

Labor

	Labor				
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,008,200	2,728,000	2,728,000	2,235,400	2,264,900
Reorganization Adjustment	-3,280,200				
Total General Fund	2,728,000	2,728,000	2,728,000	2,235,400	2,264,900
Restricted Funds					
Balance Forward	24,269,500				
Current Receipts	89,481,300	102,262,500	103,069,500	102,035,300	102,881,900
Non-Revenue Receipts	85,748,600	94,311,600	95,110,500	94,074,200	94,912,000
Total Restricted Funds	199,499,400	196,574,100	198,180,000	196,109,500	197,793,900
Federal Fund					
Current Receipts	3,487,000	3,487,000	3,487,000	4,348,800	4,348,800
Total Federal Fund	3,487,000	3,487,000	3,487,000	4,348,800	4,348,800
TOTAL SOURCE OF FUNDS	205,714,400	202,789,100	204,395,000	202,693,700	204,407,600
EXPENDITURES BY CLASS					
Personnel Costs	134,995,300	142,931,700	144,573,300	143,242,100	144,963,700
Operating Expenses	16,109,300	5,399,400	5,363,700	4,993,600	4,985,900
Grants Loans Benefits	54,358,000	54,358,000	54,358,000	54,358,000	54,358,000
Capital Outlay	251,800	100,000	100,000	100,000	100,000
TOTAL EXPENDITURES	205,714,400	202,789,100	204,395,000	202,693,700	204,407,600
EXPENDITURES BY FUND SOURCE					
General Fund	2,728,000	2,728,000	2,728,000	2,235,400	2,264,900
Restricted Funds	199,499,400	196,574,100	198,180,000	196,109,500	197,793,900
Federal Fund	3,487,000	3,487,000	3,487,000	4,348,800	4,348,800
TOTAL EXPENDITURES	205,714,400	202,789,100	204,395,000	202,693,700	204,407,600
EXPENDITURES BY UNIT					
Secretary	11,206,500	12,441,700	12,669,200	12,203,800	12,471,200
Workplace Standards	14,349,700	14,376,700	14,573,200	14,528,800	14,759,400
Workers' Claims	72,456,800	71,109,900	71,445,600	71,287,000	71,615,300
Occupational Safety and Health Review Commission	697,500	710,300	717,800	718,100	726,400
Workers' Compensation Funding Commission	107,002,800	104,149,400	104,988,100	103,954,900	104,834,200
Workers' Compensation Nominating Committee	1,100	1,100	1,100	1,100	1,100
TOTAL EXPENDITURES	205,714,400	202,789,100	204,395,000	202,693,700	204,407,600

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			
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,573,600	598,800	598,800		
Reorganization Adjustment	-2,702,000				
Other	-272,800				
Total General Fund	598,800	598,800	598,800		
Restricted Funds					
Balance Forward	1,179,300				
Current Receipts	100,000	100,000	100,000	100,000	100,000
Non-Revenue Receipts	9,188,600	11,603,100	11,830,600	11,964,000	12,231,400
Total Restricted Funds	10,467,900	11,703,100	11,930,600	12,064,000	12,331,400
Federal Fund					
Current Receipts	139,800	139,800	139,800	139,800	139,800
Total Federal Fund	139,800	139,800	139,800	139,800	139,800
TOTAL SOURCE OF FUNDS	11,206,500	12,441,700	12,669,200	12,203,800	12,471,200
EXPENDITURES BY CLASS					
Personnel Costs	9,878,900	10,968,300	11,195,800	11,096,900	11,364,300
Operating Expenses	1,175,800	1,473,400	1,473,400	1,106,900	1,106,900
Capital Outlay	151,800				
TOTAL EXPENDITURES	11,206,500	12,441,700	12,669,200	12,203,800	12,471,200
EXPENDITURES BY FUND SOURCE					
General Fund	598,800	598,800	598,800		
Restricted Funds	10,467,900	11,703,100	11,930,600	12,064,000	12,331,400
Federal Fund	139,800	139,800	139,800	139,800	139,800
TOTAL EXPENDITURES	11,206,500	12,441,700	12,669,200	12,203,800	12,471,200
EXPENDITURES BY UNIT					
Office of Administrative Services	7,695,200	8,529,800	8,681,300	8,229,400	8,369,400
Secretary	3,511,300	3,911,900	3,987,900	3,974,400	4,101,800
TOTAL EXPENDITURES	11,206,500	12,441,700	12,669,200	12,203,800	12,471,200

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.

Labor
Workplace Standards

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,434,600	2,129,200	2,129,200	2,235,400	2,264,900
Reorganization Adjustment	-578,200				
Other	272,800				
Total General Fund	2,129,200	2,129,200	2,129,200	2,235,400	2,264,900
Restricted Funds					
Balance Forward	488,400				
Non-Revenue Receipts	8,384,900	8,900,300	9,096,800	8,084,400	8,285,500
Total Restricted Funds	8,873,300	8,900,300	9,096,800	8,084,400	8,285,500
Federal Fund					
Current Receipts	3,347,200	3,347,200	3,347,200	4,209,000	4,209,000
Total Federal Fund	3,347,200	3,347,200	3,347,200	4,209,000	4,209,000
TOTAL SOURCE OF FUNDS	14,349,700	14,376,700	14,573,200	14,528,800	14,759,400
EXPENDITURES BY CLASS					
Personnel Costs	12,592,300	12,552,300	12,784,500	12,721,100	12,959,400
Operating Expenses	1,507,400	1,574,400	1,538,700	1,557,700	1,550,000
Grants Loans Benefits	250,000	250,000	250,000	250,000	250,000
TOTAL EXPENDITURES	14,349,700	14,376,700	14,573,200	14,528,800	14,759,400
EXPENDITURES BY FUND SOURCE					
General Fund	2,129,200	2,129,200	2,129,200	2,235,400	2,264,900
Restricted Funds	8,873,300	8,900,300	9,096,800	8,084,400	8,285,500
Federal Fund	3,347,200	3,347,200	3,347,200	4,209,000	4,209,000
TOTAL EXPENDITURES	14,349,700	14,376,700	14,573,200	14,528,800	14,759,400
EXPENDITURES BY UNIT					
Wages & Hours	2,129,200	2,129,200	2,129,200	2,235,400	2,264,900
Occupational Safety and Health	11,275,200	11,348,500	11,557,100	11,406,000	11,596,600
Commissioner's Office	945,300	899,000	886,900	887,400	897,900
TOTAL EXPENDITURES	14,349,700	14,376,700	14,573,200	14,528,800	14,759,400

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 Executive Budget includes additional General Fund in the amount of \$79,200 in fiscal year 2021 and \$91,500 in fiscal year 2022 to fund retirement cost increases.

The Executive Budget includes additional General Fund in the amount of \$6,200 in fiscal year 2021 and \$22,100 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**Labor
Workers' Claims**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	6,574,000				
Current Receipts	455,600	455,600	455,600	455,600	455,600
Non-Revenue Receipts	65,427,200	70,654,300	70,990,000	70,831,400	71,159,700
Total Restricted Funds	72,456,800	71,109,900	71,445,600	71,287,000	71,615,300
TOTAL SOURCE OF FUNDS	72,456,800	71,109,900	71,445,600	71,287,000	71,615,300
EXPENDITURES BY CLASS					
Personnel Costs	15,156,500	14,858,800	15,194,500	15,058,500	15,386,800
Operating Expenses	3,092,300	2,043,100	2,043,100	2,020,500	2,020,500
Grants Loans Benefits	54,108,000	54,108,000	54,108,000	54,108,000	54,108,000
Capital Outlay	100,000	100,000	100,000	100,000	100,000
TOTAL EXPENDITURES	72,456,800	71,109,900	71,445,600	71,287,000	71,615,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	72,456,800	71,109,900	71,445,600	71,287,000	71,615,300
TOTAL EXPENDITURES	72,456,800	71,109,900	71,445,600	71,287,000	71,615,300
EXPENDITURES BY UNIT					
Workers' Claims	72,456,800	71,109,900	71,445,600	71,287,000	71,615,300
TOTAL EXPENDITURES	72,456,800	71,109,900	71,445,600	71,287,000	71,615,300

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	16,400				
Non-Revenue Receipts	681,100	710,300	717,800	718,100	726,400
Total Restricted Funds	697,500	710,300	717,800	718,100	726,400
TOTAL SOURCE OF FUNDS	697,500	710,300	717,800	718,100	726,400
EXPENDITURES BY CLASS					
Personnel Costs	648,800	663,400	670,900	671,200	679,500
Operating Expenses	48,700	46,900	46,900	46,900	46,900
TOTAL EXPENDITURES	697,500	710,300	717,800	718,100	726,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	697,500	710,300	717,800	718,100	726,400
TOTAL EXPENDITURES	697,500	710,300	717,800	718,100	726,400
EXPENDITURES BY UNIT					
Occupational Safety and Health Review Commission	697,500	710,300	717,800	718,100	726,400
TOTAL EXPENDITURES	697,500	710,300	717,800	718,100	726,400

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

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

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

	Labor				
	Workers' Compensation Funding Commission				
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	16,011,400				
Current Receipts	88,925,700	101,706,900	102,513,900	101,479,700	102,326,300
Non-Revenue Receipts	2,065,700	2,442,500	2,474,200	2,475,200	2,507,900
Total Restricted Funds	107,002,800	104,149,400	104,988,100	103,954,900	104,834,200
TOTAL SOURCE OF FUNDS	107,002,800	104,149,400	104,988,100	103,954,900	104,834,200
EXPENDITURES BY CLASS					
Personnel Costs	96,718,400	103,888,500	104,727,200	103,694,000	104,573,300
Operating Expenses	10,284,400	260,900	260,900	260,900	260,900
TOTAL EXPENDITURES	107,002,800	104,149,400	104,988,100	103,954,900	104,834,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	107,002,800	104,149,400	104,988,100	103,954,900	104,834,200
TOTAL EXPENDITURES	107,002,800	104,149,400	104,988,100	103,954,900	104,834,200
EXPENDITURES BY UNIT					
Workers' Compensation Funding Commission	2,277,500	2,475,200	2,506,900	2,507,900	2,540,600
Benefit Reserve	94,725,300	101,674,200	102,481,200	101,447,000	102,293,600
KCWP Fund	10,000,000				
TOTAL EXPENDITURES	107,002,800	104,149,400	104,988,100	103,954,900	104,834,200

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.

