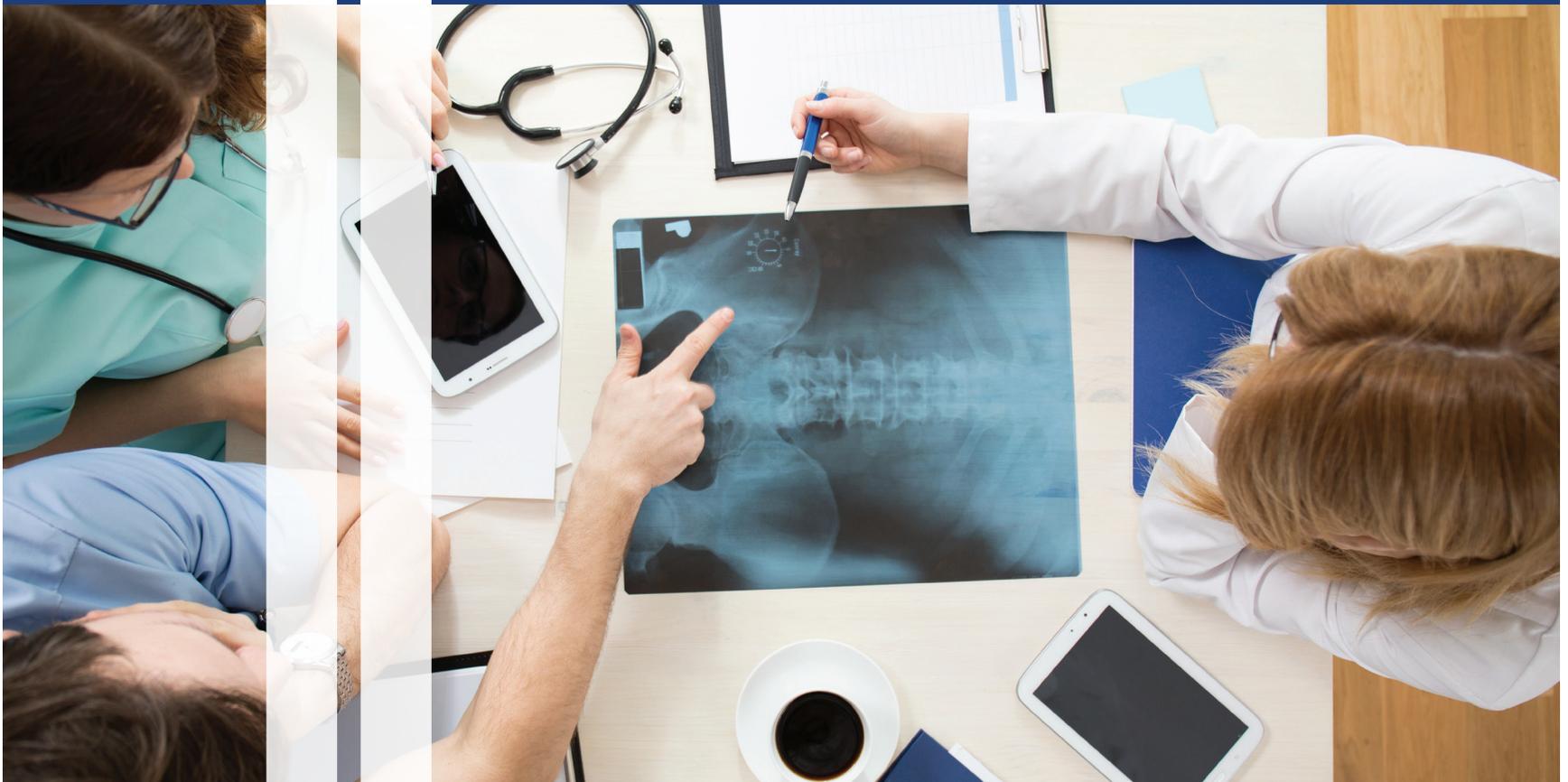


TEAM KENTUCKY



2021-2022 Budget of the Commonwealth

Andy Beshear
GOVERNOR

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STATE BUDGET DIRECTOR



Budget in Brief

Commonwealth of Kentucky
2021 – 2022
Budget of the Commonwealth
Budget in Brief

Table of Contents

	<u>PAGE</u>
Preface	ii
 BUDGET IN BRIEF – BUDGET SUMMARY DATA	
Executive Summary	1
Acknowledgements	11
General Fund Summary	12
Road Fund Summary	13
Capital Projects Summary	14
General Fund Revenue Receipts – Fiscal Year 2005 through Fiscal Year 2022 – Bar Chart	15
General Fund Expenditures – Fiscal Year 2005 through Fiscal Year 2022 – Bar Chart	16
Distribution of General Fund Appropriations – Fiscal Year 2021-2022 – Pie Chart	17
Distribution of All Funds Appropriations – Fiscal Year 2021-2022 – Pie Chart	18
Revenue Estimates (General Fund, Road Fund)	19
Debt Financing	20
Commonwealth of Kentucky Summary	25
Executive Branch Summary	27
Cabinet Summaries	30
Executive Branch Appropriations Bills	
House Bill 192 – Veto Message	46
House Bill 192 – Executive Branch Budget	55
House Bill 193 – Veto Message	161
House Bill 193 – Transportation Budget	163
Legislative Branch Summary	171
Legislative Branch Appropriations Bills	
House Bill 194	174
Judicial Branch Summary	178
Judicial Branch Appropriations Bills	
House Bill – Veto Message	181
House Bill 195	183
Special Appropriations	
Senate Bill 36	191
Senate Bill 270	192
House Bill 320	197
House Bill 382	200
House Bill 405 – Veto Message	205
House Bill 405	207
House Bill 556 – Veto Message	218
House Bill 556	219

The Budget of the Commonwealth for fiscal years 2021 and 2022 is the financial plan for Kentucky State Government as enacted by the Regular Session of the 2020 and 2021 General Assembly. It is published by the Office of State Budget Director, Governor's Office for Policy and Management in accordance with KRS Chapter 48.

The 2020-2022 Budget is presented in three volumes:

- **Volume I:** Operating Budget - State Agency Program Budget Detail
- **Volume II:** Capital Projects
- **Budget in Brief:** Budget Summary Data and Appropriations Acts

These documents provide the detail to support the enacted budget as presented in the budget bills and various special appropriations bills.

Kentucky's FY 2021-2022 Enacted Budget

EXECUTIVE SUMMARY

Completion of the Biennial Budget

Due to the advent of COVID-19 cases in Kentucky in March 2020, the General Assembly decided to pass a one-year budget for fiscal year 2021 in the 2020 legislative session instead of its usual biennial budget. The Governor initiated the fiscal year 2022 budget process with a budget recommendation in the first week of January to the 2021 legislative session, revising the fiscal year 2021 budget and proposing a fiscal year 2022 budget. The General Assembly enacted a revised fiscal year 2021 budget and a fiscal year 2022 budget through the passage of the typical four biennial appropriation bills plus a series of four other special appropriation bills.

General Fund Resources

The Consensus Forecasting Group updated its revenue estimates in December 2019, increasing the fiscal year 2021 General Fund forecast by \$125.9 million to a 1.4 percent growth rate and a growth rate of 2.3 percent for fiscal year 2022.

The General Assembly passed a number of tax actions that reduced General Fund estimated revenues by \$25 million in fiscal year 2021, by \$161.5 million in fiscal year 2022, and larger impacts in fiscal year 2023 and beyond. They included conformity with federal tax actions allowing the deductibility of business expenses that were reimbursed from forgiven federal Paycheck Protection Program loans and sales tax exemptions for cryptocurrency mining operations, with the opportunity for income tax incentives as well. A \$25 million annual capped tax credit for contributions to education opportunity accounts was also enacted. Other bills provided a \$100 million annual capped tax credit for certified historic rehabilitation projects and a refundable film tax credit with a \$75 million annual cap that will have a revenue impacts starting in fiscal year 2023.

After accounting for the tax reductions, the budgeted General Fund revenue growth rate for fiscal year 2022 is 1.2 percent.

General Fund Spending

Overall General Fund spending for fiscal year 2022 increased by 5.7 percent. After accounting for one-time spending items, the spending growth rate is 4.3 percent.

One-Time Spending Items

A significant amount of one-time resources were available in the budget process due to higher revenue estimates than originally assumed for fiscal year 2021, the leveraging of allowable uses of federal funds, and an unbudgeted balance from the 2020 legislative session. The enacted budget includes over \$475 million in one-time spending over the two fiscal years. The largest amounts are deposits to the state's rainy day fund, the Budget Reserve Trust Fund, of \$134.3 million in fiscal year 2021 and \$154.9 million in fiscal year 2022, \$75 million for the renovation of school district operated secondary vocational centers, \$32.6 million over two years for higher Medicaid per diem reimbursements to nursing facilities due to the pandemic, a \$20 million allocation to the rural hospital operations and facilities revolving loan fund, \$14.7 million for information technology improvements within the Judicial branch, \$12 million for increased

subsidies to families for child care services, and \$10 million for assistance to school district facilities damaged by spring floods.

American Rescue Plan – State Fiscal Recovery and Coronavirus Capital Projects Fund

Upon passage of the American Rescue Plan Act in mid-March, Kentucky is scheduled to receive over \$2.4 billion from the State Fiscal Recovery Fund and \$185 million from the Capital Projects Fund. Governor Beshear worked with Legislative leadership on a proposal that resulted in the appropriation of \$1.3 billion from these federal allocations.

Allocations of the State Fiscal Recovery Fund

Unemployment Insurance-Repayment of Federal Loan	\$ 575 million
Broadband Expansion	\$ 300 million
Drinking Water and Wastewater Infrastructure	\$ 250 million
Total	\$1,125 million

Unemployment Insurance repayment of Federal Loan - \$575 million

Kentucky’s current outstanding loan is \$505.7 million. The allocation of \$575 million will be used to repay the existing federal loan balance and any further borrowing that may occur through calendar year 2021. This also accommodates the postponement of the scheduled unemployment insurance state tax increase for 2020.

Broadband Expansion - \$300 million

The \$300 million for Kentucky’s Broadband Deployment targets unserved and underserved areas. Combined with at least 50% required matching investments, this means a minimum of \$600 million toward broadband expansion. The legislation allocated \$50 million for economic development opportunities and limited awards to \$50 million through April 2021 of the remaining \$250 million.

Drinking Water and Wastewater Grant Program - \$250 million

Of the \$250 million appropriated to the Kentucky Infrastructure Authority, \$150 million will be allocated based on each county’s proportion of the state’s population with the allocations serving as a funding cap for projects within that county; \$50 million for grants to counties to provide drinking water services to unserved rural customers or to counties under a federal consent decree, and \$50 million to supplement a project grant for a project whose cost is in excess of a county’s allocation amount and other available grant sources

American Rescue Plan Act-Coronavirus Capital Projects Fund - \$185 million

School Facilities Replacement and Renovation Fund	\$127 million
Capitol and Capitol Annex Buildings-Major Renovation	\$ 58 million

School Facilities Replacement and Renovation Fund

This \$127 million will accelerate the replacement and renovation of school facilities that have been designated as the highest ranked on the Department of Education’s Facilities Inventory and Classification System report. The School Facilities Construction Commission will determine the allocations from this fund on a rational basis that takes into account the Inventory’s rankings,

school district facility priorities, and whether a school district has levied a ten-cent equivalent tax dedicated to capital improvements but remains unable to cash fund or to sufficiently support the required debt service for replacement or renovation of the school. The amounts allocated shall represent the difference between the cost to replace or renovate the designated facility and the amount of available local resources.

At a minimum over 1,000 jobs would be created with just the state investment amount.

Major Capital Renovation & Modernization Projects

The two projects below include the next phase of renovating the state Capitol building and planned work on the Capitol Annex Building. If the following two capital projects are determined to not be eligible uses of the Coronavirus Capital Projects Fund, then the amounts would be reallocated to the School Facilities and Replacement and Renovation Fund appropriation.

Capitol Building Interior \$53,000,000
(primarily mechanical, electrical and plumbing)

Capitol Annex Building Exterior \$ 5,000,000
(terrace work, water proofing)

No Spending Cuts

There are no General Fund spending cuts in the fiscal year 2022 budget. This is the first time since the 2006-2008 biennium there has been a fiscal year budget with no budget cuts. Over \$2.3 billion in General Fund budget and spending cuts have taken place since fiscal year 2008.

PUBLIC EDUCATION

K-12 EDUCATION

Full-Day Kindergarten

An additional \$140 million was added to Kentucky's SEEK funding formula to fully finance the second half of kindergarten students. While most school districts have full-day kindergarten, the funding formula only incorporates a half-day equivalent for the number of kindergarten students. The base per pupil amount for the SEEK formula received no increase for fiscal year 2022.

Teachers' Retirement and Medical Benefits

The budget includes full pension funding for the Teachers' Retirement System for just the second biennium. Because the contributions for retiree medical benefits in fiscal year 2021 comprised of contributions by school district, active employees, retirees and the Commonwealth, exceeds the actuarially determined contribution, the General Assembly required that any amount in excess remain unexpended from the Commonwealth's \$61.7 million contribution and be used as the Commonwealth's portion in fiscal year 2022.

Teacher Scholarships

The need-based teacher scholarship program which was eliminated in the 2018-20 biennial budget will be revitalized with an additional \$1 million from lottery revenues.

School-Based Mental Health Services

The fiscal year 2022 budget continues the fiscal year 2021 funding for additional, full-time school-based mental health services provider staff.

School Facilities

The fiscal year 2022 budget includes \$127 million for the School Facilities Replacement and Renovation Fund from the federal American Rescue Plan. The budget also includes the necessary debt service to follow through on the \$58 million in offers of assistance that were authorized in the 2018-20 budget. Additionally, the budget proposes that the School Facilities Construction Commission be authorized to make another \$58 million in offers of assistance to school districts for which new debt service funding will be provided in the 2022-24 budget. One-time funding of \$75 million is available for the renovation of school district operated secondary vocational centers and \$10 million for assistance to school district facilities damaged by spring floods.

Support for Kentucky School for the Blind and School for the Deaf

The budget includes an additional \$1.5 million for operating support of these two statewide schools.

Kentucky Adult Learner Pilot Program

An adult learner pilot program is funded with \$1 million to provide adults with an opportunity to earn a high school diploma through an agreement with a non-profit service provider.

