES	685,377,400	608,870,300	846,512,100	845,620,500

The Kentucky Community and Technical College System (KCTCS) 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

Included in the above General Fund is \$8,819,400 in fiscal year 2021 for KCTCS' Mandated Programs, including:

- \$4,149,800 for the KCTCS-TRAINS program;
- \$1,869,900 for the State Fire Rescue Training;
- \$1,799,700 for the Kentucky Board of Emergency Medical Services; and
- \$1,000,000 for the Adult Agriculture Education program.

Included in KCTCS' Restricted Fund appropriation is \$50,560,000 in fiscal year 2021 for the Firefighters Foundation Program Fund, which includes \$1,250,000 for a new program to treat firefighters affected by Post-Traumatic Stress Injury and Post-Traumatic Stress Disorder.

Postsecondary Education
Postsecondary Education Performance Fund

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	42,944,400	31,000,000	38,665,800	14,994,800
Postsecondary Ed Performance	-42,944,400	-31,000,000	-38,665,800	
Total General Fund				14,994,800
TOTAL SOURCE OF FUNDS				14,994,800
EXPENDITURES BY CLASS				
Operating Expenses				14,994,800
TOTAL EXPENDITURES				14,994,800
EXPENDITURES BY FUND SOURCE				
General Fund				14,994,800
TOTAL EXPENDITURES				14,994,800
EXPENDITURES BY UNIT				
Postsecondary Education Performance Fund				14,994,800
TOTAL EXPENDITURES				14,994,800

The 2017 General Assembly enacted Senate Bill 153, now codified in KRS 164.092, which 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

The Budget of the Commonwealth redistributed 2% of each postsecondary institution's and KCTCS' General Fund base appropriation (less debt service and Mandated Programs) to the Postsecondary Education Performance Fund in fiscal year 2021. These funds will be distributed in accordance with the comprehensive performance funding model. KRS 164.092 requires a postsecondary education working group to convene in fiscal year 2021 and every three years thereafter to determine if the comprehensive funding model is functioning as expected, identify unintended consequences of the model, and recommend any adjustments to the model.

Public Protection

Public Protection

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	7,490,670	7,074,100	7,178,100	5,312,900
Budget Reduction-General Fund	-397,600			
Reorganization Adjustment	271,230	644,600	652,700	
Total General Fund	7,364,300	7,718,700	7,830,800	5,312,900
Restricted Funds				
Balance Forward	81,926,826	96,861,317	116,330,700	106,683,600
Current Receipts	104,163,058	107,985,902	100,984,200	103,370,900
Non-Revenue Receipts	30,150,396	36,656,953	37,739,400	35,923,000
Fund Transfers	-30,850,000	-23,000,000	-23,000,000	-38,000,000
Total Restricted Funds	185,390,280	218,504,172	232,054,300	207,977,500
Federal Fund				
Balance Forward	3,487		-37,473	
Current Receipts	878,837	493,918	1,434,700	1,197,200
Total Federal Fund	882,325	493,918	1,397,227	1,197,200
TOTAL SOURCE OF FUNDS	193,636,905	226,716,789	241,282,327	214,487,600
EXPENDITURES BY CLASS				
Personnel Costs	59,070,333	65,582,427	82,393,600	75,670,800
Operating Expenses	11,035,259	10,623,924	12,718,300	12,879,400
Grants Loans Benefits	25,809,107	31,606,873	39,039,600	38,039,600
Capital Outlay	773,200	2,223,243	447,200	
TOTAL EXPENDITURES	96,687,899	110,036,467	134,598,700	126,589,800
EXPENDITURES BY FUND SOURCE				
General Fund	7,276,612	7,331,462	7,830,800	5,312,900
Restricted Funds	88,528,963	102,173,688	125,370,700	120,080,700
Federal Fund	882,325	531,317	1,397,200	1,196,200
TOTAL EXPENDITURES	96,687,899	110,036,467	134,598,700	126,589,800
EXPENDITURES BY UNIT				
Secretary	5,843,174	6,122,629	7,257,800	6,956,100
Professional Licensing	3,549,627	3,326,048	4,722,700	5,123,100
Kentucky Claims Commission	2,148,497	1,793,605	2,515,200	2,073,800
Boxing and Wrestling Commission	141,565	154,600	179,600	183,000
Alcoholic Beverage Control	5,847,597	6,155,032	8,897,500	7,675,200
Charitable Gaming	3,163,552	3,127,914	4,333,900	3,795,200
Financial Institutions	10,513,390	12,074,187	13,966,100	13,114,000
Horse Racing Commission	30,640,962	37,961,362	45,585,400	44,246,900
Housing, Buildings and Construction	20,012,488	23,443,807	26,239,700	24,985,500
Insurance	14,827,048	15,877,284	20,900,800	18,437,000
TOTAL EXPENDITURES	96,687,899	110,036,467	134,598,700	126,589,800