Labor					
Workers' Compensation Nominating Committee					
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Non-Revenue Receipts	1,100	1,100	1,100	1,100	1,100
Total Restricted Funds	1,100	1,100	1,100	1,100	1,100
TOTAL SOURCE OF FUNDS	1,100	1,100	1,100	1,100	1,100
EXPENDITURES BY CLASS					
Personnel Costs	400	400	400	400	400
Operating Expenses	700	700	700	700	700
TOTAL EXPENDITURES	1,100	1,100	1,100	1,100	1,100
EXPENDITURES BY FUND SOURCE					
Restricted Funds	1,100	1,100	1,100	1,100	1,100
TOTAL EXPENDITURES	1,100	1,100	1,100	1,100	1,100
EXPENDITURES BY UNIT					
Workers' Compensation Nominating Committee	1,100	1,100	1,100	1,100	1,100
TOTAL EXPENDITURES	1,100	1,100	1,100	1,100	1,100

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

Personnel

	Personnel		Personnel		
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	23,534,400	20,447,000	14,606,000	20,447,000	14,613,600
Current Receipts	52,123,200	50,835,500	48,098,600	50,835,500	48,098,500
Non-Revenue Receipts	9,374,900	10,193,000	10,255,700	10,193,000	10,255,700
Fund Transfers	-2,693,800	-2,690,700		-2,690,700	
Total Restricted Funds	82,338,700	78,784,800	72,960,300	78,784,800	72,967,800
TOTAL SOURCE OF FUNDS	82,338,700	78,784,800	72,960,300	78,784,800	72,967,800
EXPENDITURES BY CLASS					
Personnel Costs	55,426,700	56,986,000	57,310,500	57,304,000	57,715,500
Operating Expenses	6,465,000	7,192,800	7,255,500	6,867,200	6,895,000
TOTAL EXPENDITURES	61,891,700	64,178,800	64,566,000	64,171,200	64,610,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	61,891,700	64,178,800	64,566,000	64,171,200	64,610,500
TOTAL EXPENDITURES	61,891,700	64,178,800	64,566,000	64,171,200	64,610,500
EXPENDITURES BY UNIT					
General Operations	29,811,500	31,622,200	31,937,900	31,618,200	31,973,800
Public Employees Deferred Compensation Authority	7,961,000	8,294,100	8,322,000	8,290,600	8,330,500
Workers' Compensation Benefits and Reserve	24,119,200	24,262,500	24,306,100	24,262,400	24,306,200
TOTAL EXPENDITURES	61,891,700	64,178,800	64,566,000	64,171,200	64,610,500

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	3,280,500	2,848,700	1,795,900	2,848,700	1,799,900
Current Receipts	22,533,600	22,897,100	20,198,600	22,897,100	20,198,500
Non-Revenue Receipts	9,539,900	10,363,000	10,430,700	10,363,000	10,430,700
Fund Transfers	-2,693,800	-2,690,700		-2,690,700	
Total Restricted Funds	32,660,200	33,418,100	32,425,200	33,418,100	32,429,100
TOTAL SOURCE OF FUNDS	32,660,200	33,418,100	32,425,200	33,418,100	32,429,100
EXPENDITURES BY CLASS					
Personnel Costs	23,800,600	25,023,600	25,274,600	25,306,900	25,629,700
Operating Expenses	6,010,900	6,598,600	6,663,300	6,311,300	6,344,100
TOTAL EXPENDITURES	29,811,500	31,622,200	31,937,900	31,618,200	31,973,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	29,811,500	31,622,200	31,937,900	31,618,200	31,973,800
TOTAL EXPENDITURES	29,811,500	31,622,200	31,937,900	31,618,200	31,973,800
EXPENDITURES BY UNIT					
General Administration	13,063,000	13,746,100	13,903,000	13,728,200	13,906,000
Governmental Service Center	1,263,000	1,420,900	1,445,000	1,438,500	1,427,400
Employee Relations	767,900	802,000	811,200	801,300	811,500
Employee Insurance	9,785,500	10,306,700	10,375,200	10,307,600	10,409,600
Personnel Administration	4,932,100	5,346,500	5,403,500	5,342,600	5,419,300
TOTAL EXPENDITURES	29,811,500	31,622,200	31,937,900	31,618,200	31,973,800

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	9,639,100	9,495,600	8,716,500	9,495,600	8,720,000
Current Receipts	7,900,000	7,600,000	7,600,000	7,600,000	7,600,000
Non-Revenue Receipts	-82,500	-85,000	-87,500	-85,000	-87,500
Total Restricted Funds	17,456,600	17,010,600	16,229,000	17,010,600	16,232,500
TOTAL SOURCE OF FUNDS	17,456,600	17,010,600	16,229,000	17,010,600	16,232,500
EXPENDITURES BY CLASS					
Personnel Costs	7,596,200	7,802,100	7,831,400	7,825,900	7,865,800
Operating Expenses	364,800	492,000	490,600	464,700	464,700
TOTAL EXPENDITURES	7,961,000	8,294,100	8,322,000	8,290,600	8,330,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	7,961,000	8,294,100	8,322,000	8,290,600	8,330,500
TOTAL EXPENDITURES	7,961,000	8,294,100	8,322,000	8,290,600	8,330,500
EXPENDITURES BY UNIT					
Public Employees Deferred Compensation Authority	7,961,000	8,294,100	8,322,000	8,290,600	8,330,500
TOTAL EXPENDITURES	7,961,000	8,294,100	8,322,000	8,290,600	8,330,500

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	10,614,800	8,102,700	4,093,600	8,102,700	4,093,700
Current Receipts	21,689,600	20,338,400	20,300,000	20,338,400	20,300,000
Non-Revenue Receipts	-82,500	-85,000	-87,500	-85,000	-87,500
Total Restricted Funds	32,221,900	28,356,100	24,306,100	28,356,100	24,306,200
TOTAL SOURCE OF FUNDS	32,221,900	28,356,100	24,306,100	28,356,100	24,306,200
EXPENDITURES BY CLASS					
Personnel Costs	24,029,900	24,160,300	24,204,500	24,171,200	24,220,000
Operating Expenses	89,300	102,200	101,600	91,200	86,200
TOTAL EXPENDITURES	24,119,200	24,262,500	24,306,100	24,262,400	24,306,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	24,119,200	24,262,500	24,306,100	24,262,400	24,306,200
TOTAL EXPENDITURES	24,119,200	24,262,500	24,306,100	24,262,400	24,306,200
EXPENDITURES BY UNIT					
Workers' Compensation Benefits and Reserve	24,119,200	24,262,500	24,306,100	24,262,400	24,306,200
TOTAL EXPENDITURES	24,119,200	24,262,500	24,306,100	24,262,400	24,306,200

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,135,159,000	1,287,833,700	1,321,357,500	1,181,199,300	1,199,361,300
Postsecondary Ed Performance		-81,123,500	-89,986,900		
Current Year Appropriation	497,400				
Continuing Approp-General Fund	42,426,400				
Reorganization Adjustment	-18,407,400				
Other	15,000,000				
Total General Fund	1,174,675,400	1,206,710,200	1,231,370,600	1,181,199,300	1,199,361,300
Tobacco Fund					
Tobacco Settlement - Phase I	6,686,500	6,686,500	6,686,500	5,918,100	5,981,200
Continuing Approp-Tob Settlement	642,300				
Budget Reduction-Tobacco	-553,700				
Total Tobacco Fund	6,775,100	6,686,500	6,686,500	5,918,100	5,981,200
Restricted Funds					
Balance Forward	7,328,700	4,150,000	3,002,900	4,150,000	1,413,000
Current Receipts	6,111,787,400	6,454,910,400	6,807,896,000	6,452,265,000	6,805,807,500
Non-Revenue Receipts	17,328,200	2,011,600	1,669,600	15,433,000	15,433,000
Total Restricted Funds	6,136,444,300	6,461,072,000	6,812,568,500	6,471,848,000	6,822,653,500
Federal Fund					
Balance Forward	22,900	23,800	23,800	23,800	23,800
Current Receipts	837,738,200	878,430,900	902,654,303	878,928,300	903,151,800
Total Federal Fund	837,761,100	878,454,700	902,678,103	878,952,100	903,175,600
TOTAL SOURCE OF FUNDS	8,155,655,900	8,552,923,400	8,953,303,703	8,537,917,500	8,931,171,600
EXPENDITURES BY CLASS					
Personnel Costs	3,887,260,400	4,069,556,635	4,176,403,150	4,087,087,200	4,269,547,500
Operating Expenses	2,517,908,900	2,645,356,765	2,765,750,253	2,669,110,300	2,830,327,200
Grants Loans Benefits	1,375,032,500	1,408,335,000	1,417,426,700	1,388,048,500	1,416,388,200
Debt Service	171,929,400	210,622,400	225,282,100	176,883,900	183,341,100
Capital Outlay	199,350,900	215,340,300	230,572,300	215,350,800	230,565,100
TOTAL EXPENDITURES	8,151,482,100	8,549,211,100	8,815,434,503	8,536,480,700	8,930,169,100
EXPENDITURES BY FUND SOURCE					
General Fund	1,174,675,400	1,206,710,100	1,231,370,600	1,181,199,300	1,199,361,300
Tobacco Fund	6,775,100	6,686,500	6,686,500	5,918,100	5,981,200
Restricted Funds	6,132,294,300	6,457,383,600	6,807,039,500	6,470,435,000	6,821,674,800
Federal Fund	837,737,300	878,430,900	902,460,303	878,928,300	903,151,800
TOTAL EXPENDITURES	8,151,482,100	8,549,211,100	8,947,556,903	8,536,480,700	8,930,169,100
EXPENDITURES BY UNIT					
Council on Postsecondary Education	32,402,400	50,357,900	67,022,600	34,756,400	45,156,700
Kentucky Higher Education Assistance Authority	332,066,200	328,049,900	335,873,800	306,745,300	312,745,300
Postsecondary Education Institutions	7,787,013,500	8,170,803,300	8,544,660,503	8,194,979,000	8,572,267,100
TOTAL EXPENDITURES	8,151,482,100	8,549,211,100	8,947,556,903	8,536,480,700	8,930,169,100

Postsecondary Education
Council on Postsecondary Education

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	35,703,700	34,738,800	51,399,200	18,400,800	30,233,200
Reorganization Adjustment	-18,407,400				
Total General Fund	17,296,300	34,738,800	51,399,200	18,400,800	30,233,200
Tobacco Fund					
Tobacco Settlement - Phase I	6,686,500	6,686,500	6,686,500	5,918,100	5,981,200
Budget Reduction-Tobacco	-553,700				
Total Tobacco Fund	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200
Restricted Funds					
Balance Forward	2,252,200	1,948,900	1,736,300	1,948,900	246,400
Current Receipts	620,000	4,710,000	4,710,000	635,000	635,000
Non-Revenue Receipts	4,050,000	10,000	10,000	4,100,000	4,100,000
Total Restricted Funds	6,922,200	6,668,900	6,456,300	6,683,900	4,981,400
Federal Fund					
Balance Forward	-900				
Current Receipts	4,000,900	4,000,000	4,000,000	4,000,000	4,000,000
Total Federal Fund	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
TOTAL SOURCE OF FUNDS	34,351,300	52,094,200	68,542,000	35,002,800	45,195,800
EXPENDITURES BY CLASS					
Personnel Costs	7,852,800	8,008,900	8,101,200	8,092,200	8,200,300
Operating Expenses	2,073,800	2,056,400	2,056,400	1,991,400	1,987,200
Grants Loans Benefits	22,475,800	23,371,600	23,466,000	20,553,300	22,610,700
Debt Service		16,921,000	33,399,000	4,119,500	12,358,500
TOTAL EXPENDITURES	32,402,400	50,357,900	67,022,600	34,756,400	45,156,700
EXPENDITURES BY FUND SOURCE					
General Fund	17,296,300	34,738,800	51,399,200	18,400,800	30,233,200
Tobacco Fund	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200
Restricted Funds	4,973,300	4,932,600	4,936,900	6,437,500	4,942,300
Federal Fund	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
TOTAL EXPENDITURES	32,402,400	50,357,900	67,022,600	34,756,400	45,156,700
EXPENDITURES BY UNIT					
Agency Operations	6,380,700	6,478,600	6,544,300	6,491,500	6,567,400
Licensure	313,300	322,600	326,900	327,500	332,300
Pass Through Programs	10,092,000	10,465,200	10,581,200	10,415,200	10,431,200
Federal Programs	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Strategic Investment and Incentive Funding Program	4,983,600	21,905,000	38,383,700	7,104,100	17,344,600
Ovarian Cancer Screening	500,000	500,000	500,000	500,000	500,000
Cancer Research and Screening	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200
TOTAL EXPENDITURES	32,402,400	50,357,900	67,022,600	34,756,400	45,156,700