POSTSECONDARY EDUCATION

Increased Funding for Postsecondary Education Institutions - Performance Funding

The budget includes an additional \$17,307,000 from the General Fund in fiscal year 2022 for postsecondary institutions, which represents a 2% increase in General Fund investment in postsecondary institutions. The funds will be allocated to institutions based on the performance funding model that was adjusted by Senate Bill 135.

Other Student Financial Aid

The budget devotes all of the estimated lottery revenues to student financial aid programs. Need-based aid programs got a boost this biennium, with the originally enacted budget supporting approximately 7,300 additional College Access Program recipients and 1,500 additional Kentucky Tuition Grant recipients and the revised budget providing even more funding for the College Access Program, with \$9,100,000 in additional General Fund in fiscal year 2021 to support an additional 5,800 needy students. Funding for the Dual Credit Scholarship program, when combined with the dual credit portion of the Work Ready Scholarship program, is expected to support over 46,000 high school students by the end of fiscal year 2022. For the first time, \$2,600,000 in lottery revenues are appropriated to the Kentucky Department of Education in

fiscal year 2022 to provide financial aid for needy students who wish to take Advanced Placement and International Baccalaureate examinations.

University Mandated Programs

The fiscal year 2022 budget includes additional funding for several earmarked mandated programs. An additional \$1,061,600 is provided in each fiscal year to enable Kentucky State University to match the federal land grant award. Also, Senate Bill 270 provided \$200,000 for Kentucky State University to work with Simmons College in Louisville on two pilot programs to provide on-site courses and to work with the Cabinet for Health and Family Services to design and implement a pilot project to help address issues of health education, wellness, and food insecurity in African-American communities encompassing or adjacent to Simmons College in West Louisville. Morehead State University's budget will receive an additional \$329,000 in fiscal year 2022 for the Craft Academy to add more students, which is supported by a private donation. The University of Louisville budget includes an additional \$100,000 for rural dental health care.

Pension Funding Relief for Regional Universities and the Kentucky Community and Technical College System

The budget supports the transition of the Kentucky Employees Retirement System non-hazardous plan funding policy to the fixed allocation, or prorated amount of the actuarially accrued liability for each employer. The budget adds \$22.1 million in fiscal year 2022 from the General Fund to assist the participating comprehensive universities and the Kentucky Community and Technical College System with funding the additional costs to the institutions. The additional funding will cover 100% of the increased cost.

Optometry and Veterinary School Contract Spaces

The budget ensures that Kentucky's reserved spaces in out-of-state veterinary and optometry professional degree programs are intact with sufficient additional funding for their increased prices.

PROTECTING AND EXPANDING HEALTH CARE

Fully Funds Medicaid and Medicaid Expansion

The budget fully funds the Medicaid program, including Medicaid Expansion based on an updated forecast. The impacts of actions to reduce the infection rate of COVID-19 has resulted in many more Kentuckians accessing health insurance through the Medicaid program. The budget accommodates a 14% increase in fiscal year 2021 enrollment over fiscal year 2020, with a lessening of total enrollment in fiscal year 2022. Due to the coronavirus public health emergency, the federal government provides states with a 6.2% enhancement to the federal medical assistance percentage (FMAP) which is assumed to be effective through June 30, 2021.

Local Health Departments and Community Mental Health Centers-Pension Relief

Thirteen regional Community Mental Health Centers and 60 Local and District Health Departments participate in the Kentucky retirement system pension plans. The budget supports

the transition of the Kentucky Employees Retirement System non-hazardous plan funding policy to the fixed allocation, or prorated amount of the actuarially accrued liability for each employer. The budget sets aside adds \$33.8 million for the Local Health Departments and \$19.0 million for the Community Mental Health Centers from the General Fund to fund 100% of the additional cost of employer contributions for these critical health providers.

PROTECTING CHILDREN AND FAMILIES

Prevention Services

House Bill 405 provided \$20,000,000 additional General Fund in fiscal year 2022 to expand prevention services for families and will primarily be used to expand the Kentucky Strengthening and Empowering Parents program; contracting to provide multisystemic therapy; and establish rates for each Title IV-E evidence-based practice.

Preserving Child Support Enforcement

The budget maintains the additional \$6.5 million funded in fiscal year 2021 to preserve the federal funding awarded to Kentucky for child support enforcement. The County Attorneys primarily carry out this important service. The reduction in certain agency revenues as created the need to fill a gap, preventing a \$13 million loss from unmatched federal dollars over the biennium.

Child Care Assistance

House Bill 405 also provides \$12 million from the General Fund for an increase in the subsidy to parents of \$2 per day per child.

Child Advocacy Centers, Domestic Violence Centers, Rape Crisis Centers – Pension Relief

The budget supports the transition of the Kentucky Employees Retirement System non-hazardous plan funding policy to the fixed allocation, or prorated amount of the actuarially accrued liability for each employer. The budget adds a small amount necessary to fully fund an increased cost for several of these entities. Most of these organizations will realize an actual decrease in employer contribution costs.

INVESTING IN OUR PUBLIC EMPLOYEES

Pensions for Public Employees

The budget for fiscal year 2022 includes full funding for the actuarially determined pension contribution for all state employees. The budget supports the transition of the Kentucky Employees Retirement System non-hazardous plan funding policy to the fixed allocation, or prorated amount of the actuarially accrued liability for each employer.

The budget also provides pension relief for the quasi-government entities that are providing health care, substance use and mental health treatment and public safety services to the citizens of Kentucky, by providing \$78.1 million in fiscal year 2022 to local health departments, community mental health centers, regional universities and KCTCS and county attorneys.

ENHANCING PUBLIC SAFETY AND VICTIM SERVICES

Kentucky State Police – Salary Increase and Recruitment

The budget includes \$5.1 million in fiscal year 2022 to provide salary increases to troopers and other sworn personnel in the Kentucky State Police through their statutory salary schedule and an additional \$500,000 General Fund in fiscal year 2022 for trooper recruitment efforts.

Kentucky State Police – Rapid DNA and State Police Laboratory

The budget continues the additional \$3 million added in fiscal year 2021 to support rapid DNA laboratory analysis which will speed up investigatory efforts as well as decrease the time needed for DNA testing. To help address the recruitment and retention of laboratory personnel, an additional \$3.6 million is provided for a 15 percent increase in salary and the transition to a 40-hour work week from a 37.5 hour work week.

Northern Kentucky Medical Examiners Office

To re-open the Northern Kentucky Medical Examiner's office, \$1.5 million for ongoing costs and \$1.8 million in one-time costs are funded in the fiscal year 2022 budget.

Supporting State Prosecutors

The budget provides \$2.5 million in fiscal year 2022 for the additional costs to County Attorney offices for the increase in pension contributions related to the transition to the fixed allocation funding plan.

Corrections

The General Fund budget for jail and community beds in the Corrections budget decreases by about \$40 million over the enacted fiscal year 2021 due to a decline in the forecasted inmate population. The updated forecast results in over 5,200 fewer inmates in fiscal year 2021 and more than 4,600 fewer inmates in fiscal year 2022 than the forecast from a year ago.

Planning Funds for the Replacement of the Kentucky State Reformatory

Due to the significant physical deterioration of the 84-year old Kentucky State Reformatory, and the inability to recruit and retain correctional staff in a competitive local labor market, the budget includes planning funds to design an expansion of the Little Sandy Correctional Complex and to design the relocation of the statewide medical facility currently housed at the Reformatory. Upon the future completion of these two projects, the Kentucky State Reformatory will be closed. The multi-year design and construction timeline will enable the Department to transition Reformatory employees to other positions.

Payments for Programs for Felons Held in County Jails

House Bill 556 added \$30 million from the General Fund for bonus payments to county jails for state inmates that complete approved programs, and an increase in per diem payments to county jails for attendance in evidence-based programs by state inmates.

Judicial Branch Information Technology Enhancements

House Bill 556 included \$14.7 million in one-time funding from the General Fund for a variety of information technology enhancements for the Judicial branch.

PARTNERING WITH LOCAL GOVERNMENTS

Returning Coal Severance Tax Revenues to Counties

The fiscal year 2022 budget continues the fiscal year 2021 treatment of returning coal severance tax revenues to the counties, after reserving amounts needed for debt service on past capital projects that benefitted Kentucky's coal counties and the administration of those programs.

Public Transportation Funding for Local Governments

Due to the loss of state matching funds from a source called toll credits, the budget includes \$8.4 million from the General Fund to ensure sufficient that Kentucky's local governments are able to obtain federal public transit grants, with most federal programs providing 80% in federal dollars. The public transit grants are used to purchase public transit vehicles/buses, bus cameras, other capital equipment, and build/renovate transit facilities. The elderly, low income, and persons with disabilities are populations that would be most affected by a loss of federal funding.

CREATING AND ATTRACTING JOBS

Economic Development Capacity

An additional \$7.5 million in Bond funds is provided for the Cabinet's three investment programs to recapitalize the financial resources they use to expand jobs at existing businesses and bring in good-paying jobs into the Commonwealth.

Bluegrass Station Project

The budget includes early-stage funding of almost \$1.8 million for preliminary work on the Bluegrass Station Industrial Airport and Airpark project in Fayette/Bourbon counties. This is a project that has the potential for significant economic development and job creation opportunities, as well as the prospect of leveraging the mission of Bluegrass Station. These funds will support the request for information and qualification process, and initiate related project activities that will inform key elements of a potential request for proposal once that is authorized by a future General Assembly.

INVESTING IN INFRASTRUCTURE

Broadband Expansion

The budget includes \$300 million from the American Rescue Plan Act to expand broadband internet connectivity to unserved and underserved areas of the state where the marketplace has determined to not be cost-effective. Combined with at least 50% required matching investments, this means a minimum of \$600 million toward broadband expansion. The legislation allocated \$50 million for economic development opportunities and limited awards to \$50 million through April 2021 of the remaining \$250 million.

Drinking Water and Wastewater Grant Program

Federal funds in the amount of \$250 million from the American Rescue Plan is appropriated to the Kentucky Infrastructure Authority. \$150 million will be allocated based on each county's proportion of the state's population with the allocations serving as a funding cap for projects within that county. \$50 million for grants to counties to provide drinking water services to unserved rural customers or to counties under a federal consent decree, and \$50 million to supplement a project grant for a project whose cost is in excess of a county's allocation amount and other available grant sources

Water and Sewer Infrastructure

The capital budget includes \$7.7 million in state bond funds to match \$38.7 million in federal dollars to repair, replace and improve local drinking water and wastewater infrastructure.

Flood Control

The budget includes \$6 million in bond funds in fiscal year 2022 to assist local governments in meeting match for federal funding for both design and construction for flood damage reduction projects.

Roads and Bridges

The budget includes \$78.9 million more for the Biennial Highway Construction Plan in fiscal year 2021 than the current budget resulting from a higher Road Fund revenue estimate and from utilizing the flexibility of CARES Act money. In fiscal year 2022, there is an additional \$38 million in the Biennial Highway Construction Plan. As a result, more projects from the Plan will be able to be funded or phases of projects in the Plan advanced earlier.

MODERNIZING AND IMPROVING UNEMPLOYMENT INSURANCE SYSTEM

Unemployment Insurance System Replacement

The capital budget includes \$47.5 million for the replacement of the existing Unemployment System that been in operation since the 1970's. Project budget is funded with restricted funds of \$30 million, reallocation of \$10 million in existing bond funds, and \$7.5 million from the General Fund.

Repayment of Interest and Principal-Federal Unemployment Insurance Advances (Loan)

From the American Rescue Plan's State Fiscal Recovery Fund \$575 million is provided for the payment of interest and principal for advances under Title XII of the Social Security Act during calendar year 2021. With this funding contributing employers will not have to pay the statutory surcharge that would be used to pay interest on advances for calendar year 2021.

INVESTING IN VETERANS

Bowling Green Veterans Center

The budget includes the debt service to finance the \$32.5 million Veterans center in Bowling Green project.

HELPING KENTUCKY’S TOURISM RECOVER

Parks, State Fair Board and Kentucky Horse Park – Recovery

The budget includes an additional \$33.8 million in the current fiscal year to address the revenue shortfalls of these three important tourism enterprises that resulted from the impact of COVID-19. This funding is necessary to put them on a sound fiscal footing for the post-COVID economy.

ENHANCING FISCAL RESPONSIBILITY

Budget Reserve Trust Fund

An unexpected General Fund surplus at the end of fiscal year 2020 resulted in the largest deposit from a surplus ever made to Kentucky’s “Rainy Day Fund”, in the amount of \$162.5 million. This brought the balance of the Fund to \$465.7 million, which is four percent of the revised fiscal year 2021 revenue estimate. That ratio is also the highest amount in the Fund’s history.

To further build, protect and preserve the Budget Reserve Trust Fund, the budget appropriates \$134,346,300 in fiscal year 2021 and \$154,907,100 in fiscal year 2022. This will bring the balance to \$754.9 in fiscal year 2022, 6.4 percent of fiscal year 2022 estimated revenues.

Planning for Liabilities

The budget includes \$22.5 million for liabilities that are incurred by the Commonwealth. These funds are necessary for both existing settlement agreements and upcoming judgments against the Commonwealth and future legal settlements. Rather than depend upon a budget surplus or draining the Budget Reserve Trust Fund, this budget provides direct funding for these expenses which also includes Guardian Ad Litem required reimbursements, security for courthouses across the Commonwealth, and actions required at the Maxey Flats nuclear waste disposal site.