The Public Protection Cabinet's mission is to provide for public safety, consumer protection and financial integrity through the enforcement and administration of laws and regulations throughout the Commonwealth. The Cabinet has six departments:

- Department of Alcoholic Beverage Control
- Department of Charitable Gaming
- Department of Financial Institutions
- Department of Housing, Buildings and Construction
- Department of Insurance
- Department of Professional Licensing.

The Cabinet also has commissions attached for administrative purposes only:

- Kentucky Horse Racing Commission
- Kentucky Boxing & Wrestling Commission
- Kentucky Claims Commission.

The Office of the Secretary also includes the Office of Administrative Services, the Office of Communications and Public Outreach, Office of Administrative Hearings, and the Office of Legal Services.

**Public Protection
Secretary**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	598,070			
Budget Reduction-General Fund	-62,300			
Reorganization Adjustment	271,230	644,600	652,700	
Total General Fund	807,000	644,600	652,700	
Restricted Funds				
Balance Forward	1,784,537	1,330,930	613,500	136,300
Current Receipts	18,375	96,763	24,200	18,700
Non-Revenue Receipts	4,566,132	4,663,800	6,103,700	7,814,000
Total Restricted Funds	6,369,044	6,091,493	6,741,400	7,969,000
TOTAL SOURCE OF FUNDS	7,176,044	6,736,093	7,394,100	7,969,000
EXPENDITURES BY CLASS				
Personnel Costs	5,469,603	5,746,196	6,893,600	6,585,500
Operating Expenses	373,571	376,432	364,200	370,600
TOTAL EXPENDITURES	5,843,174	6,122,629	7,257,800	6,956,100
EXPENDITURES BY FUND SOURCE				
General Fund	805,061	644,600	652,700	
Restricted Funds	5,038,113	5,478,029	6,605,100	6,956,100
TOTAL EXPENDITURES	5,843,174	6,122,629	7,257,800	6,956,100
EXPENDITURES BY UNIT				
Office of the Secretary - Comm - Legal	5,843,174	6,122,629	7,257,800	6,956,100
TOTAL EXPENDITURES	5,843,174	6,122,629	7,257,800	6,956,100

The Office of the Secretary (OOS) provides leadership, management, and direction to the Public Protection Cabinet's (PPC) agencies to ensure the delivery of services is conducted in a consistent, ethical, and coordinated manner. Executive Order 2009-535 established the PPC and OOS.

The Secretary is appointed by the Governor, is responsible for ensuring the enforcement of statutes and administrative regulations for programmatic areas within the cabinet, and establishes the focus for policy development as well as program priorities. The Secretary serves as the Chief Executive Officer of the cabinet and advises the Governor on policy matters relating to public protection issues.

The Office coordinates activities among the agencies organized under the Cabinet to provide the most efficient delivery of services to the citizens of the Commonwealth.