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$149,000 in fiscal year 2021 and \$162,600 in fiscal year 2022 to fund the cost increases associated with the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$22,900 in fiscal year 2021 and \$77,500 in fiscal year 2022 to fund the cost increases associated with providing a 1% increment each year.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,686,900	5,978,600	6,044,300	4,491,500	6,067,400
Reorganization Adjustment	-1,856,200				
Total General Fund	5,830,700	5,978,600	6,044,300	4,491,500	6,067,400
Restricted Funds					
Balance Forward	537,100	337,100	187,100	337,100	187,100
Current Receipts	350,000	350,000	350,000	350,000	350,000
Non-Revenue Receipts				1,500,000	
Total Restricted Funds	887,100	687,100	537,100	2,187,100	537,100
TOTAL SOURCE OF FUNDS	6,717,800	6,665,700	6,581,400	6,678,600	6,604,500
EXPENDITURES BY CLASS					
Personnel Costs	5,314,700	5,430,000	5,495,700	5,496,800	5,575,800
Operating Expenses	1,066,000	1,048,600	1,048,600	994,700	991,600
TOTAL EXPENDITURES	6,380,700	6,478,600	6,544,300	6,491,500	6,567,400
EXPENDITURES BY FUND SOURCE					
General Fund	5,830,700	5,978,600	6,044,300	4,491,500	6,067,400
Restricted Funds	550,000	500,000	500,000	2,000,000	500,000
TOTAL EXPENDITURES	6,380,700	6,478,600	6,544,300	6,491,500	6,567,400

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	1,665,100	1,611,800	1,549,200	1,611,800	59,300
Current Receipts	260,000	260,000	260,000	275,000	275,000
Non-Revenue Receipts				-1,500,000	
Total Restricted Funds	1,925,100	1,871,800	1,809,200	386,800	334,300
TOTAL SOURCE OF FUNDS	1,925,100	1,871,800	1,809,200	386,800	334,300
EXPENDITURES BY CLASS					
Personnel Costs	300,500	309,800	314,100	314,700	319,500
Operating Expenses	12,800	12,800	12,800	12,800	12,800
TOTAL EXPENDITURES	313,300	322,600	326,900	327,500	332,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	313,300	322,600	326,900	327,500	332,300
TOTAL EXPENDITURES	313,300	322,600	326,900	327,500	332,300

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

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,982,000	6,355,200	6,471,200	6,305,200	6,321,200
Total General Fund	5,982,000	6,355,200	6,471,200	6,305,200	6,321,200
Restricted Funds					
Balance Forward	50,000				
Current Receipts	10,000	4,100,000	4,100,000	10,000	10,000
Non-Revenue Receipts	4,050,000	10,000	10,000	4,100,000	4,100,000
Total Restricted Funds	4,110,000	4,110,000	4,110,000	4,110,000	4,110,000
TOTAL SOURCE OF FUNDS	10,092,000	10,465,200	10,581,200	10,415,200	10,431,200
EXPENDITURES BY CLASS					
Grants Loans Benefits	10,092,000	10,465,200	10,581,200	10,415,200	10,431,200
TOTAL EXPENDITURES	10,092,000	10,465,200	10,581,200	10,415,200	10,431,200
EXPENDITURES BY FUND SOURCE					
General Fund	5,982,000	6,355,200	6,471,200	6,305,200	6,321,200
Restricted Funds	4,110,000	4,110,000	4,110,000	4,110,000	4,110,000
TOTAL EXPENDITURES	10,092,000	10,465,200	10,581,200	10,415,200	10,431,200
EXPENDITURES BY UNIT					
Contract Spaces	5,982,000	6,255,200	6,271,200	6,255,200	6,271,200
SREB Doctoral Scholars Program		100,000	200,000	50,000	50,000
Cancer Research Instns Mtchg Fd	4,110,000	4,110,000	4,110,000	4,110,000	4,110,000
TOTAL EXPENDITURES	10,092,000	10,465,200	10,581,200	10,415,200	10,431,200

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 Executive Budget includes \$50,000 of General Fund in each year to support two SREB Doctoral Scholars.

The Executive Budget includes an additional \$273,200 in fiscal year 2021 and \$289,200 for the Contract Spaces Program.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Federal Fund					
Balance Forward	-900				
Current Receipts	4,000,900	4,000,000	4,000,000	4,000,000	4,000,000
Total Federal Fund	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
TOTAL SOURCE OF FUNDS	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
EXPENDITURES BY CLASS					
Personnel Costs	1,679,100	1,708,800	1,730,400	1,719,900	1,742,600
Operating Expenses	975,000	975,000	975,000	963,900	962,800
Grants Loans Benefits	1,345,900	1,316,200	1,294,600	1,316,200	1,294,600
TOTAL EXPENDITURES	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
EXPENDITURES BY FUND SOURCE					
Federal Fund	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
TOTAL EXPENDITURES	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	21,534,800	21,905,000	38,383,700	7,104,100	17,344,600
Reorganization Adjustment	-16,551,200				
Total General Fund	4,983,600	21,905,000	38,383,700	7,104,100	17,344,600
TOTAL SOURCE OF FUNDS	4,983,600	21,905,000	38,383,700	7,104,100	17,344,600
EXPENDITURES BY CLASS					
Personnel Costs	558,500	560,300	561,000	560,800	562,400
Operating Expenses	20,000	20,000	20,000	20,000	20,000
Grants Loans Benefits	4,405,100	4,403,700	4,403,700	2,403,800	4,403,700
Debt Service		16,921,000	33,399,000	4,119,500	12,358,500
TOTAL EXPENDITURES	4,983,600	21,905,000	38,383,700	7,104,100	17,344,600
EXPENDITURES BY FUND SOURCE					
General Fund	4,983,600	21,905,000	38,383,700	7,104,100	17,344,600
TOTAL EXPENDITURES	4,983,600	21,905,000	38,383,700	7,104,100	17,344,600

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.

The Executive Budget includes General Fund in the amount of \$4,119,500 in fiscal year 2021 and \$12,358,500 in fiscal year 2022 for new debt service to support projects at the postsecondary institutions included in the capital budget.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	500,000	500,000	500,000	500,000	500,000
Total General Fund	500,000	500,000	500,000	500,000	500,000
TOTAL SOURCE OF FUNDS	500,000	500,000	500,000	500,000	500,000
EXPENDITURES BY CLASS					
Grants Loans Benefits	500,000	500,000	500,000	500,000	500,000
TOTAL EXPENDITURES	500,000	500,000	500,000	500,000	500,000
EXPENDITURES BY FUND SOURCE					
General Fund	500,000	500,000	500,000	500,000	500,000
TOTAL EXPENDITURES	500,000	500,000	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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Tobacco Fund					
Tobacco Settlement - Phase I	6,686,500	6,686,500	6,686,500	5,918,100	5,981,200
Budget Reduction-Tobacco	-553,700				
Total Tobacco Fund	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200
TOTAL SOURCE OF FUNDS	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200
EXPENDITURES BY CLASS					
Grants Loans Benefits	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200
TOTAL EXPENDITURES	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200
EXPENDITURES BY FUND SOURCE					
Tobacco Fund	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200
TOTAL EXPENDITURES	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	239,100,000	302,248,100	310,248,100	274,000,000	280,000,000
Continuing Approp-General Fund	42,426,400				
Other	15,000,000				
Total General Fund	296,526,400	302,248,100	310,248,100	274,000,000	280,000,000
Tobacco Fund					
Continuing Approp-Tob Settlement	642,300				
Total Tobacco Fund	642,300				
Restricted Funds					
Balance Forward	5,076,500	2,201,100	1,266,600	2,201,100	1,166,600
Current Receipts	18,710,100	22,831,900	23,805,300	20,344,000	21,151,500
Non-Revenue Receipts	13,278,200	2,001,600	1,659,600	11,333,000	11,333,000
Total Restricted Funds	37,064,800	27,034,600	26,731,500	33,878,100	33,651,100
Federal Fund					
Balance Forward	23,800	23,800	23,800	23,800	23,800
Current Receipts	33,800	33,800	33,800	33,800	33,800
Total Federal Fund	57,600	57,600	57,600	57,600	57,600
TOTAL SOURCE OF FUNDS	334,291,100	329,340,300	337,037,200	307,935,700	313,708,700
EXPENDITURES BY CLASS					
Personnel Costs	16,875,100	20,984,400	21,150,300	18,396,500	18,396,500
Operating Expenses	1,950,200	1,965,000	1,965,000	1,965,000	1,965,000
Grants Loans Benefits	312,287,200	304,875,500	312,533,500	286,158,800	292,158,800
Debt Service	747,300				
Capital Outlay	206,400	225,000	225,000	225,000	225,000
TOTAL EXPENDITURES	332,066,200	328,049,900	335,873,800	306,745,300	312,745,300
EXPENDITURES BY FUND SOURCE					
General Fund	296,526,400	302,248,100	310,248,100	274,000,000	280,000,000
Tobacco Fund	642,300				
Restricted Funds	34,863,700	25,768,000	25,591,900	32,711,500	32,711,500
Federal Fund	33,800	33,800	33,800	33,800	33,800
TOTAL EXPENDITURES	332,066,200	328,049,900	335,873,800	306,745,300	312,745,300
EXPENDITURES BY UNIT					
General Administration and Support	19,379,000	22,774,400	22,940,300	20,186,500	20,186,500
College Access Program	111,413,500	109,257,500	112,420,000	87,805,200	87,495,600
Kentucky Coal County College Completion Program	522,800	1,000,000	1,000,000		
Kentucky Tuition Grant	49,167,000	41,442,500	41,580,000	44,578,100	45,029,700
Teacher Scholarships	14,700	1,050,000	1,050,000	3,150,000	3,150,000
Ky National Guard Tuition	8,629,000	7,448,100	7,448,100	7,448,100	7,448,100
Ky Educational Excellence Scholarships	120,376,600	123,768,600	126,126,600	123,768,600	126,126,600
Early Childhood Development Scholarships	942,300	300,000	300,000	300,000	300,000
Kentucky's Affordable Prepaid Tuition (KAPT)	400,000	400,000	400,000	400,000	400,000
Coal County Scholarship for Pharmacy Students	145,000				
Early Graduation Scholarship Certificate	575,000	575,000	575,000	575,000	575,000

Work Ready Scholarship	11,327,700	12,000,000	13,000,000	12,000,000	13,000,000
Dual Credit Scholarship	9,139,800	8,000,000	9,000,000	6,500,000	9,000,000
Other Programs	33,800	33,800	33,800	33,800	33,800
TOTAL EXPENDITURES	332,066,200	328,049,900	335,873,800	306,745,300	312,745,300

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

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

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

The Kentucky Tuition Grant program provides need-based grants to qualified Kentucky students who choose to attend one of the Commonwealth's 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 Executive Budget dedicates all net Lottery revenue included in the Consensus Forecasting Group's General Fund estimate to student financial aid programs within the Kentucky Higher Education Assistance Authority budget unit.

The Executive Budget fully funds the Kentucky Educational Excellence Scholarship (KEES) program with General Fund in the amount of \$113,768,600 in fiscal year 2021 and \$116,126,600 in fiscal year 2022 and Restricted Funds in the amount of \$10,000,000 each year.

Additional General Fund Lottery receipts in all three fiscal years 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.