ACKNOWLEDGMENTS

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**2021-2022 BUDGET OF THE COMMONWEALTH
GENERAL FUND SUMMARY**

	Enacted FY 2021	Enacted FY 2022
RESOURCES		
Beginning Balance	77,490,900	343,390,900
Official Revenue Estimate	11,729,000,000	11,996,300,000
Tax Expenditures	(25,000,000)	(161,500,000)
Other Resources		15,000,000
Fund Transfers	171,440,900	85,399,300
TOTAL RESOURCES	11,952,931,800	12,278,590,200
 Continued Appropriations Reserve		
Budget Reserve Trust Fund	465,653,700	600,000,000
Executive Branch	51,488,400	
Judicial Branch	4,636,400	
Legislative Branch	15,690,000	15,690,000
Continued Appropriations Reserve	537,468,500	615,690,000
 APPROPRIATIONS		
Appropriations-Executive Branch	11,010,756,700	11,674,405,000
Appropriations-Legislative Branch	71,986,400	79,653,300
Appropriations-Judicial Branch	392,416,700	396,752,600
Lapses	(14,965,200)	(27,127,800)
Reserve for Necessary Government Expense	15,000,000	
TOTAL APPROPRIATIONS	11,475,194,600	12,123,683,100
 BALANCE	1,015,205,700	770,597,100
 Continued Appropriations Reserve		
Budget Reserve Trust Fund	600,000,000	754,907,100
Executive Branch	51,488,400	
Judicial Branch	4,636,400	
Legislative Branch	15,690,000	15,690,000
Continued Appropriations Reserve	671,814,800	770,597,100
 ENDING BALANCE	343,390,900	0

**2021-2022 BUDGET OF THE COMMONWEALTH
ROAD FUND SUMMARY**

	Enacted FY 2021	Enacted FY 2022
	<hr/>	<hr/>
RESOURCES		
Beginning Balance	37,463,400	58,400
Official Revenue Estimate	1,577,700,000	1,609,200,000
Fund Transfers	1,831,100	837,400
TOTAL RESOURCES	<hr/> 1,616,994,500	<hr/> 1,610,095,800
 APPROPRIATIONS		
Appropriations	1,620,227,300	1,613,219,600
Surplus Appropriation	139,800	58,400
Budgeted Lapse	(3,431,000)	(3,182,200)
TOTAL APPROPRIATIONS	<hr/> 1,616,936,100	<hr/> 1,610,095,800
 ENDING BALANCE	<hr/> 58,400	<hr/> 0

**2020-2022 BUDGET OF THE COMMONWEALTH
CAPITAL PROJECTS SUMMARY**

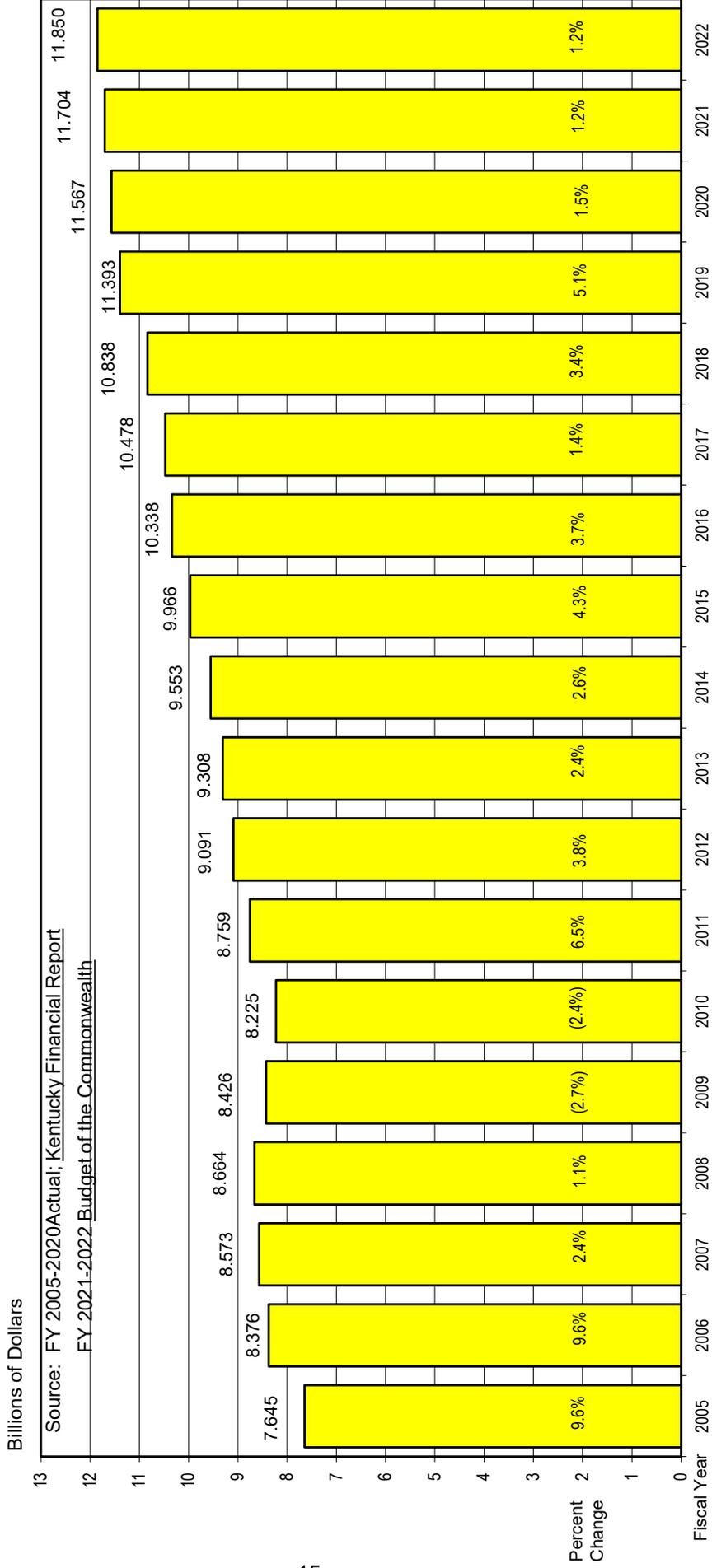
	Enacted FY 2021	Enacted FY 2022
SOURCE OF FUNDS		
Executive Branch		
General Fund	700,000	8,170,000
Restricted Funds	5,888,416,200	77,927,600
Federal Funds	185,451,000	756,731,000
Road Fund	13,940,000	7,190,000
Bond Funds	329,772,300	57,747,000
Agency Bonds	766,938,000	12,200,000
Investment Income	10,236,000	11,856,000
Other - Cash	769,630,000	0
Other - Third Party Financing	1,005,288,000	5,500,000
SOURCE OF FUNDS	8,970,371,500	937,321,600
APPROPRIATIONS BY CABINET		
Executive Branch		
General Government	245,554,400	557,771,600
Economic Development		7,500,000
Department of Education	27,472,000	6,000,000
Education & Workforce Development	1,050,000	1,050,000
Energy and Environment	7,300,000	300,000
Finance and Administration	41,711,300	67,000,000
Health and Family Services	31,074,000	5,000,000
Justice and Public Safety	85,481,000	12,670,000
Labor	19,560,000	7,500,000
Postsecondary Education	8,471,888,800	182,700,000
Tourism, Arts and Heritage	24,640,000	77,640,000
Transportation	14,640,000	12,190,000
TOTAL APPROPRIATIONS	8,970,371,500	937,321,600

¹The above Capital Projects Summary includes capital project appropriations from the following bills: House Bill 352, 353 and HB 99 (2020 Regular Session); House Bill 192, 193, 320, 382, 556 and SB 36 (2021 Regular Session)

General Fund Revenue Receipts

Fiscal Years 2005-2022

(Billions of dollars – rounded)

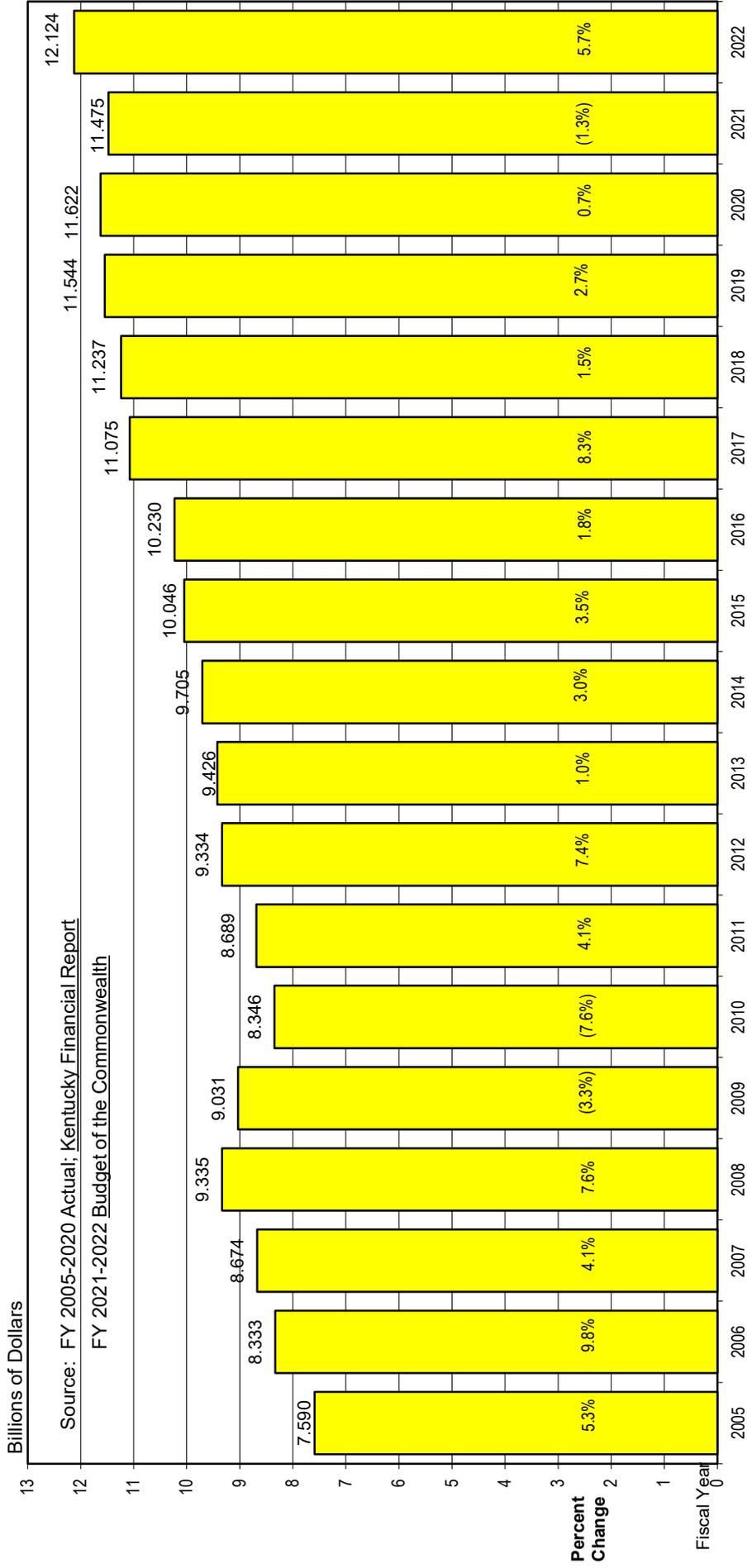


- Excludes Tobacco Settlement – Phase I Funds
- Excludes Fund Transfers

General Fund Expenditures

Fiscal Years 2005-2022

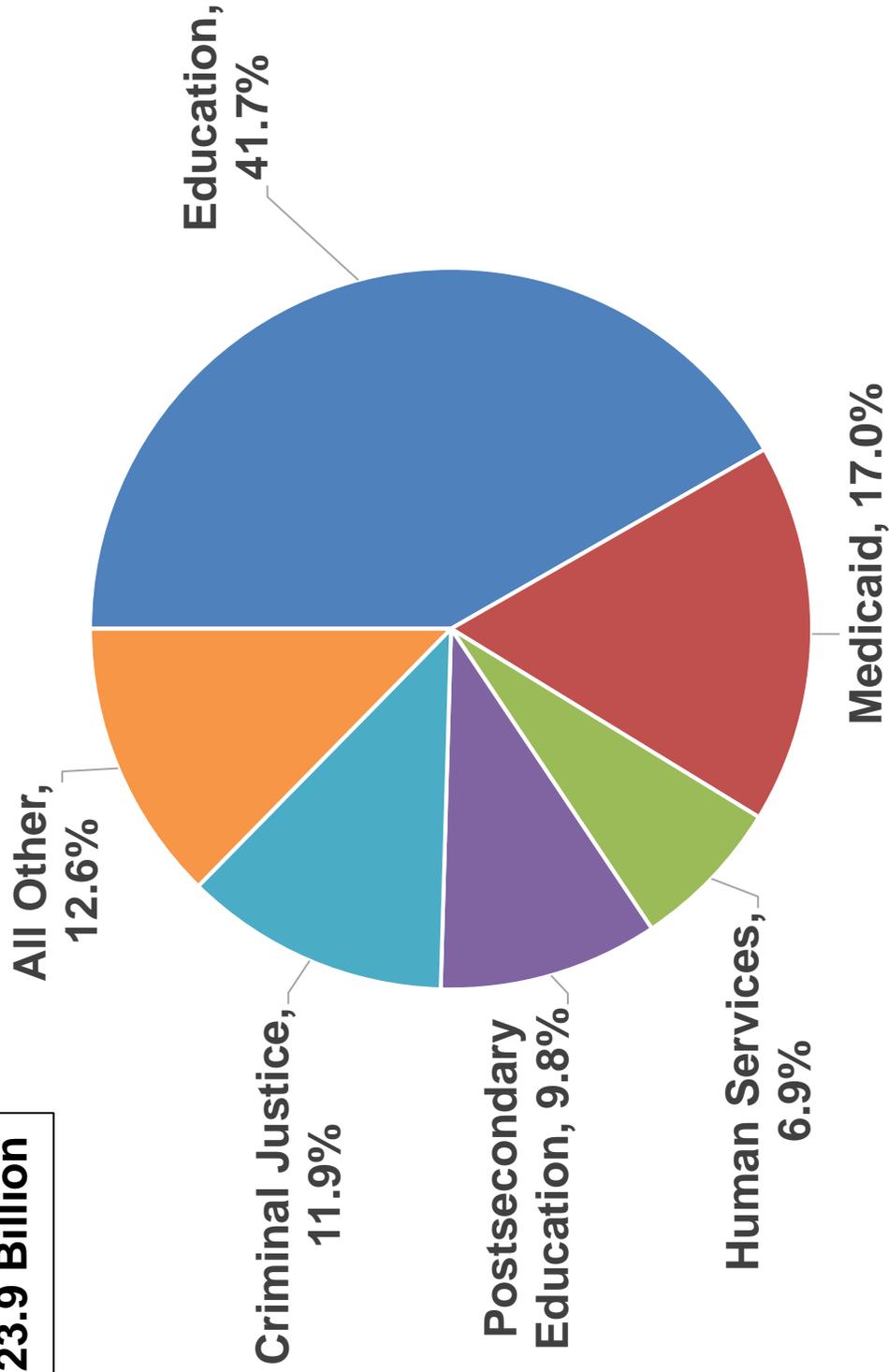
(Billions of dollars – rounded)