**Public Protection
Kentucky Claims Commission**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,239,200	1,371,000	1,390,000	1,005,400
Other	278,300			
Total General Fund	1,517,500	1,371,000	1,390,000	1,005,400
Restricted Funds				
Balance Forward	641,412	1,063,431	1,253,900	1,127,900
Current Receipts	814,989	871,828	842,000	821,100
Non-Revenue Receipts	-17			
Total Restricted Funds	1,456,384	1,935,258	2,095,900	1,949,000
Federal Fund				
Balance Forward			-22,773	
Current Receipts	321,200	105,719	180,000	157,200
Total Federal Fund	321,200	105,719	157,227	157,200
TOTAL SOURCE OF FUNDS	3,295,084	3,411,978	3,643,127	3,111,600
EXPENDITURES BY CLASS				
Personnel Costs	1,059,279	1,014,078	1,394,600	952,500
Operating Expenses	855,895	617,846	845,600	846,300
Grants Loans Benefits	233,323	161,681	275,000	275,000
TOTAL EXPENDITURES	2,148,497	1,793,605	2,515,200	2,073,800
EXPENDITURES BY FUND SOURCE				
General Fund	1,434,344	983,762	1,390,000	1,005,400
Restricted Funds	392,953	681,351	968,000	911,200
Federal Fund	321,200	128,492	157,200	157,200
TOTAL EXPENDITURES	2,148,497	1,793,605	2,515,200	2,073,800
EXPENDITURES BY UNIT				
Kentucky Claims Commission	776,784	442,033	827,400	680,800
Kentucky Claims Commission Reparations	1,371,713	1,351,572	1,687,800	1,393,000
TOTAL EXPENDITURES	2,148,497	1,793,605	2,515,200	2,073,800

The Kentucky Claims Commission was created by Executive Order 2016-576 and codified in KRS 49. The Claims-Administration Section, 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 disbursed from appropriations from the General Fund (ANOC), and awards against the Transportation Cabinet distributed 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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward		6,121,732	7,650,500	7,381,800
Current Receipts	4,806,759	5,039,320	4,700,000	5,186,200
Non-Revenue Receipts	-244,667	-184,500	-246,000	-300,000
Total Restricted Funds	9,671,359	10,976,552	12,104,500	12,268,000
TOTAL SOURCE OF FUNDS	9,671,359	10,976,552	12,104,500	12,268,000
EXPENDITURES BY CLASS				
Personnel Costs	2,909,935	2,827,474	3,674,100	4,105,500
Operating Expenses	555,188	450,143	943,600	912,600
Grants Loans Benefits	84,504	48,431	105,000	105,000
TOTAL EXPENDITURES	3,549,627	3,326,048	4,722,700	5,123,100
EXPENDITURES BY FUND SOURCE				
Restricted Funds	3,549,627	3,326,048	4,722,700	5,123,100
TOTAL EXPENDITURES	3,549,627	3,326,048	4,722,700	5,123,100
EXPENDITURES BY UNIT				
Occupations, Professions, and Licensing	1,397,853	1,608,310	1,724,400	1,811,500
Kentucky Real Estate Authority	2,151,774	1,717,738	2,998,300	3,311,600
TOTAL EXPENDITURES	3,549,627	3,326,048	4,722,700	5,123,100

KRS 224.10-052 initially established the Office of Occupations and Professions (O & P) with the responsibility of providing general administrative services to state regulatory boards/entities at the option of the board/commission. In April 2017, Executive Order 2017-325 was codified in KRS 324B.020 to restructure the Office, thus creating the Department of Professional Licensing (DPL). Through utilization of DPL services, these boards license and/or track licensure status for approximately 46,000 individuals/businesses throughout the Commonwealth each year.

The boards/entities served by DPL include:

- Kentucky Board of Certification of Alcohol and Drug Counselors
- Kentucky Board of Licensure and Certification for Dietitians and Nutritionists
- Kentucky Board of Certification of Fee-Based Pastoral Counselors
- Kentucky Board of Ophthalmic Dispensers
- Kentucky Board of Licensure for Nursing Home Administrators
- Kentucky Directory of Registered Athlete Agents
- Kentucky Board of Licensure for Massage Therapy
- Kentucky Board of Podiatry
- Kentucky Board of Licensure for Professional Art Therapists
- Kentucky Board of Chiropractic Examiners
- Kentucky Board of Examiners of Psychology
- Kentucky Board of Licensure for Occupational Therapy
- Kentucky Board of Registration for Professional Geologists
- Kentucky Board of Interpreters for the Deaf and Hard of Hearing
- Kentucky Board of Licensed Professional Counselors
- Kentucky Board of Licensure of Marriage and Family Therapists
- Kentucky Licensing Board for Specialists in Hearing Instruments
- Kentucky Board of Speech-Language Pathology & Audiology
- Kentucky Board of Licensure for Private Investigators
- Kentucky Applied Behavior Analysis Licensing Board
- Kentucky Board of Prosthetics, Orthotics, and Pedorthics
- Kentucky Board of Licensed Diabetes Educators
- Kentucky Registry of Secondary Metals Recyclers
- Kentucky Board of Durable Medical Equipment Suppliers