The Teacher Scholarship program includes additional General Fund in the amount of \$1,000,000 each fiscal year for teacher scholarships and \$2,100,000 in each fiscal year for a student loan forgiveness program for teachers.

The Work Ready Scholarship program includes additional General Fund in the amount of \$9,300,000 in fiscal year 2021 and \$10,300,000 in fiscal year 2022.

The Dual Credit Scholarship program includes additional General Fund in the amount of \$1,450,000 in fiscal year 2021 and \$3,950,000 in fiscal year 2022.

Postsecondary Education
Postsecondary Education Institutions

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	860,355,300	950,846,800	959,710,200	888,798,500	889,128,100
Postsecondary Ed Performance		-81,123,500	-89,986,900		
Current Year Appropriation	497,400				
Total General Fund	860,852,700	869,723,300	869,723,300	888,798,500	889,128,100
Restricted Funds					
Current Receipts	6,092,457,300	6,427,368,500	6,779,380,700	6,431,286,000	6,784,021,000
Total Restricted Funds	6,092,457,300	6,427,368,500	6,779,380,700	6,431,286,000	6,784,021,000
Federal Fund					
Current Receipts	833,703,500	874,397,100	898,620,503	874,894,500	899,118,000
Total Federal Fund	833,703,500	874,397,100	898,620,503	874,894,500	899,118,000
TOTAL SOURCE OF FUNDS	7,787,013,500	8,171,488,900	8,547,724,503	8,194,979,000	8,572,267,100
EXPENDITURES BY CLASS					
Personnel Costs	3,862,532,500	4,040,563,335	4,147,151,650	4,060,598,500	4,242,950,700
Operating Expenses	2,513,884,900	2,641,335,365	2,761,728,853	2,665,153,900	2,826,375,000
Grants Loans Benefits	1,040,269,500	1,080,087,900	1,081,427,200	1,081,336,400	1,101,618,700
Debt Service	171,182,100	193,701,400	191,883,100	172,764,400	170,982,600
Capital Outlay	199,144,500	215,115,300	230,347,300	215,125,800	230,340,100
TOTAL EXPENDITURES	7,787,013,500	8,170,803,300	8,412,538,103	8,194,979,000	8,572,267,100
EXPENDITURES BY FUND SOURCE					
General Fund	860,852,700	869,723,200	869,723,300	888,798,500	889,128,100
Restricted Funds	6,092,457,300	6,426,683,000	6,776,510,700	6,431,286,000	6,784,021,000
Federal Fund	833,703,500	874,397,100	898,426,503	874,894,500	899,118,000
TOTAL EXPENDITURES	7,787,013,500	8,170,803,300	8,544,660,503	8,194,979,000	8,572,267,100
EXPENDITURES BY UNIT					
Eastern Kentucky University	406,568,600	432,499,800	432,499,800	413,187,000	413,187,000
Kentucky State University	69,230,600	68,384,300	69,037,203	70,363,200	71,016,200
Morehead State University	183,227,300	185,548,200	188,477,300	187,829,800	191,088,500
Murray State University	186,615,200	186,615,200	186,615,200	189,932,100	189,932,100
Northern Kentucky University	254,757,300	263,534,400	263,534,400	271,005,700	271,005,700
University of Kentucky	4,190,939,600	4,508,585,500	4,861,828,300	4,515,191,300	4,868,434,100
University of Louisville	1,262,331,300	1,296,972,000	1,315,882,800	1,300,757,100	1,319,667,900
Western Kentucky University	386,831,500	385,467,000	383,588,500	390,412,800	390,412,800
Kentucky Community and Technical College System	846,512,100	843,196,900	843,197,000	856,300,000	857,522,800
TOTAL EXPENDITURES	7,787,013,500	8,170,803,300	8,544,660,503	8,194,979,000	8,572,267,100

Policy

The Executive Budget includes additional General Fund in the amount of \$8,629,000 in each year for postsecondary education institutions, which represents a 1% increase in General Fund investment in postsecondary institutions' operations.

General Fund debt service in the amount of \$4,199,500 in fiscal year 2021 and \$12,358,500 in fiscal year 2022 is included in the Council on Postsecondary Education's budget to support \$200,000,000 in new bond funds for the Resurgence Fund, a pool of funds to be distributed among the postsecondary education institutions to fund badly needed deferred maintenance projects on the Commonwealth's aging campuses. Institutions must match each \$1 of bond funds with \$0.50 of institutional funds. The most recent facility study indicated a backlog of over \$7,000,000,000 in deferred maintenance needs at Kentucky's postsecondary education campuses.

Additional General Fund in the amount of \$18,651,500 is included in each year to assist postsecondary education institutions with the increased cost of the employer contribution to the Kentucky Employees Retirement System at a rate of 67.41% established in the Executive Budget.

**Postsecondary Education
Eastern Kentucky University**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	60,175,200	87,622,000	86,388,400	67,075,600	67,075,600
Postsecondary Ed Performance	3,578,400	-1,233,600			
Total General Fund	63,753,600	86,388,400	86,388,400	67,075,600	67,075,600
Restricted Funds					
Current Receipts	207,314,400	211,297,000	211,797,000	210,611,400	210,611,400
Total Restricted Funds	207,314,400	211,297,000	211,797,000	210,611,400	210,611,400
Federal Fund					
Current Receipts	135,500,600	135,500,000	135,500,000	135,500,000	135,500,000
Total Federal Fund	135,500,600	135,500,000	135,500,000	135,500,000	135,500,000
TOTAL SOURCE OF FUNDS	406,568,600	433,185,400	433,685,400	413,187,000	413,187,000
EXPENDITURES BY CLASS					
Personnel Costs	165,501,000	174,475,400	172,792,800	174,485,400	174,485,400
Operating Expenses	46,387,600	36,102,700	36,399,300	37,973,900	38,270,200
Grants Loans Benefits	179,064,200	182,014,600	184,962,200	182,014,600	183,279,900
Debt Service	15,615,800	39,907,100	38,345,500	18,713,100	17,151,500
TOTAL EXPENDITURES	406,568,600	432,499,800	432,499,800	413,187,000	413,187,000
EXPENDITURES BY FUND SOURCE					
General Fund	63,753,600	86,388,400	86,388,400	67,075,600	67,075,600
Restricted Funds	207,314,400	210,611,400	210,611,400	210,611,400	210,611,400
Federal Fund	135,500,600	135,500,000	135,500,000	135,500,000	135,500,000
TOTAL EXPENDITURES	406,568,600	432,499,800	432,499,800	413,187,000	413,187,000
EXPENDITURES BY UNIT					
Instruction	68,000,000	68,000,000	87,000,000	67,314,400	67,314,400
Research	800,000	800,000	800,000	800,000	800,000
Public Service	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000
Libraries	3,100,000	3,100,000	2,600,000	3,100,000	3,100,000
Academic Support	16,742,000	17,916,400	19,988,300	16,742,000	16,742,000
Student Services	15,470,000	15,622,100	15,470,000	15,470,000	15,470,000
Institutional Support	18,995,300	42,915,000	40,486,300	25,614,300	25,614,300
Operation and Maintenance of Plant	40,000,000	40,000,000	32,000,000	40,000,000	40,000,000
Scholarships and Fellowships	169,061,300	169,746,300	159,755,200	169,746,300	169,746,300
Auxilliary Enterprises	30,400,000	30,400,000	30,400,000	30,400,000	30,400,000
TOTAL EXPENDITURES	406,568,600	432,499,800	432,499,800	413,187,000	413,187,000

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

Included in the above General Fund is \$2,071,900 in each fiscal year for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$637,600 in each year, which represents a 1% increase in General Fund support for university operations.

Additional General Fund in the amount of \$2,684,400 is included in each year to assist postsecondary education institutions with the increased cost of the employer contribution to the Kentucky Employees Retirement System at a rate of 67.41% established in the Executive Budget.

**Postsecondary Education
Kentucky State University**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	25,259,100	25,756,500	25,384,300	26,865,800	26,865,800
Postsecondary Ed Performance		-372,200			
Current Year Appropriation	497,400				
Total General Fund	25,756,500	25,384,300	25,384,300	26,865,800	26,865,800
Restricted Funds					
Current Receipts	23,474,100	23,000,000	23,500,000	23,000,000	23,500,000
Total Restricted Funds	23,474,100	23,000,000	23,500,000	23,000,000	23,500,000
Federal Fund					
Current Receipts	20,000,000	20,000,000	20,152,903	20,497,400	20,650,400
Total Federal Fund	20,000,000	20,000,000	20,152,903	20,497,400	20,650,400
TOTAL SOURCE OF FUNDS	69,230,600	68,384,300	69,037,203	70,363,200	71,016,200
EXPENDITURES BY CLASS					
Personnel Costs	41,899,000	41,765,635	42,091,150	42,842,000	42,904,200
Operating Expenses	19,081,600	17,228,265	17,521,053	18,130,800	19,238,300
Grants Loans Benefits	7,000,000	6,890,400	6,925,000	6,890,400	6,925,000
Debt Service	750,000	750,000	750,000	750,000	725,000
Capital Outlay	500,000	1,750,000	1,750,000	1,750,000	1,223,700
TOTAL EXPENDITURES	69,230,600	68,384,300	69,037,203	70,363,200	71,016,200
EXPENDITURES BY FUND SOURCE					
General Fund	25,756,500	25,384,300	25,384,300	26,865,800	26,865,800
Restricted Funds	23,474,100	23,000,000	23,500,000	23,000,000	23,500,000
Federal Fund	20,000,000	20,000,000	20,152,903	20,497,400	20,650,400
TOTAL EXPENDITURES	69,230,600	68,384,300	69,037,203	70,363,200	71,016,200
EXPENDITURES BY UNIT					
Instruction	10,604,500	10,046,029	10,206,529	10,046,000	10,968,900
Research	8,487,400	8,383,810	6,434,309	8,633,800	6,684,300
Public Service	9,794,200	9,693,423	8,683,870	9,940,900	8,931,300
Academic Support	1,382,300	1,435,972	2,373,126	1,435,900	1,983,000
Student Services	6,155,900	6,888,589	6,938,989	6,888,600	6,939,000
Institutional Support	14,565,000	13,252,426	13,252,427	14,733,900	14,361,800
Operation and Maintenance of Plant	7,376,400	7,551,031	9,525,132	7,551,100	9,525,100
Scholarships and Fellowships	5,659,900	5,874,020	5,949,021	5,874,000	5,949,000
Auxilliary Enterprises	5,205,000	5,259,000	5,673,800	5,259,000	5,673,800
TOTAL EXPENDITURES	69,230,600	68,384,300	69,037,203	70,363,200	71,016,200

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

Included in the above General Fund is \$7,148,800 in each fiscal year for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$497,400 in all three years to fund the state match required for the federal land grant program.

The Executive Budget includes additional General Fund in the amount of \$252,600 in each year, which represents a 1% increase in General Fund support for university operations.

Additional General Fund in the amount of \$856,700 is included in each year to assist postsecondary education institutions with the increased cost of the employer contribution to the Kentucky Employees Retirement System at a rate of 67.41% established in the Executive Budget.