• Excludes Tobacco Settlement – Phase I Funds

2021 - 2022 Budget of the Commonwealth Distribution of General Fund Appropriations

Total = \$23.9 Billion



Excludes Tobacco Settlement - Phase I Funds

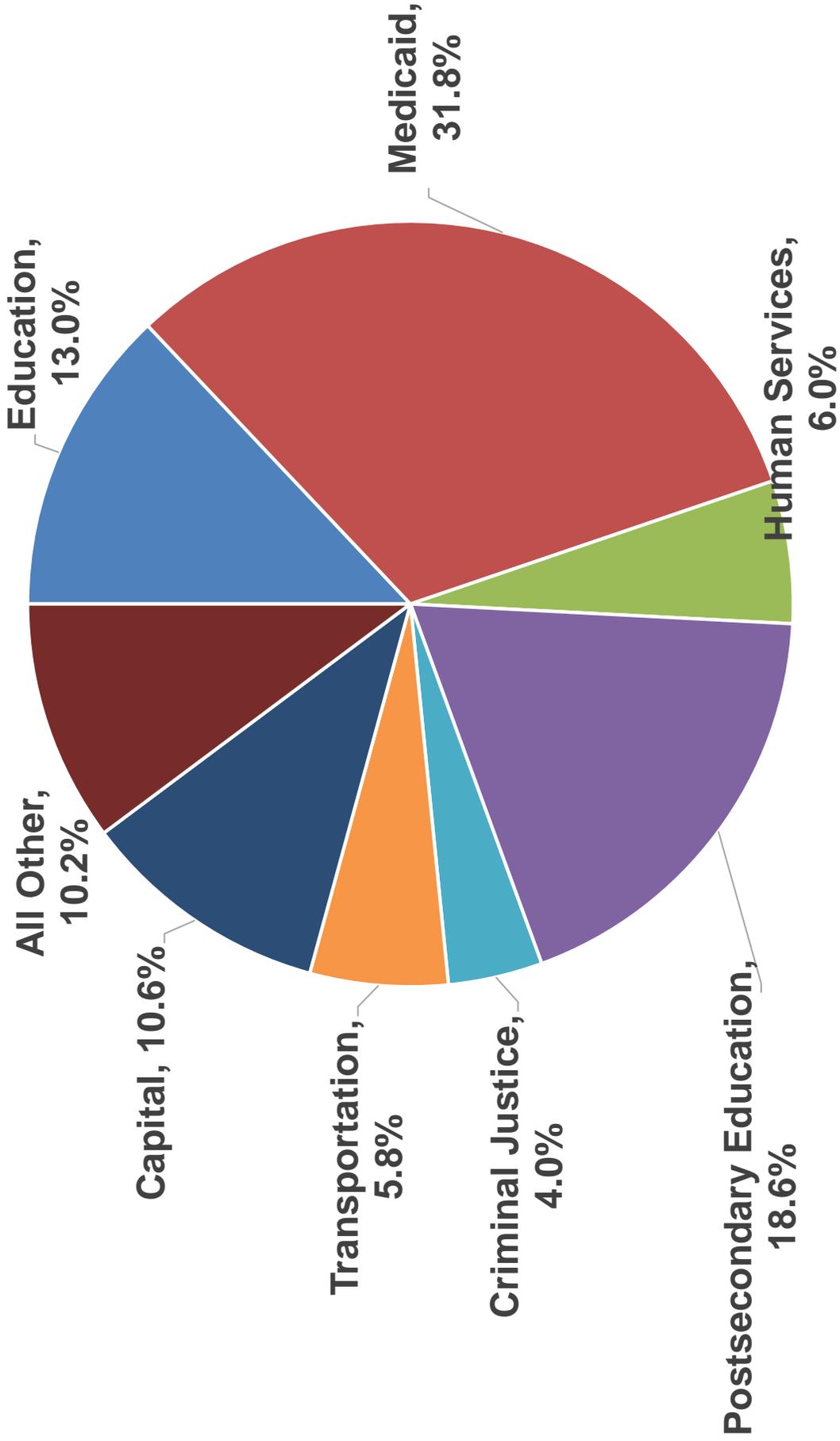
* Education includes the Department of Education Teachers' Retirement System, and the School Facilities Construction Commission

**Human Services include the Health and Family Services Cabinet (net of Medicaid)

***Criminal Justice System includes the Unified Prosecutorial System, Justice and Public Safety Cabinet and the Judicial Branch

2021 - 2022 Budget of the Commonwealth Distribution of All Funds Appropriations

Total = \$96.3 Billion



Excludes Tobacco Settlement - Phase I Funds

* Education includes the Department of Education Teachers' Retirement System, and the School Facilities Construction Commission

**Human Services include the Health and Family Services Cabinet (net of Medicaid)

***Criminal Justice System includes the Unified Prosecutorial System, Justice and Public Safety Cabinet and the Judicial Branch

**General Fund
Official Enacted Forecast FY21-FY22**

	FY20		FY21		FY22	
	Full Year		Full Year		Full Year	
	Actual	% Chg	Estimate	% Chg	Estimate	% Chg
Individual Income	4,765,235,521.8	4.9	4,813,000,000	1.0	5,004,100,000	4.0
Sales & Use	4,070,905,628.8	3.4	4,232,800,000	4.0	4,336,000,000	2.4
Corp. Inc. & LLET	639,156,161.7	-16.2	547,500,000	-14.3	469,100,000	-14.3
Property	643,046,098.7	-0.6	663,700,000	3.2	681,700,000	2.7
Lottery	271,363,343.7	2.8	286,100,000	5.4	292,000,000	2.1
Cigarettes	354,965,469.4	0.4	345,200,000	-2.8	334,950,000	-3.0
Coal Severance	58,820,499.1	-36.7	52,400,000	-10.9	51,900,000	-1.0
Other	763,128,949.2	-3.5	763,300,000	0.0	680,050,000	-10.9
General Fund	11,566,621,672	1.5%	11,704,000,000	1.2%	11,849,800,000	1.2%

**Road Fund
Official Enacted Forecast FY21-FY22**

	FY20		FY21		FY22	
	Full Year		Full Year		Full Year	
	Actual	% Chg	Estimate	% Chg	Estimate	% Chg
Motor Fuels	741,601,000	-4.1	756,200,000	2.0	769,200,000	1.7
Motor Vehicle Usage	499,277,000	-3.0	568,600,000	13.9	581,400,000	2.3
Motor Vehicle License	108,626,000	-10.2	117,200,000	7.9	119,600,000	2.0
Motor Vehicle Operators	12,930,000	-22.2	17,200,000	33.0	17,600,000	2.3
Weight Distance	83,374,000	-0.4	79,700,000	-4.4	81,200,000	1.9
Investment	6,688,000	-43.9	200,000	-97.0	400,000	100.0
Other	39,014,000	-13.6	38,600,000	-1.1	39,800,000	3.1
Total Road Fund	1,491,510,000	-4.8	1,577,700,000	5.8	1,609,200,000	2.0

DEBT AUTHORIZED BY RECENT SESSIONS OF THE GENERAL ASSEMBLY

<u>Biennium</u>	<u>Principal Debt Authorized</u>	<u>Biennium</u>	<u>Principal Debt Authorized</u>
1998-00 ¹	1,095,128,000	2010-12 ⁷	1,553,199,800
2000-02 ²	1,046,927,600	2012-14 ⁸	630,258,000
2002-04 ³	828,936,380	2014-16 ⁹	1,496,548,200
2004-06 ⁴	1,906,315,300	2016-18 ¹⁰	1,266,242,500
2006-08 ⁵	2,110,528,000	2018-20 ¹¹	1,047,702,000
2008-10 ⁶	2,015,494,000	2020-22 ¹²	1,204,657,300

¹Debt Enacted in the 1998-2000 Budget of the Commonwealth

\$604,030,000 General Fund; \$268,100,000 Road Fund; and \$96,100,000 Agency Funds. \$126,898,000 was appropriated in the General Fund Surplus Expenditure Plan in fiscal year 1998-99.

²Debt Enacted in the 2000-2002 Budget of the Commonwealth.

General Fund Authorization: \$901,202,600
 Road Fund Authorization: \$ 28,200,000
 Agency Fund Authorization: \$117,525,000

The 2000 Session of the Kentucky General Assembly authorized \$1,053,015,600 of debt. The Secretary of the Finance and Administration Cabinet determined that \$6,088,000 of debt authorized projects would be funded with General Fund cash, thereby reducing the authorized amount to \$1,046,927,600.

³Debt Enacted in the 2002-2004 Budget of the Commonwealth.

General Fund Authorization: \$621,936,380
 Agency Fund Authorization: \$207,000,000

⁴Debt Enacted in the 2004-2006 Budget of the Commonwealth.

General Fund Authorization: \$1,204,589,300
 Road Fund Authorization: \$ 450,000,000
 Agency Fund Authorization: \$ 251,726,000

The 2005 Session of the Kentucky General Assembly also authorized \$150,000,000 of Grant Anticipation Revenue Vehicle (GARVEE) bonds supported by Transportation Cabinet Federal Highway Trust Funds.

⁵Debt Enacted in the 2006-2008 Budget of the Commonwealth and subsequent 2007 Second Extraordinary Session of the General Assembly.

General Fund Authorization: \$1,492,991,000
 Road Fund Authorization: \$ 350,000,000
 Agency Fund Authorization: \$ 267,537,000

The 2006 Session of the Kentucky General Assembly also authorized \$290,000,000 of Grant Anticipation Revenue Vehicle (GARVEE) bonds supported by Transportation Cabinet Federal Highway Trust Funds.

⁶Debt Enacted in the 2008-2010 Budget of the Commonwealth.

General/Tobacco Fund Authorization: \$ 657,281,000
 Road Fund Authorization: \$ 535,000,000
 Agency Fund Authorization: \$ 743,213,000
 Other Authorization: \$ 80,000,000

The 2008 Session of the Kentucky General Assembly also authorized \$231,000,000 of Grant Anticipation Revenue Vehicle (GARVEE) bonds supported by Transportation Cabinet Federal Highway Trust Funds. The Agency Fund bond authorization includes \$230,000,000 of authorization for the Kentucky Infrastructure Authority Wastewater and Drinking Water Revolving Fund.

⁷Debt Enacted in the 2010-2012 Budget of the Commonwealth.

General/Tobacco Fund Authorization: \$ 507,395,800
 Road Fund Authorization: \$ 522,500,000
 Agency Fund Authorization: \$ 523,304,000

The 2010 Extraordinary Session of the Kentucky General Assembly also authorized \$435,000,000 of Grant Anticipation Revenue Vehicle (GARVEE) bonds supported by Transportation Cabinet Federal Highway Trust Funds for the Lake Barkley and Kentucky Lake Bridges Project and the Louisville-Southern Indiana Ohio River Bridges Project. The Agency Fund bond authorization includes \$125,000,000 of authorization for the Kentucky Infrastructure Authority Wastewater and Drinking Water Revolving Fund. The 2010 Regular Session authorized \$4,000,000 of Agency Bonds for the Department of Military Affairs.

⁸Debt Enacted in the 2012-2014 Budget of the Commonwealth and 2013 Regular Session of the General Assembly.

General Fund Authorization: \$ 182,860,000
 Road Fund Authorization: \$ 12,500,000

Agency Fund Authorization: \$ 434,898,000
The 2013 Regular Session authorized \$363,298,000 of Agency Bonds for several universities and authorized \$28,100,000 of Agency Bonds for the Administrative Office of the Courts in the Court of Justice.

⁹Debt Enacted in the 2014-2016 Budget of the Commonwealth and 2015 Regular Session of the General Assembly.

General Fund Authorization: \$ 770,273,200
Road Fund Authorization: \$ 5,000,000
Agency Fund Authorization: \$ 721,275,000

The 2014 Regular Session authorized \$742,773,200 for new projects and deauthorized \$105,000,000. The Agency Fund bond authorization includes \$125,000,000 of authorization for the Kentucky Infrastructure Authority Wastewater and Drinking Water Revolving Fund. The 2015 Regular Session authorized General Fund bonds of \$132,500,000 for the University of Kentucky Research Building.

¹⁰Debt Enacted in the 2016-2018 Budget of the Commonwealth and 2017 Regular Session of the General Assembly.

General Fund Authorization \$ 588,986,500
Agency Fund Authorization \$ 677,256,000

The 2016 Regular Session authorized \$582,986,500 for new projects and deauthorized \$9,000,000. The Agency Fund bond authorization includes \$125,000,000 of authorization for the Kentucky Infrastructure Authority Wastewater and Drinking Water Revolving Fund. The 2017 Regular Session of the General Assembly authorized General Fund bonds of \$15,000,000 for the Economic Development Cabinet.

¹¹Debt Enacted in the 2018-2020 Budget of the Commonwealth and 2019 Regular Session of the General Assembly.

General Fund Authorization: \$ 444,817,000
Agency Fund Authorization: \$ 602,885,000

The 2018 Regular Session authorized \$369,817,000 for new projects. The Agency Fund bond authorization includes \$60,000,000 of authorization for the Kentucky Infrastructure Authority Wastewater and Drinking Water Revolving Fund. The 2019 Regular Session of the General Assembly authorized General Fund bonds of \$25,000,000 for the Economic Development Cabinet and \$50,000,000 for Parks.

¹²Debt Enacted in the 2020-2022 Budget of the Commonwealth

General Fund Authorization: \$ 425,519,300
Agency Fund Authorization: \$ 779,138,000

The total General Fund bonds listed above include \$35,000,000 in bonds for the Economic Development Cabinet that were authorized in House Bill 99 from the 2020 Session of the General Assembly; \$302,672,300 authorized in the Executive Branch appropriations act by the 2020 General Assembly; and an additional \$87,847,000 authorized in the Executive Branch appropriations act by the 2021 General Assembly. The Agency Fund Authorization includes \$422,138,000 authorized by the 2020 General Assembly and an additional \$357,000,000 authorized by the 2021 General Assembly.