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 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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	258,490	290,945	312,000	305,500
Current Receipts	174,019	175,652	173,100	173,100
Total Restricted Funds	432,509	466,597	485,100	478,600
TOTAL SOURCE OF FUNDS	432,509	466,597	485,100	478,600
EXPENDITURES BY CLASS				
Personnel Costs	121,733	136,543	160,900	158,400
Operating Expenses	19,832	18,057	18,700	24,600
TOTAL EXPENDITURES	141,565	154,600	179,600	183,000
EXPENDITURES BY FUND SOURCE				
Restricted Funds	141,565	154,600	179,600	183,000
TOTAL EXPENDITURES	141,565	154,600	179,600	183,000
EXPENDITURES BY UNIT				
Boxing and Wrestling Commission	141,565	154,600	179,600	183,000
TOTAL EXPENDITURES	141,565	154,600	179,600	183,000

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, managers, 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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	591,700			
Budget Reduction-General Fund	-67,900			
Other	-278,300			
Total General Fund	245,500			
Restricted Funds				
Balance Forward	2,939,516	4,556,201	6,591,900	6,050,700
Current Receipts	7,877,301	8,478,422	8,316,300	8,687,800
Non-Revenue Receipts	-358,519	-529,297	-600,000	-1,025,000
Fund Transfers	-300,000			-2,400,000
Total Restricted Funds	10,158,299	12,505,326	14,308,200	11,313,500
Federal Fund				
Balance Forward			-14,700	
Current Receipts		226,963	654,700	440,000
Total Federal Fund		226,963	640,000	440,000
TOTAL SOURCE OF FUNDS	10,403,799	12,732,289	14,948,200	11,753,500
EXPENDITURES BY CLASS				
Personnel Costs	4,588,745	5,051,991	7,979,500	6,757,200
Operating Expenses	1,005,323	866,419	818,000	918,000
Capital Outlay	253,530	236,623	100,000	
TOTAL EXPENDITURES	5,847,597	6,155,032	8,897,500	7,675,200
EXPENDITURES BY FUND SOURCE				
General Fund	245,500			
Restricted Funds	5,602,097	5,913,443	8,257,500	7,236,200
Federal Fund		241,589	640,000	439,000
TOTAL EXPENDITURES	5,847,597	6,155,032	8,897,500	7,675,200
EXPENDITURES BY UNIT				
Administration, Enforcement and License	5,531,533	5,890,142	8,179,700	6,958,400
Tobacco Enforcement	316,065	264,890	717,800	716,800
TOTAL EXPENDITURES	5,847,597	6,155,032	8,897,500	7,675,200

The Department of Alcoholic Beverage Control (ABC) administers and enforces the laws and regulations relating to the manufacturing, sales, transportation, storage, advertising and trafficking of alcoholic beverages, except for the collection of taxes, as set out in the Kentucky Revised Statutes (KRS) Chapters 241 to 244 and title 804 of the Kentucky Administrative Regulations (KAR). The Commissioner is the Department's chief executive officer and serves as Chairman of the separate three-member, quasi-judicial administrative body, Alcoholic Beverage Control Board (Board). The Distilled Spirits and the Malt Beverage Administrators review applications, sign licenses for issuance, and serve as the two other members of the Board. The Department's primary responsibility is to regulate the alcoholic beverage industry by licensing the production and sale of alcoholic beverages in the state of Kentucky, while enforcing the alcoholic beverage control laws.

The Department also implements laws, pursuant to KRS 438.300 – 438.350, relating to the use, display, sell or distribution of tobacco products with an emphasis on persons under the age of eighteen.