**Postsecondary Education
Morehead State University**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	38,466,800	38,466,800	37,753,900	40,035,500	40,365,100
Postsecondary Ed Performance		-712,900			
Total General Fund	38,466,800	37,753,900	37,753,900	40,035,500	40,365,100
Restricted Funds					
Current Receipts	115,527,200	117,811,000	120,145,300	117,811,000	120,145,300
Total Restricted Funds	115,527,200	117,811,000	120,145,300	117,811,000	120,145,300
Federal Fund					
Current Receipts	29,233,300	29,983,300	30,578,100	29,983,300	30,578,100
Total Federal Fund	29,233,300	29,983,300	30,578,100	29,983,300	30,578,100
TOTAL SOURCE OF FUNDS	183,227,300	185,548,200	188,477,300	187,829,800	191,088,500
EXPENDITURES BY CLASS					
Personnel Costs	82,904,900	84,124,000	85,167,400	84,979,000	86,022,200
Operating Expenses	37,214,400	37,060,600	37,657,600	38,487,200	39,413,900
Grants Loans Benefits	50,242,200	51,497,800	52,786,500	51,497,800	52,786,600
Debt Service	8,589,600	8,589,600	8,589,600	8,589,600	8,589,600
Capital Outlay	4,276,200	4,276,200	4,276,200	4,276,200	4,276,200
TOTAL EXPENDITURES	183,227,300	185,548,200	188,477,300	187,829,800	191,088,500
EXPENDITURES BY FUND SOURCE					
General Fund	38,466,800	37,753,900	37,753,900	40,035,500	40,365,100
Restricted Funds	115,527,200	117,811,000	120,145,300	117,811,000	120,145,300
Federal Fund	29,233,300	29,983,300	30,578,100	29,983,300	30,578,100
TOTAL EXPENDITURES	183,227,300	185,548,200	188,477,300	187,829,800	191,088,500
EXPENDITURES BY UNIT					
Instruction	42,919,000	43,338,900	43,791,900	43,502,200	43,955,200
Research	3,453,000	3,461,500	3,715,300	3,462,700	3,716,500
Public Service	8,181,400	8,588,600	8,634,900	8,588,600	8,634,900
Libraries	2,652,500	2,684,900	2,717,800	2,695,200	2,728,100
Academic Support	5,643,200	5,610,100	5,669,600	5,630,000	5,689,500
Student Services	20,510,900	20,786,300	20,997,100	20,861,300	21,072,100
Institutional Support	13,541,800	12,853,100	12,970,300	14,359,900	14,477,100
Operation and Maintenance of Plant	9,499,300	9,835,300	10,184,400	9,875,500	10,224,600
Scholarships and Fellowships	45,437,700	46,693,300	47,982,300	46,774,100	48,063,100
Mandatory Transfers	3,481,500	3,481,500	3,481,500	3,825,200	4,154,800
Non-Mandatory Transfers	9,561,000	9,561,000	9,561,000	9,601,400	9,601,400
Auxilliary Enterprises	18,346,000	18,653,700	18,771,200	18,653,700	18,771,200
TOTAL EXPENDITURES	183,227,300	185,548,200	188,477,300	187,829,800	191,088,500

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 \$3,151,400 in fiscal year 2021 and \$3,481,000 in fiscal year 2022 for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$329,000 in fiscal year 2021 and \$658,600 in fiscal year 2022 to provide additional support for the Craft Academy for Excellence in Science and Mathematics, 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.

The Executive Budget includes additional General Fund in the amount of \$384,700 in each year, which represents a 1% increase in General Fund support for university operations.

Additional General Fund in the amount of \$855,000 is included in each year to assist postsecondary education institutions with the increased cost of the employer contribution to the Kentucky Employees Retirement System at a rate of 67.41% established in the Executive Budget.

Postsecondary Education

Murray State University

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	44,581,400	44,581,400	43,753,800	47,070,700	47,070,700
Postsecondary Ed Performance		-827,600			
Total General Fund	44,581,400	43,753,800	43,753,800	47,070,700	47,070,700
Restricted Funds					
Current Receipts	119,324,800	120,152,400	120,152,400	120,152,400	120,152,400
Total Restricted Funds	119,324,800	120,152,400	120,152,400	120,152,400	120,152,400
Federal Fund					
Current Receipts	22,709,000	22,709,000	22,709,000	22,709,000	22,709,000
Total Federal Fund	22,709,000	22,709,000	22,709,000	22,709,000	22,709,000
TOTAL SOURCE OF FUNDS	186,615,200	186,615,200	186,615,200	189,932,100	189,932,100
EXPENDITURES BY CLASS					
Personnel Costs	105,379,400	105,379,400	105,379,400	107,422,900	107,422,900
Operating Expenses	46,596,300	46,596,300	46,596,300	47,042,100	47,042,100
Grants Loans Benefits	26,644,000	26,644,000	26,644,000	27,471,600	27,471,600
Debt Service	6,399,400	6,399,400	6,399,400	6,399,400	6,399,400
Capital Outlay	1,596,100	1,596,100	1,596,100	1,596,100	1,596,100
TOTAL EXPENDITURES	186,615,200	186,615,200	186,615,200	189,932,100	189,932,100
EXPENDITURES BY FUND SOURCE					
General Fund	44,581,400	43,753,800	43,753,800	47,070,700	47,070,700
Restricted Funds	119,324,800	120,152,400	120,152,400	120,152,400	120,152,400
Federal Fund	22,709,000	22,709,000	22,709,000	22,709,000	22,709,000
TOTAL EXPENDITURES	186,615,200	186,615,200	186,615,200	189,932,100	189,932,100
EXPENDITURES BY UNIT					
Instruction	59,307,100	59,307,100	59,307,100	59,661,500	59,661,500
Research	3,259,900	3,259,900	3,259,900	3,267,500	3,267,500
Public Service	5,137,800	5,137,800	5,137,800	5,137,800	5,137,800
Libraries	3,447,500	3,447,500	3,447,500	3,469,000	3,469,000
Academic Support	6,444,900	6,444,900	6,444,900	6,484,900	6,484,900
Student Services	15,830,100	15,830,100	15,830,100	15,928,200	15,928,200
Institutional Support	19,843,500	19,843,500	19,843,500	22,456,700	22,456,700
Operation and Maintenance of Plant	22,748,500	22,748,500	22,748,500	22,890,600	22,890,600
Scholarships and Fellowships	17,139,800	17,139,800	17,139,800	17,139,800	17,139,800
Mandatory Transfers	6,399,400	6,399,400	6,399,400	6,439,400	6,439,400
Non-Mandatory Transfers	2,911,600	2,911,600	2,911,600	2,911,600	2,911,600
Auxilliary Enterprises	24,145,100	24,145,100	24,145,100	24,145,100	24,145,100
TOTAL EXPENDITURES	186,615,200	186,615,200	186,615,200	189,932,100	189,932,100

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

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

Policy

Included in the above General Fund is \$3,200,000 in each fiscal year for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$445,800 in each year, which represents a 1% increase in General Fund support for university operations.

Additional General Fund in the amount of \$2,043,500 is included in each year to assist postsecondary education institutions with the increased cost of the employer contribution to the Kentucky Employees Retirement System at a rate of 67.41% established in the Executive Budget.

**Postsecondary Education
Northern Kentucky University**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	47,974,500	52,300,000	51,280,500	58,751,800	58,751,800
Postsecondary Ed Performance	4,325,500	-1,019,500			
Total General Fund	52,300,000	51,280,500	51,280,500	58,751,800	58,751,800
Restricted Funds					
Current Receipts	189,381,700	199,178,300	199,178,300	199,178,300	199,178,300
Total Restricted Funds	189,381,700	199,178,300	199,178,300	199,178,300	199,178,300
Federal Fund					
Current Receipts	13,075,600	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	13,075,600
TOTAL SOURCE OF FUNDS	254,757,300	263,534,400	263,534,400	271,005,700	271,005,700
EXPENDITURES BY CLASS					
Personnel Costs	154,308,700	159,625,100	159,625,100	165,553,900	166,573,400
Operating Expenses	42,713,600	44,185,200	44,185,200	45,727,700	44,708,200
Grants Loans Benefits	36,775,800	38,042,800	38,042,800	38,042,800	38,042,800
Debt Service	10,768,900	11,139,900	11,139,900	11,139,900	11,139,900
Capital Outlay	10,190,300	10,541,400	10,541,400	10,541,400	10,541,400
TOTAL EXPENDITURES	254,757,300	263,534,400	263,534,400	271,005,700	271,005,700
EXPENDITURES BY FUND SOURCE					
General Fund	52,300,000	51,280,400	51,280,400	58,751,800	58,751,800
Restricted Funds	189,381,700	199,178,400	199,178,400	199,178,300	199,178,300
Federal Fund	13,075,600	13,075,600	13,075,600	13,075,600	13,075,600
TOTAL EXPENDITURES	254,757,300	263,534,400	263,534,400	271,005,700	271,005,700
EXPENDITURES BY UNIT					
Instruction	75,678,500	78,055,300	113,215,400	78,055,300	78,055,300
Research	1,237,900	1,457,600	1,181,300	1,457,600	1,457,600
Public Service	10,637,200	9,796,700	7,939,600	10,076,100	10,076,100
Libraries	6,479,300	5,794,500	4,696,100	5,794,500	5,794,500
Academic Support	24,802,700	26,535,200	21,505,100	26,535,200	26,535,200
Student Services	23,652,100	23,779,000	19,271,400	24,137,200	24,137,200
Institutional Support	30,495,600	31,377,100	25,429,100	37,828,900	37,828,900
Operation and Maintenance of Plant	20,957,900	20,147,800	16,328,500	20,529,800	20,529,800
Scholarships and Fellowships	37,084,400	44,194,000	35,816,400	44,194,000	44,194,000
Mandatory Transfers	6,469,100	5,772,600	4,678,300	5,772,600	5,772,600
Non-Mandatory Transfers	-492,500	-492,500	-399,100	-492,600	-492,600
Auxilliary Enterprises	17,755,100	17,117,100	13,872,300	17,117,100	17,117,100
TOTAL EXPENDITURES	254,757,300	263,534,400	263,534,400	271,005,700	271,005,700

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 each fiscal year for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$523,000 in each year, which represents a 1% increase in General Fund support for university operations.

Additional General Fund in the amount of \$5,928,800 is included in each year to assist postsecondary education institutions with the increased cost of the employer contribution to the Kentucky Employees Retirement System at a rate of 67.41% established in the Executive Budget.