DEBT FINANCING

2020-2021 Budget of the Commonwealth

The 2020 and 2021 Regular Sessions of the Kentucky General Assembly enacted \$1,204,657,300 in net debt-financed capital projects. The General Fund amount is \$425,519,300 and the Agency Fund amount is \$779,138,000. Also included was a reauthorization and reallocation of \$18,189,700 in previously authorized General Fund supported debt. If all authorized amounts are issued by June 30, 2022, the Commonwealth's debt capacity ratio would be 5.25% (inclusive of previously issued debt for the Kentucky Teachers' Retirement System medical fund).

Structure

The Commonwealth's indebtedness is classified as either appropriation supported debt or non-appropriation supported debt.

Appropriation supported debt carries the name of the Commonwealth and is either (i) a general obligation of the state, or (ii) a lease revenue obligation of one of its debt issuing agencies created by the Kentucky General Assembly to finance various projects which are subject to state appropriation for all or a portion of the debt service on the bonds.

General obligation bonds pledge the full faith, credit and taxing power of the Commonwealth for the repayment of the debt. The Kentucky Constitution requires voter approval by general referendum prior to the issuance of general obligation bonds in amounts exceeding \$500,000. Kentucky has not issued general obligation bonds since 1966. The Commonwealth has no general obligation bonds outstanding.

Project revenue notes and bonds are issued by various debt issuing authorities of the Commonwealth. The revenues produced by the projects funded by the debt are pledged as security for repayment of the debt. Project revenue debt is not a direct obligation of the Commonwealth. Project revenues are, in some cases, derived partially or solely from biennial appropriations of the General Assembly. In other cases, the direct revenues generated from the project or agency constitutes the entire source of payment.

The payment of debt service by the state universities is secured by a state intercept provision that provides that in the event of a default, the Secretary of the Finance and Administration Cabinet is required to intercept any funds appropriated to the University but not yet disbursed and to remit those funds to the Trustee to remedy the default.

Non-appropriation supported debt (moral obligation debt) carries the name of the Commonwealth for the benefit and convenience of other entities within the state. This type of indebtedness is a special obligation of the issuer, secured and payable solely from the sources pledged for the payment thereof and does not constitute a debt, liability, obligation or a pledge of the faith, credit, and taxing power of the Commonwealth. The General Assembly does not intend to appropriate any general funds to fulfill the financial obligations represented by these types of indebtedness. Some issues covenant that in the event of a shortfall, the issuer will request from the Secretary of the Finance Cabinet or the Governor and the General Assembly in the next regular session sufficient amounts to pay debt service or to replenish the debt service reserve funds, as applicable. Certain Kentucky Higher Education Student Loan Corporation bonds, Kentucky Housing Corporation bonds, and the Kentucky Infrastructure Authority's Governmental Agencies Program and Leveraged Wastewater and Drinking Water Revolving Fund bonds are not moral obligation debt.

**APPROPRIATION SUPPORTED DEBT SERVICE
AS A PERCENT OF TOTAL REVENUE (%)
DEBT CAPACITY RATIO**

Fiscal Year	Percent of Total Revenue	Fiscal Year	Percent of Total Revenue
1997	5.61	2010	2.97
1998	5.27	2011	4.55
1999	5.05	2012	4.53
2000	5.90	2013	5.94
2001	5.58	2014	6.17
2002	5.18	2015	6.02
2003	5.70	2016	5.72
2004	5.39	2017	5.62
2005	4.70	2018	5.75
2006	4.89	2019	5.70
2007	4.29	2020	4.98*
2008	5.16	2021	5.49*
2009	4.81	2022	5.25*

*Estimated. The Fiscal Year 2022 figure assumes all new appropriated debt is issued by June 30, 2022.

The above analysis for Fiscal Years 2020, 2021, and 2022 is premised on the following assumptions:

- Fiscal Years 2020-2022 General Fund and Road Fund revenues are based on the enacted Revenue Estimates as well as interest subsidies received for General Fund and Road Fund Build America Bonds issued.
- Agency Fund revenues are based on actual Fiscal Year 2019 revenues from the Supplementary Information to the FY19 Comprehensive Annual Financial Report, and for FY20, FY21, and FY22, estimated amounts are obtained from the 2020-2022 biennial budget submissions.
- All previously appropriated but unissued debt was assumed issued by June 30, 2020.
- All debt service for authorized but unissued debt was assumed at the budgeted rates of 2.75% for 10-year tax-exempt issues, 3.50% for 20-year tax-exempt issues, and 4.25% for 20-year taxable issues.

ENACTED BOND FUNDED PROJECTS

<u>AGENCY</u>	<u>PROJECT</u>	<u>GENERAL FUND</u>
EKU	Purchase Aviation Maintenance Technician/Pilot Training Equip	5,000,000
EKU	Construct Aviation/Aerospace Instructional Facility	3,016,000
University of Kentucky	Improve Sanders-Brown Center on Aging/Neurosci Facilities	14,000,000
Kentucky State University	Roof Repair and Replacement Pool	5,000,000
Attorney General	Technology Upgrades	2,000,000
Veterans Affairs	Construct Bowling Green Veterans Center	10,500,000
Ky Infrastructure Authority	Fund A-Federally Assisted Wastewater Program	8,172,000
Ky Infrastructure Authority	Fund F-Drinking Water Revolving Loan Program	8,222,000
Department for Local Government	Flood Control Matching Fund	6,000,000
Econ Development	KY Economic Development Finance Authority Loan Pool	37,500,000
Econ Development	Economic Development Bond Pool	2,500,000
Econ Development	High-Tech Construction/Investment Pool	2,500,000
School Facilities Construction Commission	Offers of Assistance - 2018-2020	58,000,000
School Facilities Construction Commission	Special Offers of Assistance	47,527,000
Education	School Safety Facility Upgrades	18,200,000
Finance & Administration	Capitol Campus Upgrade	22,000,000
Finance & Administration	Air Handler Replacement and Repair-Central Lab	2,011,300
Finance & Administration	Elevator Upgrades - Phase I	2,000,000
Finance & Administration	Fourth Floor Capitol Renovation	5,000,000
Kentucky State Police	Emergency Radio System Replacement, Phase II	52,450,000
Corrections	Repair/Replace Roofs - Eastern KY Correctional Complex	6,531,000
Corrections	Install Emergency Generators-Luther Lockett & Green River	5,700,000
Corrections	Design Expansion of the Little Sandy Correctional Complex	8,000,000
Corrections	Design Relocation of Corrections Medical Facility	3,100,000
CHFS-Behavioral Health	Western State Hospital - Electrical Upgrade - Phase III	3,493,000
CHFS-Behavioral Health	Oakwood Renovate/Replace Cottages - Phase II	8,000,000
CHFS-Behavioral Health	Oakwood Replace, Upgrade & Enhance Emergency Generators	1,825,000
State Fair Board	Prestonia Grounds and Infrastructure Improvements	4,000,000
Parks	Wastewater Treatment Upgrades Pool	10,000,000
Environmental Protection	State-Owned Dam Repair Pool	7,000,000
Education	State Schools Roof Replacement Pool	3,272,000
Education	State Schools HVAC Pool	10,000,000
Parks	Maintenance Pool	10,000,000
Finance & Administration	Maintenance Pool	10,000,000
Corrections	Maintenance Pool	10,000,000
Health and Family Services	Maintenance Pool	10,000,000
State Fair Board	Maintenance Pool	3,000,000
TOTAL - NEW GENERAL FUND PROJECTS		\$425,519,300

<u>AGENCY</u>	<u>PROJECT</u>	<u>AGENCY FUND</u>
Eastern	Upgrade/Improve Athletic Facilities/Fields Pool	25,000,000
Eastern	Residence Hall Renovation Pool	24,800,000
Morehead	Capital Renewal and Maintenance Pool-Auxiliary	4,539,000
Morehead	Comply with ADA - Auxiliary	2,034,000
Morehead	Construct New Residence Hall	37,956,000
Morehead	Construct New Volleyball Facility - Phase 2	2,380,000
Morehead	Renovate Alumni Tower Ground Floor	3,812,000
Morehead	Replace Exterior Precast Panels-Nunn Hall	3,148,000
Morehead	Replace Turf on Jacobs Field	1,102,000
Murray	Renovate Residence Hall or Replace	16,740,000
Murray	Renovate Residence Hall Electrical System	4,180,000
Murray	Renovate Residence Hall HVAC System	3,503,000
Murray	Replace Residence Hall Domestic Water Piping	1,143,000
Murray	Renovate Residence Hall Interior	1,601,000
Murray	Historic Buildings Preservation Pool	12,200,000
Northern	KERS Cessation	320,000,000
Northern	Renovate Residence Halls	10,000,000
UK	Facilities Renewal and Modernization	125,000,000
UK	Renovate/Upgrade Health Care Facilities-Addl	25,000,000
UK	Acquire/Renovate Housing	40,000,000
UofL	Construct College of Business Building	40,000,000
WKU	Construct, Renovate and Improve Athletic Facilities	50,000,000
WKU	Construct Parking Structure IV	25,000,000
TOTAL - AGENCY BOND PROJECTS		\$779,138,000

TOTAL - ALL BOND PROJECTS		\$1,204,657,300
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Commonwealth of Kentucky

	Revised FY 2021	Enacted FY 2022
SOURCE OF FUNDS		
General Fund		
Regular Appropriation	11,916,936,900	11,964,138,300
Surplus Expenditure Plan	162,469,000	
Special Appropriation	3,069,000	341,579,700
Current Year Appropriation	50,561,100	
Continuing Approp-General Fund	368,644,400	614,492,800
Other	-361,060,900	
Total General Fund	12,140,619,500	12,920,210,800
Tobacco Fund		
Tobacco Settlement - Phase I	108,226,600	104,785,700
Continuing Approp-Tob Settlement	67,886,100	
Total Tobacco Fund	176,112,700	104,785,700
Restricted Funds		
Balance Forward	986,916,194	1,199,147,794
Current Receipts	8,511,423,500	8,928,472,950
Non-Revenue Receipts	1,296,556,700	1,279,855,350
Fund Transfers	-97,523,500	-72,706,500
Total Restricted Funds	10,697,372,894	11,334,769,594
Federal Fund		
Special Appropriation		575,000,000
Balance Forward	37,491,400	26,535,000
Current Receipts	17,684,735,800	16,937,382,100
Non-Revenue Receipts	-2,522,300	-2,530,200
CRF Receipts	1,381,645,300	
Total Federal Fund	19,101,350,200	17,536,386,900
Road Fund		
Regular Appropriation	1,571,420,400	1,613,219,600
Surplus Expenditure Plan	139,800	
Current Year Appropriation	78,806,900	
Continuing Approp-Road Fund	416,116,200	
Other	-30,000,000	
Total Road Fund	2,036,483,300	1,613,219,600
TOTAL SOURCE OF FUNDS	44,151,938,594	43,509,372,594
EXPENDITURES BY CLASS		
Personnel Costs	8,544,709,100	8,945,096,524
Operating Expenses	4,014,462,600	4,163,765,176
Grants Loans Benefits	26,769,444,200	26,322,811,100
Debt Service	1,150,370,400	1,154,006,700
Capital Outlay	301,351,300	326,195,000
Construction	1,510,923,900	1,100,400,800
TOTAL EXPENDITURES	42,291,261,500	42,012,275,300
EXPENDITURES BY FUND SOURCE		
General Fund	11,510,982,800	12,124,383,100
Tobacco Fund	174,186,100	103,000,000
Restricted Funds	9,498,225,100	10,666,558,900
Federal Fund	19,074,815,200	17,508,295,900
Road Fund	2,033,052,300	1,610,037,400
TOTAL EXPENDITURES	42,291,261,500	42,012,275,300

EXPENDITURES BY UNIT

Executive Branch	41,769,503,500	41,484,370,100
Legislative Branch	72,061,400	79,828,300
Judicial Branch	449,696,600	448,076,900
TOTAL EXPENDITURES	<u>42,291,261,500</u>	<u>42,012,275,300</u>

Executive Branch

Executive Branch

	Revised FY 2021	Enacted FY 2022
SOURCE OF FUNDS		
General Fund		
Regular Appropriation	11,452,533,800	11,502,432,400
Surplus Expenditure Plan	162,469,000	
Special Appropriation	3,069,000	326,879,700
Current Year Appropriation	50,561,100	
Continuing Approp-General Fund	354,672,900	600,700,000
Other	-361,060,900	
Total General Fund	11,662,244,900	12,430,012,100
Tobacco Fund		
Tobacco Settlement - Phase I	108,226,600	104,785,700
Continuing Approp-Tob Settlement	67,886,100	
Total Tobacco Fund	176,112,700	104,785,700
Restricted Funds		
Balance Forward	948,403,800	1,165,572,000
Current Receipts	8,486,509,600	8,903,459,050
Non-Revenue Receipts	1,273,988,600	1,257,287,250
Fund Transfers	-97,523,500	-72,706,500
Total Restricted Funds	10,611,378,500	11,253,611,800
Federal Fund		
Special Appropriation		575,000,000
Balance Forward	37,491,400	26,535,000
Current Receipts	17,679,799,500	16,933,170,000
Non-Revenue Receipts	-2,522,300	-2,530,200
CRF Receipts	1,381,645,300	
Total Federal Fund	19,096,413,900	17,532,174,800
Road Fund		
Regular Appropriation	1,571,420,400	1,613,219,600
Surplus Expenditure Plan	139,800	
Current Year Appropriation	78,806,900	
Continuing Approp-Road Fund	416,116,200	
Other	-30,000,000	
Total Road Fund	2,036,483,300	1,613,219,600
TOTAL SOURCE OF FUNDS	43,582,633,300	42,933,804,000
EXPENDITURES BY CLASS		
Personnel Costs	8,209,948,900	8,616,953,124
Operating Expenses	3,830,804,800	3,981,543,376
Grants Loans Benefits	26,769,444,200	26,322,811,100
Debt Service	1,150,370,400	1,154,006,700
Capital Outlay	298,011,300	308,655,000
Construction	1,510,923,900	1,100,400,800
TOTAL EXPENDITURES	41,769,503,500	41,484,370,100
EXPENDITURES BY FUND SOURCE		
General Fund	11,046,579,700	11,657,977,200
Tobacco Fund	174,186,100	103,000,000
Restricted Funds	9,445,806,500	10,609,271,700
Federal Fund	19,069,878,900	17,504,083,800
Road Fund	2,033,052,300	1,610,037,400
TOTAL EXPENDITURES	41,769,503,500	41,484,370,100