**Public Protection
Charitable Gaming**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	2,955,827	4,284,926	5,967,700	5,966,200
Current Receipts	4,468,834	4,787,742	4,306,200	4,306,200
Non-Revenue Receipts	23,817	22,920	26,200	68,300
Total Restricted Funds	7,448,478	9,095,588	10,300,100	10,340,700
TOTAL SOURCE OF FUNDS	7,448,478	9,095,588	10,300,100	10,340,700
EXPENDITURES BY CLASS				
Personnel Costs	2,692,275	2,822,578	3,713,100	3,321,400
Operating Expenses	356,546	305,336	440,800	473,800
Grants Loans Benefits	2,500			
Capital Outlay	112,230		180,000	
TOTAL EXPENDITURES	3,163,552	3,127,914	4,333,900	3,795,200
EXPENDITURES BY FUND SOURCE				
Restricted Funds	3,163,552	3,127,914	4,333,900	3,795,200
TOTAL EXPENDITURES	3,163,552	3,127,914	4,333,900	3,795,200
EXPENDITURES BY UNIT				
Charitable Gaming	3,163,552	3,127,914	4,333,900	3,795,200
TOTAL EXPENDITURES	3,163,552	3,127,914	4,333,900	3,795,200

The Department of Charitable Gaming (DCG) is responsible for the regulation and licensing of charitable gaming and associated activities within the Commonwealth as well as the enforcement of KRS 238 and Title 820 KAR, Chapter 1. The DCG continues to emphasize the importance of charitable gaming to the citizens and communities across the Commonwealth of Kentucky and ensures the integrity and accountability of an all cash industry through its regulatory activities. The mission of the Department is to establish an effective and efficient mechanism for the regulation of charitable gaming in order to ensure that proceeds from lawful gaming activities are used to further a charitable purpose and to provide services in order to maximize the revenues generated by charitable gaming.

**Public Protection
Financial Institutions**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	6,835,600	7,098,146	8,065,800	6,103,700
Current Receipts	17,535,434	17,369,772	16,774,500	16,536,600
Non-Revenue Receipts	-1,259,499	-1,327,900	-1,770,500	-2,500,000
Fund Transfers	-5,500,000	-3,000,000	-3,000,000	-4,000,000
Total Restricted Funds	17,611,536	20,140,018	20,069,800	16,140,300
TOTAL SOURCE OF FUNDS	17,611,536	20,140,018	20,069,800	16,140,300
EXPENDITURES BY CLASS				
Personnel Costs	8,890,890	10,445,734	12,031,000	11,178,900
Operating Expenses	1,619,133	1,628,453	1,935,100	1,935,100
Grants Loans Benefits	3,367			
TOTAL EXPENDITURES	10,513,390	12,074,187	13,966,100	13,114,000
EXPENDITURES BY FUND SOURCE				
Restricted Funds	10,513,390	12,074,187	13,966,100	13,114,000
TOTAL EXPENDITURES	10,513,390	12,074,187	13,966,100	13,114,000
EXPENDITURES BY UNIT				
Administrative Services	1,452,001	1,715,562	1,947,000	1,723,900
Securities	1,681,328	1,857,958	2,262,800	2,108,400
Depository Institutions	4,478,779	5,130,907	6,103,400	5,822,800
Non-Depository Institutions	2,901,281	3,369,760	3,652,900	3,458,900
TOTAL EXPENDITURES	10,513,390	12,074,187	13,966,100	13,114,000

The Department of Financial Institutions, pursuant to KRS Chapters 286 and 292, 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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	2,647,200	3,092,300	3,147,700	1,677,700
Budget Reduction-General Fund	-267,400			
Total General Fund	2,379,800	3,092,300	3,147,700	1,677,700
Restricted Funds				
Balance Forward	33,248,244	39,362,727	44,494,200	43,920,200
Current Receipts	5,045,155	5,873,578	5,664,400	5,679,400
Non-Revenue Receipts	29,330,490	34,126,978	36,199,300	36,115,000
Total Restricted Funds	67,623,889	79,363,283	86,357,900	85,714,600
TOTAL SOURCE OF FUNDS	70,003,689	82,455,583	89,505,600	87,392,300
EXPENDITURES BY CLASS				
Personnel Costs	4,221,258	5,004,502	5,600,500	5,258,600
Operating Expenses	914,835	1,495,871	1,238,100	1,328,700
Grants Loans Benefits	25,485,413	31,396,945	38,659,600	37,659,600
Capital Outlay	19,455	64,045	87,200	
TOTAL EXPENDITURES	30,640,962	37,961,362	45,585,400	44,246,900
EXPENDITURES BY FUND SOURCE				
General Fund	2,379,800	3,092,300	3,147,700	1,677,700
Restricted Funds	28,261,162	34,869,062	42,437,700	42,569,200
TOTAL EXPENDITURES	30,640,962	37,961,362	45,585,400	44,246,900
EXPENDITURES BY UNIT				
Administration and Regulation of Racing	4,341,594	5,373,035	5,457,700	5,235,400
Equine Drug Research Fund	394,911	463,116	500,000	500,000
Thoroughbred Development Fund	9,501,900	11,891,668	17,727,500	16,727,500
Standardbred Development Fund	924,999	1,677,913	2,525,000	2,525,000
Standardbred Horsemen Fees	394,800	455,250	695,000	695,000
Ky Quarter Horse, Appaloosa & Arabian Development Fund			15,000	15,000
County Fair Purse Fund	57,045	36,969	50,000	50,000
Backside Improvement Commission	300,400	1,155,763	600,400	600,400
Ky Thoroughbred Breeder Incentive Fund	12,285,520	14,099,617	14,849,800	14,733,600
Ky Standardbred Breeder Incentive Fund	1,289,999	1,692,704	2,115,000	2,115,000
Ky Horse Breeders Incentive Fund	1,149,793	1,115,328	1,050,000	1,050,000
TOTAL EXPENDITURES	30,640,962	37,961,362	45,585,400	44,246,900