Postsecondary Education

University of Kentucky

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	246,563,900	261,056,400	257,422,900	264,028,700	264,028,700
Postsecondary Ed Performance	14,492,500	-3,633,500			
Total General Fund	261,056,400	257,422,900	257,422,900	264,028,700	264,028,700
Restricted Funds					
Current Receipts	3,667,977,500	3,970,940,600	4,304,310,200	3,970,940,600	4,304,310,200
Total Restricted Funds	3,667,977,500	3,970,940,600	4,304,310,200	3,970,940,600	4,304,310,200
Federal Fund					
Current Receipts	261,905,700	280,222,000	300,095,200	280,222,000	300,095,200
Total Federal Fund	261,905,700	280,222,000	300,095,200	280,222,000	300,095,200
TOTAL SOURCE OF FUNDS	4,190,939,600	4,508,585,500	4,861,828,300	4,515,191,300	4,868,434,100
EXPENDITURES BY CLASS					
Personnel Costs	2,046,258,400	2,199,363,000	2,366,484,200	2,199,363,000	2,366,484,200
Operating Expenses	1,651,339,300	1,793,448,100	1,952,729,900	1,800,053,900	1,959,335,700
Grants Loans Benefits	237,644,500	247,582,800	258,877,200	247,582,800	258,877,200
Debt Service	88,673,400	86,787,400	86,592,200	86,787,400	86,592,200
Capital Outlay	167,024,000	181,404,200	197,144,800	181,404,200	197,144,800
TOTAL EXPENDITURES	4,190,939,600	4,508,585,500	4,861,828,300	4,515,191,300	4,868,434,100
EXPENDITURES BY FUND SOURCE					
General Fund	261,056,400	257,422,900	257,422,900	264,028,700	264,028,700
Restricted Funds	3,667,977,500	3,970,940,600	4,304,310,200	3,970,940,600	4,304,310,200
Federal Fund	261,905,700	280,222,000	300,095,200	280,222,000	300,095,200
TOTAL EXPENDITURES	4,190,939,600	4,508,585,500	4,861,828,300	4,515,191,300	4,868,434,100
EXPENDITURES BY UNIT					
Instruction	441,923,600	450,436,600	458,808,700	454,070,100	572,779,700
Research	381,310,900	400,664,900	421,146,200	400,664,900	418,230,300
Public Service	636,834,100	667,563,500	699,454,300	667,563,500	698,149,500
Libraries	27,367,200	27,800,600	28,227,500	27,800,600	22,932,200
Academic Support	108,529,200	111,280,200	114,054,500	111,280,200	101,185,900
Student Services	54,189,000	55,187,000	56,169,000	55,187,000	47,529,100
Institutional Support	196,026,000	196,503,100	199,023,200	199,139,100	177,924,700
Operation and Maintenance of Plant	96,934,300	101,322,200	105,739,100	101,322,200	85,856,700
Scholarships and Fellowships	237,644,500	247,582,800	258,877,200	247,582,800	223,181,100
Mandatory Transfers	22,181,600	20,295,600	20,100,400	20,631,900	20,436,700
Non-Mandatory Transfers	6,700,000	6,700,000	6,700,000	6,700,000	6,700,000
Auxilliary Enterprises	248,140,000	266,534,300	286,438,000	266,534,300	286,438,000
Hospitals	1,733,159,200	1,956,714,700	2,207,090,200	1,956,714,700	2,207,090,200
TOTAL EXPENDITURES	4,190,939,600	4,508,585,500	4,861,828,300	4,515,191,300	4,868,434,100

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 \$79,718,800 in each fiscal year for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$336,300 in each fiscal year to re-establish state support for the University Press.

The Executive Budget includes additional General Fund in the amount of \$2,636,000 in each year, which represents a 1% increase in General Fund support for university operations.

**Postsecondary Education
University of Louisville**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	123,290,400	126,633,700	124,114,900	127,900,000	127,900,000
Postsecondary Ed Performance	3,343,300	-2,518,800			
Total General Fund	126,633,700	124,114,900	124,114,900	127,900,000	127,900,000
Restricted Funds					
Current Receipts	1,037,241,100	1,052,772,700	1,068,081,000	1,052,772,700	1,068,081,000
Total Restricted Funds	1,037,241,100	1,052,772,700	1,068,081,000	1,052,772,700	1,068,081,000
Federal Fund					
Current Receipts	98,456,500	120,084,400	123,686,900	120,084,400	123,686,900
Total Federal Fund	98,456,500	120,084,400	123,686,900	120,084,400	123,686,900
TOTAL SOURCE OF FUNDS	1,262,331,300	1,296,972,000	1,315,882,800	1,300,757,100	1,319,667,900
EXPENDITURES BY CLASS					
Personnel Costs	683,257,800	694,886,900	706,770,200	694,886,900	706,770,200
Operating Expenses	414,685,000	412,759,000	413,387,300	416,544,100	417,172,400
Grants Loans Benefits	132,386,600	157,324,200	163,723,400	157,324,200	163,723,400
Debt Service	23,149,600	23,149,600	23,149,600	23,149,600	23,149,600
Capital Outlay	8,852,300	8,852,300	8,852,300	8,852,300	8,852,300
TOTAL EXPENDITURES	1,262,331,300	1,296,972,000	1,315,882,800	1,300,757,100	1,319,667,900
EXPENDITURES BY FUND SOURCE					
General Fund	126,633,700	124,114,900	124,114,900	127,900,000	127,900,000
Restricted Funds	1,037,241,100	1,052,772,700	1,068,081,000	1,052,772,700	1,068,081,000
Federal Fund	98,456,500	120,084,400	123,686,900	120,084,400	123,686,900
TOTAL EXPENDITURES	1,262,331,300	1,296,972,000	1,315,882,800	1,300,757,100	1,319,667,900
EXPENDITURES BY UNIT					
Instruction	213,857,600	219,941,700	222,979,900	220,368,400	223,572,200
Research	99,867,700	102,708,700	104,127,400	102,908,000	104,404,100
Public Service	91,313,100	93,910,900	95,903,400	94,093,100	95,461,100
Libraries	13,608,500	13,995,600	14,189,000	14,022,800	14,226,700
Academic Support	101,466,100	104,352,800	105,794,300	104,555,200	106,075,200
Student Services	21,553,600	20,895,500	21,201,600	20,938,500	21,261,300
Institutional Support	56,544,200	58,152,500	58,955,800	59,531,700	60,378,800
Operation and Maintenance of Plant	36,652,700	37,695,500	38,216,100	37,768,600	38,317,600
Scholarships and Fellowships	24,339,200	25,031,800	25,377,600	25,080,300	25,445,000
Mandatory Transfers	11,209,400	11,528,400	11,687,800	11,550,900	11,718,800
Auxilliary Enterprises	10,612,900	10,914,800	11,065,600	10,935,900	11,094,900
Hospitals	581,306,300	597,843,800	606,384,300	599,003,700	607,712,200
TOTAL EXPENDITURES	1,262,331,300	1,296,972,000	1,315,882,800	1,300,757,100	1,319,667,900

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 \$695,200 in each fiscal year for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$1,266,300 in each year, which represents a 1% increase in General Fund support for university operations.

**Postsecondary Education
Western Kentucky University**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	69,344,200	72,358,800	72,358,800	77,304,600	77,304,600
Postsecondary Ed Performance	4,379,100				
Total General Fund	73,723,300	72,358,800	72,358,800	77,304,600	77,304,600
Restricted Funds					
Current Receipts	280,768,200	280,768,200	280,768,200	280,768,200	280,768,200
Total Restricted Funds	280,768,200	280,768,200	280,768,200	280,768,200	280,768,200
Federal Fund					
Current Receipts	32,340,000	32,340,000	32,340,000	32,340,000	32,340,000
Total Federal Fund	32,340,000	32,340,000	32,340,000	32,340,000	32,340,000
TOTAL SOURCE OF FUNDS	386,831,500	385,467,000	385,467,000	390,412,800	390,412,800
EXPENDITURES BY CLASS					
Personnel Costs	192,127,200	192,127,200	82,218,900	192,127,200	192,127,200
Operating Expenses	79,951,000	78,843,500	54,812,500	83,532,300	83,532,300
Grants Loans Benefits	94,260,900	94,260,900	94,260,900	94,260,900	94,260,900
Debt Service	17,235,400	16,978,400	16,916,900	17,235,400	17,235,400
Capital Outlay	3,257,000	3,257,000	3,257,000	3,257,000	3,257,000
TOTAL EXPENDITURES	386,831,500	385,467,000	251,466,200	390,412,800	390,412,800
EXPENDITURES BY FUND SOURCE					
General Fund	73,723,300	72,358,800	72,358,800	77,304,600	77,304,600
Restricted Funds	280,768,200	280,768,200	279,083,700	280,768,200	280,768,200
Federal Fund	32,340,000	32,340,000	32,146,000	32,340,000	32,340,000
TOTAL EXPENDITURES	386,831,500	385,467,000	383,588,500	390,412,800	390,412,800
EXPENDITURES BY UNIT					
Instruction	121,983,800	121,983,800	90,922,300	121,983,800	121,983,800
Research	4,323,000	4,323,000	3,614,400	4,323,000	4,323,000
Public Service	9,617,300	9,617,300	8,194,200	9,617,300	9,617,300
Libraries	8,513,800	8,513,800	5,732,100	8,513,800	8,513,800
Academic Support	26,771,900	26,771,900	21,832,400	26,771,900	26,771,900
Student Services	36,195,400	36,195,400	30,516,700	36,195,400	36,195,400
Institutional Support	29,353,700	29,353,700	86,481,000	32,935,000	32,935,000
Operation and Maintenance of Plant	33,642,400	32,277,900	25,342,700	33,642,400	33,642,400
Scholarships and Fellowships	81,538,400	81,538,400	76,270,300	81,538,400	81,538,400
Mandatory Transfers	11,482,800	11,482,800	11,413,900	11,482,800	11,482,800
Auxilliary Enterprises	23,409,000	23,409,000	23,268,500	23,409,000	23,409,000
TOTAL EXPENDITURES	386,831,500	385,467,000	383,588,500	390,412,800	390,412,800

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 \$5,497,700 in each fiscal year for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$737,200 in each year, which represents a 1% increase in General Fund support for university operations.

Additional General Fund in the amount of \$2,844,100 is included in each year to assist postsecondary education institutions with the increased cost of the employer contribution to the Kentucky Employees Retirement System at a rate of 67.41% established in the Executive Budget.

Postsecondary Education
Kentucky Community and Technical College System

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	166,034,000	174,581,000	171,265,800	179,765,800	179,765,800
Postsecondary Ed Performance	8,547,000	-3,315,200			
Total General Fund	174,581,000	171,265,800	171,265,800	179,765,800	179,765,800
Restricted Funds					
Current Receipts	451,448,300	451,448,300	451,448,300	456,051,400	457,274,200
Total Restricted Funds	451,448,300	451,448,300	451,448,300	456,051,400	457,274,200
Federal Fund					
Current Receipts	220,482,800	220,482,800	220,482,800	220,482,800	220,482,800
Total Federal Fund	220,482,800	220,482,800	220,482,800	220,482,800	220,482,800
TOTAL SOURCE OF FUNDS	846,512,100	843,196,900	843,196,900	856,300,000	857,522,800
EXPENDITURES BY CLASS					
Personnel Costs	390,896,100	388,816,700	426,622,500	398,938,200	400,161,000
Operating Expenses	175,916,100	175,111,700	158,439,700	177,661,900	177,661,900
Grants Loans Benefits	276,251,300	275,830,400	255,205,200	276,251,300	276,251,300
Capital Outlay	3,448,600	3,438,100	2,929,500	3,448,600	3,448,600
TOTAL EXPENDITURES	846,512,100	843,196,900	843,196,900	856,300,000	857,522,800
EXPENDITURES BY FUND SOURCE					
General Fund	174,581,000	171,265,800	171,265,900	179,765,800	179,765,800
Restricted Funds	451,448,300	451,448,300	451,448,300	456,051,400	457,274,200
Federal Fund	220,482,800	220,482,800	220,482,800	220,482,800	220,482,800
TOTAL EXPENDITURES	846,512,100	843,196,900	843,197,000	856,300,000	857,522,800
EXPENDITURES BY UNIT					
Instruction	240,711,800	239,765,100	271,352,600	240,711,800	240,711,800
Public Service	56,956,500	56,654,500	59,727,400	61,559,600	62,782,400
Libraries	9,509,800	9,458,400	8,563,400	9,509,800	9,509,800
Academic Support	36,226,400	36,059,600	40,880,700	36,226,400	36,226,400
Student Services	75,802,200	75,494,100	70,140,700	75,802,200	75,802,200
Institutional Support	36,103,000	35,598,700	30,383,300	41,287,800	41,287,800
Operation and Maintenance of Plant	116,565,200	115,950,200	108,557,700	116,565,200	116,565,200
Scholarships and Fellowships	274,637,200	274,216,300	253,591,200	274,637,200	274,637,200
TOTAL EXPENDITURES	846,512,100	843,196,900	843,197,000	856,300,000	857,522,800

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 each fiscal year for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$1,745,800 in each year, which represents a 1% increase in General Fund support for university operations.