EXPENDITURES BY UNIT

General Government	2,264,134,900	1,948,270,500
Economic Development	41,803,800	53,488,200
Department of Education	5,087,565,600	5,220,946,900
Education and Workforce Development	231,149,300	224,148,100
Energy and Environment	306,979,200	272,081,300
Finance and Administration	983,074,200	1,000,518,200
Health and Family Services	17,712,025,600	17,854,002,800
Justice and Public Safety	1,275,597,900	1,318,095,500
Labor	1,642,204,900	1,335,943,200
Personnel	63,150,200	165,770,400
Postsecondary Education	8,571,220,300	8,935,808,700
Public Protection	167,314,500	125,951,800
Tourism, Arts and Heritage	269,047,600	276,189,700
Transportation	3,139,595,500	2,737,794,800
Statewide	14,640,000	15,360,000
TOTAL EXPENDITURES	41,769,503,500	41,484,370,100

General Government

	Revised FY 2021	Enacted FY 2022
SOURCE OF FUNDS		
General Fund		
Regular Appropriation	1,238,634,200	1,181,420,100
Special Appropriation		96,500,000
Current Year Appropriation	5,049,500	
Continuing Approp-General Fund	7,700	
Other	-5,553,300	
Total General Fund	1,238,138,100	1,277,920,100
Tobacco Fund		
Tobacco Settlement - Phase I	35,244,800	35,618,800
Continuing Approp-Tob Settlement	31,044,700	
Total Tobacco Fund	66,289,500	35,618,800
Restricted Funds		
Balance Forward	147,293,900	103,025,200
Current Receipts	200,335,700	195,070,000
Non-Revenue Receipts	100,222,500	110,640,100
Fund Transfers	-6,400,000	-10,275,600
Total Restricted Funds	441,452,100	398,459,700
Federal Fund		
Balance Forward	19,353,100	13,339,400
Current Receipts	191,487,500	313,680,200
CRF Receipts	423,207,600	
Total Federal Fund	634,048,200	327,019,600
Road Fund		
Regular Appropriation	571,600	
Total Road Fund	571,600	
TOTAL SOURCE OF FUNDS	2,380,499,500	2,039,018,200
EXPENDITURES BY CLASS		
Personnel Costs	443,642,500	443,224,024
Operating Expenses	167,648,100	157,706,276
Grants Loans Benefits	1,424,698,800	1,136,128,500
Debt Service	209,246,200	194,674,800
Capital Outlay	18,899,300	16,536,900
TOTAL EXPENDITURES	2,264,134,900	1,948,270,500
EXPENDITURES BY FUND SOURCE		
General Fund	1,238,138,100	1,277,920,100
Tobacco Fund	66,289,500	35,618,800
Restricted Funds	338,426,900	319,282,500
Federal Fund	620,708,800	315,449,100
Road Fund	571,600	
TOTAL EXPENDITURES	2,264,134,900	1,948,270,500
EXPENDITURES BY UNIT		
Office of the Governor	7,293,700	6,900,500
Office of State Budget Director	16,768,600	3,869,900
Homeland Security	6,198,200	8,806,400
Department of Veterans' Affairs	102,807,100	94,697,000
Governor's Office of Agricultural Policy	67,739,500	
Kentucky Infrastructure Authority	63,593,000	63,536,800
Military Affairs	223,406,300	140,796,100
Commission on Human Rights	2,181,600	2,184,400

EXPENDITURES BY UNIT

Department for Local Government	384,486,100	67,248,100
Local Government Economic Assistance Fund	20,445,600	21,960,400
Local Government Economic Development Fund	17,163,800	18,511,800
Local Government Regional Development Agency Assistance Fund	6,000,000	6,000,000
Executive Branch Ethics Commission	981,600	983,000
Secretary of State	5,399,000	5,323,900
Board of Elections	21,790,400	5,402,400
Registry of Election Finance	1,541,300	1,543,300
Attorney General	35,664,300	39,590,900
Unified Prosecutorial System	122,790,200	125,548,700
Treasury	5,765,600	5,757,600
Agriculture	44,509,700	75,312,600
Auditor of Public Accounts	19,713,600	19,358,200
Personnel Board	875,000	856,000
Kentucky Retirement Systems	49,272,200	48,005,500
Occupational & Professional Boards & Commissions	26,998,000	26,537,400
Kentucky River Authority	7,975,100	6,734,900
School Facilities Construction Commission	121,775,600	337,835,000
Teachers' Retirement System	797,720,300	731,614,300
Judgments	22,500,000	22,500,000
Appropriations Not Otherwise Classified	14,526,400	14,526,400
KY Communications Network Authority	46,253,100	46,329,000
TOTAL EXPENDITURES	2,264,134,900	1,948,270,500

Economic Development**Economic Development**

	Revised	Enacted
	FY 2021	FY 2022

SOURCE OF FUNDS**General Fund**

Regular Appropriation	26,054,000	27,040,800
Special Appropriation	3,069,000	23,069,000
Continuing Approp-General Fund	8,042,800	
Total General Fund	37,165,800	50,109,800

Restricted Funds

Balance Forward	1,482,300	857,300
Current Receipts	3,009,200	3,009,600
Non-Revenue Receipts	482,400	
Total Restricted Funds	4,973,900	3,866,900

Federal Fund

Balance Forward	120,400	
Current Receipts	401,000	521,400
Total Federal Fund	521,400	521,400

TOTAL SOURCE OF FUNDS

	42,661,100	54,498,100
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EXPENDITURES BY CLASS

Personnel Costs	12,043,000	12,254,300
Operating Expenses	3,939,800	3,869,600
Grants Loans Benefits	22,752,000	34,011,800
Debt Service	3,069,000	3,352,500

TOTAL EXPENDITURES

	41,803,800	53,488,200
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EXPENDITURES BY FUND SOURCE

General Fund	37,165,800	50,109,800
Restricted Funds	4,116,600	2,857,000
Federal Fund	521,400	521,400

TOTAL EXPENDITURES

	41,803,800	53,488,200
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EXPENDITURES BY UNIT

Economic Development	41,803,800	53,488,200
TOTAL EXPENDITURES	41,803,800	53,488,200

Department of Education
Department of Education

Revised **Enacted**
FY 2021 **FY 2022**

SOURCE OF FUNDS

General Fund

Regular Appropriation	4,106,080,500	4,066,103,100
Special Appropriation		140,000,000
Current Year Appropriation	1,500,000	
Other	-165,245,300	
Total General Fund	<u>3,942,335,200</u>	<u>4,206,103,100</u>

Restricted Funds

Balance Forward	13,842,300	5,653,700
Current Receipts	14,697,200	20,314,000
Non-Revenue Receipts	20,844,700	23,219,700
Fund Transfers	-200,000	-4,000,000
Total Restricted Funds	<u>49,184,200</u>	<u>45,187,400</u>

Federal Fund

Current Receipts	971,699,900	971,677,000
CRF Receipts	130,000,000	
Total Federal Fund	<u>1,101,699,900</u>	<u>971,677,000</u>

TOTAL SOURCE OF FUNDS

	<u>5,093,219,300</u>	<u>5,222,967,500</u>
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EXPENDITURES BY CLASS

Personnel Costs	123,779,200	125,360,700
Operating Expenses	35,805,700	35,966,100
Grants Loans Benefits	4,927,021,200	5,059,438,100
Debt Service	959,500	182,000
TOTAL EXPENDITURES	<u>5,087,565,600</u>	<u>5,220,946,900</u>

EXPENDITURES BY FUND SOURCE

General Fund	3,942,335,200	4,206,103,100
Restricted Funds	43,530,500	43,166,800
Federal Fund	1,101,699,900	971,677,000
TOTAL EXPENDITURES	<u>5,087,565,600</u>	<u>5,220,946,900</u>

EXPENDITURES BY UNIT

Support Education Excellence in Kentucky (SEEK)	2,949,696,700	3,062,857,900
Operations and Support Services	473,681,300	476,736,400
Learning and Results Services	1,664,187,600	1,681,352,600
TOTAL EXPENDITURES	<u>5,087,565,600</u>	<u>5,220,946,900</u>

Education and Workforce Development

	Revised FY 2021	Enacted FY 2022
SOURCE OF FUNDS		
General Fund		
Regular Appropriation	66,674,200	70,252,500
Continuing Approp-General Fund	2,622,000	
Reorganization Adjustment	-289,700	
Total General Fund	69,006,500	70,252,500
Tobacco Fund		
Tobacco Settlement - Phase I	1,400,000	1,400,000
Continuing Approp-Tob Settlement	4,297,000	
Total Tobacco Fund	5,697,000	1,400,000
Restricted Funds		
Balance Forward	9,626,200	7,846,200
Current Receipts	10,843,500	10,734,900
Non-Revenue Receipts	9,630,300	12,016,000
Total Restricted Funds	30,100,000	30,597,100
Federal Fund		
Current Receipts	132,632,000	133,002,300
CRF Receipts	1,560,000	
Total Federal Fund	134,192,000	133,002,300
TOTAL SOURCE OF FUNDS	238,995,500	235,251,900
EXPENDITURES BY CLASS		
Personnel Costs	73,012,100	71,681,900
Operating Expenses	24,155,600	25,903,400
Grants Loans Benefits	133,924,500	126,422,200
Debt Service		83,500
Capital Outlay	57,100	57,100
TOTAL EXPENDITURES	231,149,300	224,148,100
EXPENDITURES BY FUND SOURCE		
General Fund	69,006,500	70,252,500
Tobacco Fund	5,697,000	1,400,000
Restricted Funds	22,253,800	19,493,300
Federal Fund	134,192,000	133,002,300
TOTAL EXPENDITURES	231,149,300	224,148,100
EXPENDITURES BY UNIT		
General Administration and Program Support	33,212,000	30,049,900
Commission on Proprietary Education	331,900	508,100
Deaf and Hard of Hearing	2,348,400	2,337,300
Kentucky Educational Television	16,578,800	16,599,400
Environmental Education Council	822,900	816,900
Libraries and Archives	15,871,400	15,175,800
Department of Workforce Investment	161,983,900	158,660,700
TOTAL EXPENDITURES	231,149,300	224,148,100

Energy and Environment

	Revised FY 2021	Enacted FY 2022
SOURCE OF FUNDS		
General Fund		
Regular Appropriation	86,352,900	90,176,800
Continuing Approp-General Fund	1,672,700	700,000
Total General Fund	88,025,600	90,876,800
Tobacco Fund		
Tobacco Settlement - Phase I	3,386,800	3,423,400
Continuing Approp-Tob Settlement	12,014,800	
Total Tobacco Fund	15,401,600	3,423,400
Restricted Funds		
Balance Forward	53,839,700	19,039,900
Current Receipts	27,754,900	27,613,400
Non-Revenue Receipts	89,793,000	71,546,300
Fund Transfers	-31,500,000	-15,000,000
Total Restricted Funds	139,887,600	103,199,600
Federal Fund		
Current Receipts	92,580,900	88,955,500
Non-Revenue Receipts	-2,312,300	-2,320,200
Total Federal Fund	90,268,600	86,635,300
Road Fund		
Regular Appropriation	320,900	
Total Road Fund	320,900	
TOTAL SOURCE OF FUNDS	333,904,300	284,135,100
EXPENDITURES BY CLASS		
Personnel Costs	160,621,800	160,772,400
Operating Expenses	41,806,000	40,186,900
Grants Loans Benefits	59,577,900	26,676,000
Debt Service	140,000	
Capital Outlay	5,900,200	5,107,700
Construction	38,933,300	39,338,300
TOTAL EXPENDITURES	306,979,200	272,081,300
EXPENDITURES BY FUND SOURCE		
General Fund	80,140,400	83,691,600
Tobacco Fund	15,401,600	3,423,400
Restricted Funds	120,847,700	98,331,000
Federal Fund	90,268,600	86,635,300
Road Fund	320,900	
TOTAL EXPENDITURES	306,979,200	272,081,300
EXPENDITURES BY UNIT		
Secretary	27,674,200	6,878,900
Environmental Protection	126,874,500	125,392,100
Natural Resources	123,867,200	112,294,800
Public Service Commission	12,076,300	11,606,900
Office of Administrative Services	10,804,200	10,688,100
Office of KY Nature Preserves	3,480,100	3,437,100
Office of Energy Policy	2,202,700	1,783,400
TOTAL EXPENDITURES	306,979,200	272,081,300

Finance and Administration**Finance and Administration**

	Revised	Enacted
	FY 2021	FY 2022

SOURCE OF FUNDS**General Fund**

Regular Appropriation	685,172,300	725,979,300
Total General Fund	685,172,300	725,979,300

Tobacco Fund

Tobacco Settlement - Phase I	31,113,200	26,851,200
Total Tobacco Fund	31,113,200	26,851,200

Restricted Funds

Balance Forward	38,264,500	16,517,700
Current Receipts	245,057,200	249,594,300
Non-Revenue Receipts	3,125,500	3,593,800
Fund Transfers	-16,994,400	-250,000
Total Restricted Funds	269,452,800	269,455,800

Federal Fund

Current Receipts	483,100	150,400
CRF Receipts	19,029,700	
Total Federal Fund	19,512,800	150,400

Road Fund

Regular Appropriation	4,047,400	
Total Road Fund	4,047,400	

TOTAL SOURCE OF FUNDS

	1,009,298,500	1,022,436,700
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EXPENDITURES BY CLASS

Personnel Costs	267,719,000	276,651,800
Operating Expenses	164,099,400	160,379,600
Grants Loans Benefits	16,052,500	1,052,500
Debt Service	513,653,700	543,484,400
Capital Outlay	21,549,600	18,949,900
TOTAL EXPENDITURES	983,074,200	1,000,518,200

EXPENDITURES BY FUND SOURCE

General Fund	677,392,300	716,036,700
Tobacco Fund	29,186,600	25,065,500
Restricted Funds	252,935,100	259,265,600
Federal Fund	19,512,800	150,400
Road Fund	4,047,400	
TOTAL EXPENDITURES	983,074,200	1,000,518,200

EXPENDITURES BY UNIT

General Administration	51,502,600	36,298,500
Controller	19,929,400	19,762,300
Office of Inspector General	956,900	665,000
Debt Service	513,120,700	543,302,400
Facilities and Support Services	59,412,500	58,586,400
County Costs	21,446,000	21,446,000
Commonwealth Office of Technology	138,641,000	143,121,700
Revenue	118,118,400	117,242,100
Property Valuation Administrators	59,946,700	60,093,800
TOTAL EXPENDITURES	983,074,200	1,000,518,200