The Kentucky Horse Racing Commission is an independent regulatory agency attached to the Public Protection Cabinet for administrative purposes. The Commission regulates all horses racing and pari-mutuel wagering thereon in the Commonwealth consistent with KRS Chapter 230 and Titles 810 and 811 of the Kentucky Administrative Code. The Commission is responsible for developing programs and procedures for race day medications, recommending tax incentives, and promoting the horse industry.

The Executive Director's Office is responsible for overseeing the day-to-day operations and carrying out policy and program directives 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 and supports drug research and testing, equine medical research, equine health research or any regulatory or administrative activity of the Commission related to such research.

The Thoroughbred Development Fund, KRS 230.400, 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 receives three fourth of one percent of the total pari mutuel handle and the funds disbursed 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 allocates funds 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 responsible for 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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	2,414,500	2,610,800	2,640,400	2,629,800
Total General Fund	2,414,500	2,610,800	2,640,400	2,629,800
Restricted Funds				
Balance Forward	13,462,253	15,268,526	14,047,600	9,937,400
Current Receipts	19,512,754	19,761,849	19,647,500	19,940,900
Non-Revenue Receipts	-105,900	-149,900	-158,400	-159,300
Fund Transfers				-600,000
Total Restricted Funds	32,869,107	34,880,475	33,536,700	29,119,000
TOTAL SOURCE OF FUNDS	35,283,607	37,491,275	36,177,100	31,748,800
EXPENDITURES BY CLASS				
Personnel Costs	16,094,393	18,595,228	22,096,700	20,837,500
Operating Expenses	3,530,110	3,115,254	4,143,000	4,148,000
Capital Outlay	387,985	1,733,325		
TOTAL EXPENDITURES	20,012,488	23,443,807	26,239,700	24,985,500
EXPENDITURES BY FUND SOURCE				
General Fund	2,411,907	2,610,800	2,640,400	2,629,800
Restricted Funds	17,600,581	20,833,007	23,599,300	22,355,700
TOTAL EXPENDITURES	20,012,488	23,443,807	26,239,700	24,985,500
EXPENDITURES BY UNIT				
General Administration and Management	1,350,141	3,458,364	3,474,600	2,923,900
Fire Prevention	1,132,097	1,411,662	1,280,900	894,000
Boiler Inspections	758,641	1,048,836	1,150,200	1,091,600
Hazardous Materials Inspections	796,269	669,999	762,600	786,300
Manufactured Housing Inspections	555,902	642,664	819,700	839,900
General Inspections	1,738,607	1,689,300	1,752,400	1,752,100
Sprinkler/Alarm Inspections	94,774	21,011	23,500	23,500
Elevator Inspections	984,076	1,248,916	1,515,000	1,505,300
Plumbing	5,443,354	6,488,555	7,223,300	7,274,000
Safe Cigarette Program	6,000	6,000	6,000	6,000
HVAC	2,386,841	2,550,514	3,172,100	3,240,100
Building Codes Enforcement	3,162,076	3,023,826	3,727,200	3,431,000
Electrical	1,603,711	1,184,160	1,332,200	1,217,800
TOTAL EXPENDITURES	20,012,488	23,443,807	26,239,700	24,985,500