Additional General Fund in the amount of \$3,439,000 is included in each year to assist postsecondary education institutions with the increased cost of the employer contribution to the Kentucky Employees Retirement System at a rate of 67.41% established in the Executive Budget.

The Executive Budget includes an additional \$600 per year for Firefighter stipends, raising the annual stipend from \$4,000 to \$4,600 per eligible firefighter. The Firefighters Foundation Program Fund provides stipends to approximately 3,800 professional firefighters across the state.

Postsecondary Education
Postsecondary Education Performance Fund

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	38,665,800	67,490,200	89,986,900		
Postsecondary Ed Performance	-38,665,800	-67,490,200	-89,986,900		
Total General Fund					
TOTAL SOURCE OF FUNDS					
EXPENDITURES BY CLASS					
TOTAL EXPENDITURES					
EXPENDITURES BY FUND SOURCE					
General Fund					
TOTAL EXPENDITURES					

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 Executive Budget suspends the provisions of KRS 164.092 and provides no funding for the Postsecondary Education Performance Fund in either fiscal year.

Public Protection

	Public Protection				
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,178,100	10,136,900	10,207,500	6,660,400	8,276,200
Reorganization Adjustment	652,700				
Total General Fund	7,830,800	10,136,900	10,207,500	6,660,400	8,276,200
Restricted Funds					
Balance Forward	116,330,700	108,961,000	119,808,100	106,683,600	85,953,900
Current Receipts	100,984,200	102,149,800	103,059,250	103,382,700	104,313,800
Non-Revenue Receipts	37,739,400	37,656,900	37,656,900	35,947,100	35,947,500
Fund Transfers	-23,000,000			-38,850,000	-38,850,000
Total Restricted Funds	232,054,300	248,767,700	260,524,250	207,163,400	187,365,200
Federal Fund					
Balance Forward	-37,473				
Current Receipts	1,434,700	1,197,200	1,197,200	1,197,200	1,197,500
Total Federal Fund	1,397,227	1,197,200	1,197,200	1,197,200	1,197,500
TOTAL SOURCE OF FUNDS	241,282,327	260,101,800	271,928,950	215,021,000	196,838,900
EXPENDITURES BY CLASS					
Personnel Costs	82,393,600	87,573,700	88,430,200	77,148,100	78,110,800
Operating Expenses	12,718,300	13,296,400	13,286,900	12,879,400	12,151,300
Grants Loans Benefits	39,039,600	39,039,600	39,039,600	39,039,600	39,039,600
Capital Outlay	447,200	384,000			
TOTAL EXPENDITURES	134,598,700	140,293,700	140,756,700	129,067,100	129,301,700
EXPENDITURES BY FUND SOURCE					
General Fund	7,830,800	10,136,900	10,207,500	6,660,400	8,276,200
Restricted Funds	125,370,700	128,959,600	129,352,000	121,209,500	119,828,000
Federal Fund	1,397,200	1,197,200	1,197,200	1,197,200	1,197,500
TOTAL EXPENDITURES	134,598,700	140,293,700	140,756,700	129,067,100	129,301,700
EXPENDITURES BY UNIT					
Secretary	7,257,800	8,306,800	8,392,400	6,984,100	7,105,700
Professional Licensing	4,722,700	5,582,800	5,621,600	5,137,100	5,186,400
Kentucky Claims Commission	2,515,200	2,469,100	2,481,300	2,513,400	2,533,000
Boxing and Wrestling Commission	179,600	204,800	206,800	184,200	186,400
Alcoholic Beverage Control	8,897,500	9,140,800	9,201,900	8,116,900	8,180,400
Charitable Gaming	4,333,900	4,410,000	4,444,400	3,806,600	3,844,600
Financial Institutions	13,966,100	15,132,100	15,268,800	13,160,300	13,323,200
Horse Racing Commission	45,585,400	46,018,400	46,082,900	45,412,600	45,484,200
Housing, Buildings and Construction	26,239,700	28,178,200	28,072,900	25,279,000	24,885,500
Insurance	20,900,800	20,850,700	20,983,700	18,472,900	18,572,300
TOTAL EXPENDITURES	134,598,700	140,293,700	140,756,700	129,067,100	129,301,700

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				
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		650,000	650,000	677,100	684,900
Reorganization Adjustment	652,700				
Total General Fund	652,700	650,000	650,000	677,100	684,900
Restricted Funds					
Balance Forward	613,500	136,300	298,200	136,300	1,662,000
Current Receipts	24,200	18,700	23,700	18,700	23,700
Non-Revenue Receipts	6,103,700	7,800,000	7,800,000	7,814,000	7,839,800
Total Restricted Funds	6,741,400	7,955,000	8,121,900	7,969,000	9,525,500
TOTAL SOURCE OF FUNDS	7,394,100	8,605,000	8,771,900	8,646,100	10,210,400
EXPENDITURES BY CLASS					
Personnel Costs	6,893,600	7,929,600	8,015,200	6,613,500	6,735,100
Operating Expenses	364,200	377,200	377,200	370,600	370,600
TOTAL EXPENDITURES	7,257,800	8,306,800	8,392,400	6,984,100	7,105,700
EXPENDITURES BY FUND SOURCE					
General Fund	652,700	650,000	650,000	677,100	684,900
Restricted Funds	6,605,100	7,656,800	7,742,400	6,307,000	6,420,800
TOTAL EXPENDITURES	7,257,800	8,306,800	8,392,400	6,984,100	7,105,700
EXPENDITURES BY UNIT					
Office of the Secretary - Comm - Legal	7,257,800	8,306,800	8,392,400	6,984,100	7,105,700
TOTAL EXPENDITURES	7,257,800	8,306,800	8,392,400	6,984,100	7,105,700

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$21,400 in fiscal year 2021 and \$23,400 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$2,600 in fiscal year 2021 and \$7,400 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**Public Protection
Kentucky Claims Commission**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,390,000	1,379,800	1,382,900	1,445,000	1,464,600
Total General Fund	1,390,000	1,379,800	1,382,900	1,445,000	1,464,600
Restricted Funds					
Balance Forward	1,253,900	1,127,900	1,037,800	1,127,900	1,037,800
Current Receipts	842,000	842,000	842,000	821,100	812,000
Total Restricted Funds	2,095,900	1,969,900	1,879,800	1,949,000	1,849,800
Federal Fund					
Balance Forward	-22,773				
Current Receipts	180,000	157,200	157,200	157,200	157,200
Total Federal Fund	157,227	157,200	157,200	157,200	157,200
TOTAL SOURCE OF FUNDS	3,643,127	3,506,900	3,419,900	3,551,200	3,471,600
EXPENDITURES BY CLASS					
Personnel Costs	1,394,600	1,345,200	1,357,400	1,392,100	1,413,200
Operating Expenses	845,600	848,900	848,900	846,300	844,800
Grants Loans Benefits	275,000	275,000	275,000	275,000	275,000
TOTAL EXPENDITURES	2,515,200	2,469,100	2,481,300	2,513,400	2,533,000
EXPENDITURES BY FUND SOURCE					
General Fund	1,390,000	1,379,800	1,382,900	1,445,000	1,464,600
Restricted Funds	968,000	932,100	941,200	911,200	911,200
Federal Fund	157,200	157,200	157,200	157,200	157,200
TOTAL EXPENDITURES	2,515,200	2,469,100	2,481,300	2,513,400	2,533,000
EXPENDITURES BY UNIT					
Kentucky Claims Commission	827,400	817,200	820,300	851,700	861,100
Kentucky Claims Commission Reparations	1,687,800	1,651,900	1,661,000	1,661,700	1,671,900
TOTAL EXPENDITURES	2,515,200	2,469,100	2,481,300	2,513,400	2,533,000

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$51,100 in fiscal year 2021 and \$60,400 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$2,400 in fiscal year 2021 and \$12,100 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**Public Protection
Professional Licensing**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	7,650,500	7,381,800	6,685,200	7,381,800	5,880,900
Current Receipts	4,700,000	5,186,200	4,960,000	5,186,200	4,960,000
Non-Revenue Receipts	-246,000	-300,000	-300,000	-300,000	-300,000
Fund Transfers				-1,250,000	-1,250,000
Total Restricted Funds	12,104,500	12,268,000	11,345,200	11,018,000	9,290,900
TOTAL SOURCE OF FUNDS	12,104,500	12,268,000	11,345,200	11,018,000	9,290,900
EXPENDITURES BY CLASS					
Personnel Costs	3,674,100	4,537,200	4,576,000	4,119,500	4,168,800
Operating Expenses	943,600	940,600	940,600	912,600	912,600
Grants Loans Benefits	105,000	105,000	105,000	105,000	105,000
TOTAL EXPENDITURES	4,722,700	5,582,800	5,621,600	5,137,100	5,186,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	4,722,700	5,582,800	5,621,600	5,137,100	5,186,400
TOTAL EXPENDITURES	4,722,700	5,582,800	5,621,600	5,137,100	5,186,400
EXPENDITURES BY UNIT					
Occupations, Professions, and Licensing	1,724,400	1,746,900	1,764,400	1,816,900	1,842,500
Kentucky Real Estate Authority	2,998,300	3,835,900	3,857,200	3,320,200	3,343,900
TOTAL EXPENDITURES	4,722,700	5,582,800	5,621,600	5,137,100	5,186,400

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	312,000	305,500	273,800	305,500	294,400
Current Receipts	173,100	173,100	173,100	173,100	173,100
Total Restricted Funds	485,100	478,600	446,900	478,600	467,500
TOTAL SOURCE OF FUNDS	485,100	478,600	446,900	478,600	467,500
EXPENDITURES BY CLASS					
Personnel Costs	160,900	183,300	185,300	159,600	161,800
Operating Expenses	18,700	21,500	21,500	24,600	24,600
TOTAL EXPENDITURES	179,600	204,800	206,800	184,200	186,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	179,600	204,800	206,800	184,200	186,400
TOTAL EXPENDITURES	179,600	204,800	206,800	184,200	186,400
EXPENDITURES BY UNIT					
Boxing and Wrestling Commission	179,600	204,800	206,800	184,200	186,400
TOTAL EXPENDITURES	179,600	204,800	206,800	184,200	186,400

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	6,591,900	6,050,700	4,844,200	6,050,700	4,036,600
Current Receipts	8,316,300	8,319,300	8,319,300	8,687,800	8,688,100
Non-Revenue Receipts	-600,000	-825,000	-825,000	-1,025,000	-1,025,000
Fund Transfers				-2,000,000	-2,000,000
Total Restricted Funds	14,308,200	13,545,000	12,338,500	11,713,500	9,699,700
Federal Fund					
Balance Forward	-14,700				
Current Receipts	654,700	440,000	440,000	440,000	440,000
Total Federal Fund	640,000	440,000	440,000	440,000	440,000
TOTAL SOURCE OF FUNDS	14,948,200	13,985,000	12,778,500	12,153,500	10,139,700
EXPENDITURES BY CLASS					
Personnel Costs	7,979,500	8,157,900	8,219,000	7,198,900	7,262,400
Operating Expenses	818,000	982,900	982,900	918,000	918,000
Capital Outlay	100,000				
TOTAL EXPENDITURES	8,897,500	9,140,800	9,201,900	8,116,900	8,180,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	8,257,500	8,700,800	8,761,900	7,676,900	7,740,400
Federal Fund	640,000	440,000	440,000	440,000	440,000
TOTAL EXPENDITURES	8,897,500	9,140,800	9,201,900	8,116,900	8,180,400
EXPENDITURES BY UNIT					
Administration, Enforcement and License	8,179,700	8,422,600	8,480,700	7,399,100	7,462,600
Tobacco Enforcement	717,800	718,200	721,200	717,800	717,800
TOTAL EXPENDITURES	8,897,500	9,140,800	9,201,900	8,116,900	8,180,400