Health and Family Services

	Revised FY 2021	Enacted FY 2022
SOURCE OF FUNDS		
General Fund		
Regular Appropriation	2,919,009,200	2,788,557,200
Special Appropriation		32,000,000
Other	-25,245,400	
Total General Fund	2,893,763,800	2,820,557,200
Tobacco Fund		
Tobacco Settlement - Phase I	26,039,100	26,204,700
Continuing Approp-Tob Settlement	14,647,600	
Total Tobacco Fund	40,686,700	26,204,700
Restricted Funds		
Balance Forward	168,688,400	501,526,600
Current Receipts	873,340,200	879,920,500
Non-Revenue Receipts	785,162,400	768,740,000
Total Restricted Funds	1,827,191,000	2,150,187,100
Federal Fund		
Balance Forward	18,707,300	
Current Receipts	13,163,097,300	12,881,472,500
CRF Receipts	270,106,100	
Total Federal Fund	13,451,910,700	12,881,472,500
TOTAL SOURCE OF FUNDS	18,213,552,200	17,878,421,500
EXPENDITURES BY CLASS		
Personnel Costs	1,036,250,300	1,036,951,700
Operating Expenses	147,096,200	136,210,300
Grants Loans Benefits	16,516,194,900	16,669,267,300
Debt Service	11,730,700	11,440,200
Capital Outlay	753,500	133,300
TOTAL EXPENDITURES	17,712,025,600	17,854,002,800
EXPENDITURES BY FUND SOURCE		
General Fund	2,893,763,800	2,820,557,200
Tobacco Fund	40,686,700	26,204,700
Restricted Funds	1,325,664,400	2,125,768,400
Federal Fund	13,451,910,700	12,881,472,500
TOTAL EXPENDITURES	17,712,025,600	17,854,002,800
EXPENDITURES BY UNIT		
General Administration and Program Support	112,621,900	112,593,400
Aging and Independent Living	93,840,700	72,910,600
Income Support	117,191,100	117,567,700
Public Health	675,641,800	452,100,800
Behavioral Health, Developmental & Intellectual Disabilities	485,766,200	458,699,300
Family Resource Centers and Volunteer Services	18,402,200	19,504,500
Community Based Services	1,430,802,800	1,401,261,400
Medicaid Services	14,716,009,000	15,166,894,200
Office for Children with Special Health Care Needs	19,854,400	19,399,300
Office of Health Data and Analytics	41,895,500	33,071,600
TOTAL EXPENDITURES	17,712,025,600	17,854,002,800

Justice and Public Safety

	Revised FY 2021	Enacted FY 2022
SOURCE OF FUNDS		
General Fund		
Regular Appropriation	953,585,700	981,099,700
Special Appropriation		35,060,700
Current Year Appropriation	50,000	
Continuing Approp-General Fund	100	
Other	-145,016,900	
Total General Fund	808,618,900	1,016,160,400
Tobacco Fund		
Tobacco Settlement - Phase I	3,516,600	3,593,800
Continuing Approp-Tob Settlement	5,727,600	
Total Tobacco Fund	9,244,200	3,593,800
Restricted Funds		
Balance Forward	56,572,800	51,830,500
Current Receipts	56,631,000	56,299,000
Non-Revenue Receipts	111,988,800	113,248,500
Fund Transfers		-2,452,100
Total Restricted Funds	225,192,600	218,925,900
Federal Fund		
Balance Forward	-9,216,400	775,100
Current Receipts	84,330,100	71,270,200
CRF Receipts	131,933,900	
Total Federal Fund	207,047,600	72,045,300
Road Fund		
Regular Appropriation	108,100,200	56,980,300
Other	-30,000,000	
Total Road Fund	78,100,200	56,980,300
TOTAL SOURCE OF FUNDS	1,328,203,500	1,367,705,700
EXPENDITURES BY CLASS		
Personnel Costs	727,884,200	743,466,200
Operating Expenses	158,590,500	155,478,800
Grants Loans Benefits	375,076,100	404,003,200
Debt Service	1,723,500	1,065,700
Capital Outlay	12,323,600	14,081,600
TOTAL EXPENDITURES	1,275,597,900	1,318,095,500
EXPENDITURES BY FUND SOURCE		
General Fund	808,618,900	1,016,160,400
Tobacco Fund	9,244,200	3,593,800
Restricted Funds	173,362,100	169,535,900
Federal Fund	206,272,500	71,825,100
Road Fund	78,100,200	56,980,300
TOTAL EXPENDITURES	1,275,597,900	1,318,095,500
EXPENDITURES BY UNIT		
Justice Administration	97,326,700	94,576,200
Criminal Justice Training	81,806,200	83,493,900
Juvenile Justice	121,474,500	122,025,400
State Police	281,895,900	289,308,100
Corrections	618,061,500	654,394,800
Public Advocacy	75,033,100	74,297,100
TOTAL EXPENDITURES	1,275,597,900	1,318,095,500

Labor

	Revised FY 2021	Enacted FY 2022
SOURCE OF FUNDS		
General Fund		
Regular Appropriation	1,774,000	2,240,000
Reorganization Adjustment	289,700	
Total General Fund	<u>2,063,700</u>	<u>2,240,000</u>
Restricted Funds		
Balance Forward	16,843,800	1,295,400
Current Receipts	111,102,900	127,129,650
Non-Revenue Receipts	70,832,500	80,368,450
Total Restricted Funds	<u>198,779,200</u>	<u>208,793,500</u>
Federal Fund		
Special Appropriation		575,000,000
Current Receipts	1,097,682,800	550,895,000
CRF Receipts	344,974,600	
Total Federal Fund	<u>1,442,657,400</u>	<u>1,125,895,000</u>
TOTAL SOURCE OF FUNDS	<u>1,643,500,300</u>	<u>1,336,928,500</u>
EXPENDITURES BY CLASS		
Personnel Costs	182,195,000	177,778,800
Operating Expenses	19,629,600	18,102,800
Grants Loans Benefits	1,440,280,300	1,139,961,600
Capital Outlay	100,000	100,000
TOTAL EXPENDITURES	<u>1,642,204,900</u>	<u>1,335,943,200</u>
EXPENDITURES BY FUND SOURCE		
General Fund	2,063,700	2,240,000
Restricted Funds	197,483,800	207,808,200
Federal Fund	1,442,657,400	1,125,895,000
TOTAL EXPENDITURES	<u>1,642,204,900</u>	<u>1,335,943,200</u>
EXPENDITURES BY UNIT		
Secretary	30,034,000	15,429,100
Workplace Standards	11,815,300	14,025,900
Workers' Claims	71,231,900	71,061,800
Occupational Safety and Health Review Commission	715,700	707,700
Workers' Compensation Funding Commission	97,020,700	103,627,800
Workers' Compensation Nominating Committee	1,100	1,100
Employment Services	1,431,386,200	1,131,089,800
TOTAL EXPENDITURES	<u>1,642,204,900</u>	<u>1,335,943,200</u>

**Personnel
Personnel**

	Revised	Enacted
	FY 2021	FY 2022

SOURCE OF FUNDS

General Fund

Regular Appropriation		102,064,000
Total General Fund		102,064,000

Restricted Funds

Balance Forward	27,994,900	23,809,000
Current Receipts	50,832,300	48,098,500
Non-Revenue Receipts	10,172,700	10,255,700
Fund Transfers	-2,690,700	
Total Restricted Funds	86,309,200	82,163,200

Federal Fund

CRF Receipts	650,000	
Total Federal Fund	650,000	

TOTAL SOURCE OF FUNDS

	86,959,200	184,227,200
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EXPENDITURES BY CLASS

Personnel Costs	55,633,000	158,878,500
Operating Expenses	7,517,200	6,891,900
TOTAL EXPENDITURES	63,150,200	165,770,400

EXPENDITURES BY FUND SOURCE

General Fund		102,064,000
Restricted Funds	62,500,200	63,706,400
Federal Fund	650,000	
TOTAL EXPENDITURES	63,150,200	165,770,400

EXPENDITURES BY UNIT

General Operations	30,771,500	31,197,500
Public Employees Deferred Compensation Authority	8,284,500	8,242,500
Workers' Compensation Benefits and Reserve	24,094,200	24,266,400
Fixed Allocation Non-Hazardous Pension Fund		102,064,000
TOTAL EXPENDITURES	63,150,200	165,770,400

Postsecondary Education

	Revised FY 2021	Enacted FY 2022
SOURCE OF FUNDS		
General Fund		
Regular Appropriation	1,153,052,400	1,210,498,500
Special Appropriation		200,000
Current Year Appropriation	10,161,600	
Continuing Approp-General Fund	37,929,900	
Other	-20,000,000	
Total General Fund	1,181,143,900	1,210,698,500
Tobacco Fund		
Tobacco Settlement - Phase I	7,526,100	7,693,800
Continuing Approp-Tob Settlement	154,400	
Total Tobacco Fund	7,680,500	7,693,800
Restricted Funds		
Balance Forward	8,143,100	5,408,400
Current Receipts	6,451,577,300	6,798,737,100
Non-Revenue Receipts	15,433,000	15,433,000
Fund Transfers		-1,300,000
Total Restricted Funds	6,475,153,400	6,818,278,500
Federal Fund		
Balance Forward	2,200	2,200
Current Receipts	892,650,900	903,030,400
CRF Receipts	20,000,000	
Total Federal Fund	912,653,100	903,032,600
TOTAL SOURCE OF FUNDS	8,576,630,900	8,939,703,400
EXPENDITURES BY CLASS		
Personnel Costs	4,069,400,400	4,270,426,000
Operating Expenses	2,667,663,900	2,843,514,700
Grants Loans Benefits	1,449,107,300	1,422,758,800
Debt Service	173,081,400	172,177,600
Capital Outlay	211,967,300	226,931,600
TOTAL EXPENDITURES	8,571,220,300	8,935,808,700
EXPENDITURES BY FUND SOURCE		
General Fund	1,181,143,900	1,210,698,500
Tobacco Fund	7,680,500	7,693,800
Restricted Funds	6,469,745,000	6,814,386,000
Federal Fund	912,650,900	903,030,400
TOTAL EXPENDITURES	8,571,220,300	8,935,808,700
EXPENDITURES BY UNIT		
Council on Postsecondary Education	39,843,900	28,213,600
Kentucky Higher Education Assistance Authority	359,259,900	324,503,200
Postsecondary Education Institutions	8,172,116,500	8,583,091,900
TOTAL EXPENDITURES	8,571,220,300	8,935,808,700

Public Protection

	Revised FY 2021	Enacted FY 2022
SOURCE OF FUNDS		
General Fund		
Regular Appropriation	5,312,900	7,324,200
Total General Fund	5,312,900	7,324,200
Restricted Funds		
Balance Forward	133,034,800	114,003,300
Current Receipts	100,118,100	100,397,700
Non-Revenue Receipts	36,531,100	35,506,300
Fund Transfers	-35,600,000	-35,600,000
Total Restricted Funds	234,084,000	214,307,300
Federal Fund		
Current Receipts	1,737,500	1,196,300
CRF Receipts	40,183,400	
Total Federal Fund	41,920,900	1,196,300
TOTAL SOURCE OF FUNDS	281,317,800	222,827,800
EXPENDITURES BY CLASS		
Personnel Costs	76,395,500	74,146,200
Operating Expenses	12,879,400	12,766,000
Grants Loans Benefits	78,039,600	39,039,600
TOTAL EXPENDITURES	167,314,500	125,951,800
EXPENDITURES BY FUND SOURCE		
General Fund	5,312,900	7,324,200
Restricted Funds	120,080,700	117,455,300
Federal Fund	41,920,900	1,172,300
TOTAL EXPENDITURES	167,314,500	125,951,800
EXPENDITURES BY UNIT		
Secretary	48,883,300	9,293,800
Professional Licensing	5,664,400	5,044,400
Boxing and Wrestling Commission	183,000	177,300
Alcoholic Beverage Control	7,107,600	6,826,600
Charitable Gaming	3,795,200	3,804,100
Financial Institutions	13,114,000	12,773,100
Horse Racing Commission	44,246,900	45,741,600
Housing, Buildings and Construction	24,985,500	24,017,600
Insurance	17,260,800	16,198,900
Claims and Appeals	2,073,800	2,074,400
TOTAL EXPENDITURES	167,314,500	125,951,800

Tourism, Arts and Heritage**Tourism, Arts and Heritage**

	Revised	Enacted
	FY 2021	FY 2022

SOURCE OF FUNDS**General Fund**

Regular Appropriation	69,696,200	72,110,100
Special Appropriation		50,000
Current Year Appropriation	33,800,000	
Total General Fund	103,496,200	72,160,100

Restricted Funds

Balance Forward	178,367,700	222,851,900
Current Receipts	181,641,400	205,577,400
Non-Revenue Receipts	7,506,800	7,022,900
Fund Transfers	-1,000,000	
Total Restricted Funds	366,515,900	435,452,200

Federal Fund

Balance Forward	8,524,800	12,418,300
Current Receipts	25,417,100	25,386,700
Non-Revenue Receipts	-210,000	-210,000
Total Federal Fund	33,731,900	37,595,000

Road Fund

Regular Appropriation	573,800	
Total Road Fund	573,800	

TOTAL SOURCE OF FUNDS

	504,317,800	545,207,300
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EXPENDITURES BY CLASS

Personnel Costs	162,642,200	163,141,000
Operating Expenses	85,350,300	91,155,700
Grants Loans Benefits	8,044,500	9,584,900
Debt Service	3,096,100	2,816,100
Capital Outlay	9,914,500	9,492,000
TOTAL EXPENDITURES	269,047,600	276,189,700

EXPENDITURES BY FUND SOURCE

General Fund	103,496,200	72,160,100
Restricted Funds	143,664,000	182,704,400
Federal Fund	21,313,600	21,325,200
Road Fund	573,800	
TOTAL EXPENDITURES	269,047,600	276,189,700