The mission of the Department of Housing, Buildings and Construction is to protect the life and property of the citizens of the Commonwealth through educational, licensing, plan review, permitting, inspection, and compliance programs in the administration of codes and standards relating to the construction and maintenance of buildings and structures consistent with KRS 198B, 318, 227A, and KAR title 815. The Department accomplishes this by providing oversight of building construction through enforcement of building and fire codes to include: Plumbing, Boiler, HVAC, Electrical, Elevator, Manufactured Housing, and Hazardous Materials installations. The Department also ensures fire and life safety in existing buildings; licenses/certifies plumbers, boiler contractors, HVAC installers, electricians, elevator mechanics and contractors, manufactured housing installers, underground storage tank installers, sprinkler/fire alarm inspectors, and building inspectors; and serves as headquarters for the State Fire Marshal.

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 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 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 Division of Building Codes Enforcement (BCE) provides overall coordination and enforcement of the Kentucky Building Code (815 KAR 7:120) and the Kentucky Residential Code (815 KAR 7:125). Among the duties of this division are inspection, plan review, licensing, investigation, and technical consulting services to the construction industry supported 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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	14,691,679	17,483,753	27,333,600	25,753,900
Current Receipts	43,909,438	45,530,977	40,536,000	42,020,900
Non-Revenue Receipts	-1,801,441	34,852	-1,814,900	-4,090,000
Fund Transfers	-25,050,000	-20,000,000	-20,000,000	-31,000,000
Total Restricted Funds	31,749,676	43,049,582	46,054,700	32,684,800
Federal Fund				
Balance Forward	3,487			
Current Receipts	557,637	161,236	600,000	600,000
Total Federal Fund	561,125	161,236	600,000	600,000
TOTAL SOURCE OF FUNDS	32,310,801	43,210,818	46,654,700	33,284,800
EXPENDITURES BY CLASS				
Personnel Costs	13,022,222	13,938,103	18,849,600	16,515,300
Operating Expenses	1,804,826	1,750,115	1,971,200	1,921,700
Grants Loans Benefits		-184		
Capital Outlay		189,250	80,000	
TOTAL EXPENDITURES	14,827,048	15,877,284	20,900,800	18,437,000
EXPENDITURES BY FUND SOURCE				
Restricted Funds	14,265,923	15,716,049	20,300,800	17,837,000
Federal Fund	561,125	161,236	600,000	600,000
TOTAL EXPENDITURES	14,827,048	15,877,284	20,900,800	18,437,000
EXPENDITURES BY UNIT				
Executive Director and Administration	1,441,013	1,443,649	1,744,500	1,591,200
Administrative Services	1,654,777	1,943,920	2,466,800	2,051,200
Financial Standards and Examination	2,394,475	2,381,022	3,842,300	3,594,900
Agent Licensing	1,470,241	1,676,629	2,070,800	1,747,000
Consumer Protection	2,505,910	2,860,365	3,580,100	3,143,200
Insurance Fraud Investigation	1,475,971	1,803,488	1,887,500	1,808,100
Mine Subsidence Program	37,386	47,450	208,700	200,000
Insurance Product Regulation	3,847,274	3,720,761	5,100,100	4,301,400
TOTAL EXPENDITURES	14,827,048	15,877,284	20,900,800	18,437,000

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

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

The Division of Insurance Product Regulation was created by combining the previous Health and Life Division and Property and Casualty Divisions. The Health and Life Branch regulates insurance companies selling health, life and disability products. The Health and Life Branch approves policies, certificates, provider networks, quality improvement programs, and rate filings. The branch reviews promotional literature and activities for the protection of the public while assisting with inquiries about Medicare and long-term care insurance. 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 Property and Casualty Branch ensures that companies comply with the standards set forth in the Kentucky Insurance Code and regulation of surplus lines insurance. The branch is responsible for reporting medical malpractice claims, recording of no-fault rejections (tort liability), and verifying such rejection.

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 law enforcement unit empowered to conduct criminal investigations of suspected fraudulent insurance acts.

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, administrators, adjusters, and consultants.

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 analyzes and examines 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.