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	5,967,700	5,966,200	5,888,600	5,966,200	6,534,100
Current Receipts	4,306,200	4,306,200	4,306,200	4,306,200	4,306,200
Non-Revenue Receipts	26,200	26,200	26,200	68,300	68,300
Total Restricted Funds	10,300,100	10,298,600	10,221,000	10,340,700	10,908,600
TOTAL SOURCE OF FUNDS	10,300,100	10,298,600	10,221,000	10,340,700	10,908,600
EXPENDITURES BY CLASS					
Personnel Costs	3,713,100	3,903,900	3,938,300	3,332,800	3,370,800
Operating Expenses	440,800	506,100	506,100	473,800	473,800
Capital Outlay	180,000				
TOTAL EXPENDITURES	4,333,900	4,410,000	4,444,400	3,806,600	3,844,600
EXPENDITURES BY FUND SOURCE					
Restricted Funds	4,333,900	4,410,000	4,444,400	3,806,600	3,844,600
TOTAL EXPENDITURES	4,333,900	4,410,000	4,444,400	3,806,600	3,844,600
EXPENDITURES BY UNIT					
Charitable Gaming	4,333,900	4,410,000	4,444,400	3,806,600	3,844,600
TOTAL EXPENDITURES	4,333,900	4,410,000	4,444,400	3,806,600	3,844,600

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	8,065,800	8,381,100	7,285,600	6,103,700	2,980,000
Current Receipts	16,774,500	16,536,600	16,843,200	16,536,600	16,843,200
Non-Revenue Receipts	-1,770,500	-2,500,000	-2,500,000	-2,500,000	-2,500,000
Fund Transfers	-3,000,000			-4,000,000	-4,000,000
Total Restricted Funds	20,069,800	22,417,700	21,628,800	16,140,300	13,323,200
TOTAL SOURCE OF FUNDS	20,069,800	22,417,700	21,628,800	16,140,300	13,323,200
EXPENDITURES BY CLASS					
Personnel Costs	12,031,000	13,185,000	13,331,200	11,225,200	11,388,100
Operating Expenses	1,935,100	1,947,100	1,937,600	1,935,100	1,935,100
TOTAL EXPENDITURES	13,966,100	15,132,100	15,268,800	13,160,300	13,323,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	13,966,100	15,132,100	15,268,800	13,160,300	13,323,200
TOTAL EXPENDITURES	13,966,100	15,132,100	15,268,800	13,160,300	13,323,200
EXPENDITURES BY UNIT					
Administrative Services	1,947,000	1,961,200	1,971,200	1,730,000	1,751,700
Securities	2,262,800	2,365,600	2,390,700	2,114,700	2,142,500
Depository Institutions	6,103,400	6,982,600	7,045,300	5,845,400	5,915,200
Non-Depository Institutions	3,652,900	3,822,700	3,861,600	3,470,200	3,513,800
TOTAL EXPENDITURES	13,966,100	15,132,100	15,268,800	13,160,300	13,323,200

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,147,700	3,147,700	3,147,700	1,841,200	3,404,000
Total General Fund	3,147,700	3,147,700	3,147,700	1,841,200	3,404,000
Restricted Funds					
Balance Forward	44,494,200	43,920,200	42,843,900	43,920,200	42,143,200
Current Receipts	5,664,400	5,679,400	5,679,400	5,679,400	5,679,400
Non-Revenue Receipts	36,199,300	36,115,000	36,115,000	36,115,000	36,115,000
Total Restricted Funds	86,357,900	85,714,600	84,638,300	85,714,600	83,937,600
TOTAL SOURCE OF FUNDS	89,505,600	88,862,300	87,786,000	87,555,800	87,341,600
EXPENDITURES BY CLASS					
Personnel Costs	5,600,500	6,022,300	6,086,800	5,424,300	5,495,900
Operating Expenses	1,238,100	1,336,500	1,336,500	1,328,700	1,328,700
Grants Loans Benefits	38,659,600	38,659,600	38,659,600	38,659,600	38,659,600
Capital Outlay	87,200				
TOTAL EXPENDITURES	45,585,400	46,018,400	46,082,900	45,412,600	45,484,200
EXPENDITURES BY FUND SOURCE					
General Fund	3,147,700	3,147,700	3,147,700	1,841,200	3,404,000
Restricted Funds	42,437,700	42,870,700	42,935,200	43,571,400	42,080,200
TOTAL EXPENDITURES	45,585,400	46,018,400	46,082,900	45,412,600	45,484,200
EXPENDITURES BY UNIT					
Administration and Regulation of Racing	5,457,700	5,840,200	5,899,800	5,399,400	5,465,600
Equine Drug Research Fund	500,000	500,000	500,000	500,000	500,000
Thoroughbred Development Fund	17,727,500	17,727,500	17,727,500	17,727,500	17,727,500
Standardbred Development Fund	2,525,000	2,525,000	2,525,000	2,525,000	2,525,000
Standardbred Horsemen Fees	695,000	695,000	695,000	695,000	695,000
Ky Quarter Horse, Appaloosa & Arabian Development Fund	15,000	15,000	15,000	15,000	15,000
County Fair Purse Fund	50,000	50,000	50,000	50,000	50,000
Backside Improvement Commission	600,400	600,400	600,400	600,400	600,400
Ky Thoroughbred Breeder Incentive Fund	14,849,800	14,900,300	14,905,200	14,735,300	14,740,700
Ky Standardbred Breeder Incentive Fund	2,115,000	2,115,000	2,115,000	2,115,000	2,115,000
Ky Horse Breeders Incentive Fund	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
TOTAL EXPENDITURES	45,585,400	46,018,400	46,082,900	45,412,600	45,484,200

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$169,700 in fiscal year 2021 and \$185,200 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$20,300 in fiscal year 2021 and \$59,200 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

Public Protection
Housing, Buildings and Construction

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,640,400	4,959,400	5,026,900	2,697,100	2,722,700
Total General Fund	2,640,400	4,959,400	5,026,900	2,697,100	2,722,700
Restricted Funds					
Balance Forward	14,047,600	9,937,400	6,499,300	9,937,400	6,537,100
Current Receipts	19,647,500	19,940,000	19,940,000	19,940,900	19,940,900
Non-Revenue Receipts	-158,400	-159,300	-159,300	-159,300	-159,300
Fund Transfers				-600,000	-600,000
Total Restricted Funds	33,536,700	29,718,100	26,280,000	29,119,000	25,718,700
TOTAL SOURCE OF FUNDS	36,177,100	34,677,500	31,306,900	31,816,100	28,441,400
EXPENDITURES BY CLASS					
Personnel Costs	22,096,700	23,404,800	23,683,500	21,131,000	21,454,900
Operating Expenses	4,143,000	4,389,400	4,389,400	4,148,000	3,430,600
Capital Outlay		384,000			
TOTAL EXPENDITURES	26,239,700	28,178,200	28,072,900	25,279,000	24,885,500
EXPENDITURES BY FUND SOURCE					
General Fund	2,640,400	4,959,400	5,026,900	2,697,100	2,722,700
Restricted Funds	23,599,300	23,218,800	23,046,000	22,581,900	22,162,800
TOTAL EXPENDITURES	26,239,700	28,178,200	28,072,900	25,279,000	24,885,500
EXPENDITURES BY UNIT					
General Administration and Management	3,474,600	3,248,400	3,286,300	3,086,900	3,130,000
Fire Prevention	1,280,900	1,286,800	1,294,900	906,900	740,600
Boiler Inspections	1,150,200	1,151,500	1,162,600	1,094,400	1,107,400
Hazardous Materials Inspections	762,600	772,000	780,100	787,500	796,500
Manufactured Housing Inspections	819,700	828,400	837,300	842,900	852,800
General Inspections	1,752,400	3,257,300	2,889,500	1,808,000	1,827,700
Sprinkler/Alarm Inspections	23,500	22,600	22,600	23,500	23,500
Elevator Inspections	1,515,000	1,558,000	1,576,100	1,511,900	1,532,500
Plumbing	7,223,300	7,452,900	7,540,900	7,300,700	6,923,300
Safe Cigarette Program	6,000	6,000	6,000	6,000	6,000
HVAC	3,172,100	3,372,400	3,409,000	3,248,500	3,226,100
Building Codes Enforcement	3,727,200	3,830,600	3,865,800	3,441,400	3,485,300
Electrical	1,332,200	1,391,300	1,401,800	1,220,400	1,233,800
TOTAL EXPENDITURES	26,239,700	28,178,200	28,072,900	25,279,000	24,885,500

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$70,300 in fiscal year 2021 and \$78,200 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$6,600 in fiscal year 2021 and \$22,000 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**Public Protection
Insurance**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	27,333,600	25,753,900	44,151,500	25,753,900	14,847,800
Current Receipts	40,536,000	41,148,300	41,972,350	42,032,700	42,887,200
Non-Revenue Receipts	-1,814,900	-2,500,000	-2,500,000	-4,065,900	-4,091,300
Fund Transfers	-20,000,000			-31,000,000	-31,000,000
Total Restricted Funds	46,054,700	64,402,200	83,623,850	32,720,700	22,643,700
Federal Fund					
Current Receipts	600,000	600,000	600,000	600,000	600,300
Total Federal Fund	600,000	600,000	600,000	600,000	600,300
TOTAL SOURCE OF FUNDS	46,654,700	65,002,200	84,223,850	33,320,700	23,244,000
EXPENDITURES BY CLASS					
Personnel Costs	18,849,600	18,904,500	19,037,500	16,551,200	16,659,800
Operating Expenses	1,971,200	1,946,200	1,946,200	1,921,700	1,912,500
Capital Outlay	80,000				
TOTAL EXPENDITURES	20,900,800	20,850,700	20,983,700	18,472,900	18,572,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	20,300,800	20,250,700	20,383,700	17,872,900	17,972,000
Federal Fund	600,000	600,000	600,000	600,000	600,300
TOTAL EXPENDITURES	20,900,800	20,850,700	20,983,700	18,472,900	18,572,300
EXPENDITURES BY UNIT					
Executive Director and Administration	1,744,500	2,020,000	2,037,800	1,595,400	1,606,800
Administrative Services	2,466,800	2,460,900	2,478,500	2,056,000	2,068,400
Financial Standards and Examination	3,842,300	3,691,600	3,701,800	3,597,600	3,604,400
Agent Licensing	2,070,800	1,856,700	1,870,900	1,750,900	1,761,000
Consumer Protection	3,580,100	3,619,000	3,645,500	3,150,800	3,170,200
Insurance Fraud Investigation	1,887,500	1,946,600	1,961,900	1,812,700	1,831,200
Mine Subsidence Program	208,700	200,000	200,000	200,200	200,500
Insurance Product Regulation	5,100,100	5,055,900	5,087,300	4,309,300	4,329,800
TOTAL EXPENDITURES	20,900,800	20,850,700	20,983,700	18,472,900	18,572,300

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.