EXPENDITURES BY UNIT

Secretary	18,539,500	20,779,400
Artisans Center	2,665,400	2,667,600
Kentucky Department of Tourism	3,205,000	3,231,800
Parks	99,833,800	99,887,800
Horse Park Commission	10,754,500	12,711,600
State Fair Board	52,278,300	53,938,000
Fish and Wildlife Resources	68,521,300	67,987,600
Historical Society	7,521,000	7,527,800
Arts Council	2,783,000	2,851,700
Heritage Council	2,387,500	2,522,100
Kentucky Center for the Arts	558,300	2,084,300
TOTAL EXPENDITURES	269,047,600	276,189,700

Transportation**Transportation**

	Revised	Enacted
	FY 2021	FY 2022

SOURCE OF FUNDS**General Fund**

Regular Appropriation	6,089,000	14,489,000
Continuing Approp-General Fund	1,213,000	
Total General Fund	7,302,000	14,489,000

Restricted Funds

Balance Forward	94,409,400	91,906,900
Current Receipts	159,568,700	180,963,000
Non-Revenue Receipts	12,262,900	5,696,500
Fund Transfers	-3,138,400	-3,828,800
Total Restricted Funds	263,102,600	274,737,600

Federal Fund

Current Receipts	1,025,599,400	991,932,100
Total Federal Fund	1,025,599,400	991,932,100

Road Fund

Regular Appropriation	1,443,866,500	1,549,049,300
Surplus Expenditure Plan	139,800	
Current Year Appropriation	78,806,900	
Continuing Approp-Road Fund	416,116,200	
Total Road Fund	1,938,929,400	1,549,049,300

TOTAL SOURCE OF FUNDS

	3,234,933,400	2,830,208,000
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EXPENDITURES BY CLASS

Personnel Costs	818,730,700	902,219,600
Operating Expenses	294,623,100	293,411,300
Grants Loans Benefits	318,674,600	254,466,600
Debt Service	233,670,300	224,729,900
Capital Outlay	1,906,200	1,904,900
Construction	1,471,990,600	1,061,062,500
TOTAL EXPENDITURES	3,139,595,500	2,737,794,800

EXPENDITURES BY FUND SOURCE

General Fund	7,302,000	14,489,000
Restricted Funds	171,195,700	185,510,900
Federal Fund	1,025,599,400	991,927,800
Road Fund	1,935,498,400	1,545,867,100
TOTAL EXPENDITURES	3,139,595,500	2,737,794,800

EXPENDITURES BY UNIT

General Administration and Support	88,284,200	88,669,700
Aviation	25,447,900	18,530,500
Debt Service	144,560,400	135,957,400
Highways	2,285,276,000	2,048,386,000
Public Transportation	81,536,200	40,474,500
Revenue Sharing	450,977,300	341,480,300
Vehicle Regulation	63,513,500	64,296,400
TOTAL EXPENDITURES	3,139,595,500	2,737,794,800

The Transportation Cabinet is responsible for maintaining and improving transportation services in the Commonwealth. All modes of transportation are addressed by the Cabinet, including air transportation, railroads, waterways, public transit, and highways. The Secretary of Transportation, who is appointed by the Governor, heads the organization. The duties and responsibilities of the Cabinet are found in Titles XV and XVI of the Kentucky Revised Statutes.

The Cabinet receives funding from the state Road Fund, proceeds from highway bonds issued by the Kentucky Turnpike

Executive Branch Appropriation Bills



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

RECEIVED
MAR 26 2021
House Clerk's
Office

Andy Beshear
GOVERNOR

Capitol Building, Suite 100
700 Capitol Avenue
Frankfort, KY 40601
(502) 564-2611
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VETO MESSAGES FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 192 OF THE
2021 REGULAR SESSION

Commission on Women

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 7, lines 17 through 20, in their entirety.

I am vetoing this part because this provision states that no General Fund is appropriated for the Commission on Women because that funding is provided to other programs. The General Assembly has proposed to add nearly \$743 million to the Budget Reserve Trust Fund. It also passed several tax benefits. There was certainly enough funding for the Commission on Women.

Expert Witness

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 13, line 23, delete "up to \$275,000".

I am vetoing this part because the dollar limit placed on the ability of the Attorney General to engage expert witnesses to advocate for the citizens of the Commonwealth, especially in utility rate cases, is too low to adequately meet his Office's needs in these complex areas.

Civil Action Representation

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 15, lines 11 through 21, in their entirety.

I am vetoing this part because this provision permits the Attorney General to bypass the state's model procurement code to hire private lawyers for a single case. This unprecedented authorization would allow quid pro quo situations and provides no guardrails on how much the

rate of payments will be, provides for no competition among qualified law firms, and does not ensure accountability with taxpayer dollars. This provision conflicts with the following statutory purposes and policies of the model procurement code in KRS 45A.010: to provide for increased public confidence in the procedures followed in public procurement; to insure the fair and equitable treatment of all persons who deal with the procurement system of the Commonwealth; to provide increased economy in state procurement activities by fostering effective competition; and to provide safeguards for the maintenance of a procurement system of quality and integrity. At the very least, the Attorney General should go through the process for noncompetitive negotiation that the General Assembly established in KRS Chapter 45A.

Payment of Judgments and Carry Forward of Appropriation Balance

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 29, line 10, after “Balance:” delete “Notwithstanding KRS 45A.275,”, and after “judgments” delete the rest of the line.

Page 29, line 11, delete “exceed the above appropriation,”.

Page 29, line 12, after “Board” delete the rest of the line.

Page 29, line 13, delete “Chapter 45 and”, and after “shall” delete “not”, and after “expense.” delete the rest of the line.

Page 29, lines 14 through 17, in their entirety.

I am vetoing this part because it may cause the Commonwealth to violate federal and state court orders; therefore, also violating the separation of powers in the Kentucky constitution. The Commonwealth is in the discovery phase of a case in federal court which is expected to result in significant judgment. With that prospect, access to available funds is necessary should the appropriation be insufficient.

Kentucky School for the Blind and Kentucky School for the Deaf

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 41, line 23, after “Deaf.” Delete the rest of the line.

Page 41, line 24, in its entirety.

Page 41, line 25, delete “expended prior to General Fund.”

I am vetoing this part because the federal funds received related to COVID-19, including the American Rescue Plan Act, all include a condition that the state must maintain a level of effort through state fund spending on elementary, secondary and higher education that prevent the use of the federal funds to supplant state funds. This provision would risk violation of the maintenance of effort requirements and may not be an eligible use of other American Rescue Plan Act funds.

Area Technology Center Authority

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 44, lines 6 through 27, in their entirety.

Page 45, lines 1 through 5, in their entirety.

I am vetoing this part as it conflicts with Senate Bill 101 from the 2021 Regular Session of the General Assembly that was passed and signed by the Governor.

Mine Safety Specialist Vacancies

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 52, lines 2 through 3, in their entirety.

I am vetoing this part because our miners deserve to be safe as they work some of the most dangerous jobs in our Commonwealth. It could result in the Commonwealth being in violation of federal and state requirements relating to mine rescues. Mine Safety Specialists conduct mine safety inspections required by Kentucky statutes. If the Division of Mine Safety does not conduct the inspections it will lose the ability to remove hazardous conditions from the workplace that lead to serious accidents and fatalities. Kentucky experienced a 67% reduction in fatalities last year, which was in part a direct result of the inspections by the Division. Inspections are a proactive measure in preventing mine disasters that would require a mine rescue team to respond. Most mines in Kentucky do not have the staff, equipment, or funds necessary for rescue teams. If the state does not provide the rescue teams, then most Kentucky mines would not be able to meet the federal requirements and would be shut down pursuant to federal law.

State Motor Vehicle Fleet

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 53, line 26, after “this report.”, delete the rest of the line.

Page 54, line 27, in its entirety.

I am vetoing this part because the Finance and Administration Cabinet will comply with the report required in this section, but the penalty of eliminating the full amount of the General Fund appropriation for not reporting is disproportionate and extreme.

Renovation Assessment

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 55, lines 6 through 9, in their entirety.

I am vetoing this part because House Bill 194, the legislative branch appropriations bill, replaces this provision in a more appropriate manner and this veto will ensure there are not two competing requirements which would double the financial burden on the legislative branch.

The House Bill 192 provision requires a transfer of funds to a restricted fund account of the Department of Facilities and Support Services of the Finance and Administration Cabinet to support debt service for the \$5,000,000 bond funded project to renovate the fourth floor of the Capitol building for legislative use. This would result in debt service being supported from restricted funds instead of the General Fund, possibly causing a higher cost of borrowing.

House Bill 194, appropriates funds from the General Fund to support debt service for the \$5,000,000 bond funded project to renovate the fourth floor of the Capitol building for legislative use.

Children’s Services Contractors

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 75, lines 6 through 12, in their entirety.

I am vetoing this part because it would permit the discrimination and persecution of children who are in need of out-of-home care because of their disability, gender identity, sexual orientation, religious beliefs, or many other conditions at a most critical time. This provision

conflicts with federal and current state law. It may result in a decrease in available foster placements resulting in the placement of children further away from their home county or in facilities with a level of care that is not appropriate for the child.

State Medical Examiner Offices

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 77, lines 24 through 25, in their entirety.

I am vetoing this part because the \$593,700 included to reestablish the Northern Kentucky Regional Medical Examiner's Office is substantially less than the amount needed to open the office. The one time and recurring costs of proper staffing, physical facilities and equipment will require over \$3 million to reestablish the office. I am supportive of increasing the capacity of the Commonwealth's medical examiner function and would be willing to sign a bill that appropriates adequate financing for this effort. The amount budgeted in this provision will not meet the policy expectation intended.

Capitol Campus Security Personnel

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 80, line 22 after "2020-2022", delete the rest of the line.

Page 80, line 23, delete "designated specifically for the Capitol campus".

I am vetoing this part because it removes the flexibility and authority of the Kentucky State Police Commissioner to determine the best manner to provide security based on his professional judgment. The appropriation remains, which will require additional security to be hired, but with more flexibility.

School Building Plans and Inspections

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 105, lines 25 through 27, in their entirety.

Page 106, line 1, in its entirety.

I am vetoing this part because this provision undercuts current law, where a local government must petition the Department for Housing, Buildings and Construction for additional responsibilities in plan review and inspections for any buildings, including school buildings.

Expenditure of Restricted Funds

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 162, lines 12 through 14, in their entirety.

I am vetoing this part because this provision prohibits any increases in restricted fund appropriations for the Executive branch until the General Assembly reconvenes and passes appropriation action. It will cause substantial operational and fiscal problems. It suspends a 39-year old statute that recognizes that the business of state government does not stop when the General Assembly adjourns. This provision would result in halting the work of some state agencies to provide services to Kentucky citizens and businesses, and preventing their ability to adjust to changing circumstances. As evidence of the impact, this provision does not apply public postsecondary education institutions or the legislative branch. Kentucky state government operates a number of enterprises where the amount of business can exceed budgetary estimates, as with the State Fair Board, state Parks, the Kentucky Horse Parks, the logistical operations center at Bluegrass Station. If the demand for their services is greater than the budget assumes, this provision would halt these important services and functions. The Kentucky State Police receives asset forfeiture funds from the U.S. Department of Justice as restricted funds, but cannot predict the exact amount. This provision would delay the deployment of these resources to assist the supplying of critical equipment. When one of Kentucky's state facilities suffers damage from a fire or a flood, the state's fire and tornado fund provides financing as restricted funds to recover and bring those damaged facilities and equipment back to operation. These circumstances cannot be predicted and this provision would halt the recovery from that damage. There are many dedicated funds that are budgeted as restricted funds such as breeder development funds, Heritage Land Conservation funds, equipment loan funds, local records funds. The recipients of statutorily dedicated uses may be unable to receive funding that the statutes require. The statutory process outlined in KRS 48.630 and its predecessor laws has worked well since the Commonwealth had a budget. It is used judiciously, and has been the subject of legislative oversight in every instance. Few objections have been stated or documented by the Interim Committee on Appropriations and Revenue. The Executive branch conducts business and provides services continuously. Across the country, states with a part-time General Assembly provide for a process that permits adjustments in appropriations for unanticipated needs from these types of funds.

Interpretation of Appropriations

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 163, lines 21 through 24, in their entirety.

I am vetoing this part because it violates the Kentucky Constitution's separation of powers. Under the Constitution, the Judicial Branch is the final interpreter of all laws, including budget bills. This is a purely partisan action, as for the last 39 years of KRS 48.500, the General Assembly did not provide this authority to the Attorney General. This appropriations Act suspends a statute that has worked well, has been used sparingly, and appropriately assigns this authority with the Commonwealth's chief financial officer.

COVID-19 Federal Funds

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 170, lines 10 through 19, in their entirety.

I am vetoing this part because it prevents the exigent provision of relief and investment intended by various federal acts and violate the Supremacy Clause of the United States Constitution. As federal laws, their terms will determine the circumstances of how they can be implemented. These provisions also slow and hinder the provision of assistance to the many Kentuckians that are unemployed or underemployed, to affected Kentucky businesses and nonprofit organizations. The sooner we deploy the federal resources, in combination with our vaccination program, the sooner the economy will recover and create jobs so that people can return to work.

Approval of State Aircraft Travel

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 170, lines 20 through 27, in their entirety.

Page 171, lines 1 through 2, in their entirety.

I am vetoing this part because it ignores existing state laws and provides the authority to the State Treasurer to approve the use of state aircraft by Cabinet Secretaries for out-of-state travel. This responsibility bears no relationship to the important duties of the State Treasurer and is more capably handled by the existing laws. The State Treasurer does not have regular contact with Cabinet Secretaries or regularly knows their requirements and duties. Moreover, this

Administration has pledged to implement the most transparent documentation of the use of state aircraft that goes above and beyond the statutory requirements.

Executive Orders

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 174, lines 1 through 27, in their entirety.

Page 175, line 1, in its entirety.

I am vetoing this part because it violates the separation of powers under Kentucky Constitution. It also directly violates a temporary injunction entered by the Franklin Circuit Court against the General Assembly itself, which could subject the body to a contempt of court citation. Under this part, the Legislative Branch attempts to stop Executive Branch employees from working on executive orders related to a declared state of emergency. It would prohibit such employees, including the Commissioner for Public Health, from working on such matters to protect the lives and safety of Kentuckians. Aside from the constitutional infirmity, this part would create a chaotic, haphazard public health response to the COVID-19 pandemic resulting in a public health catastrophe. Preventing enforcement of the Governor's COVID-related orders would create confusion among the public as to what public health measures were in place and ultimately lead to increased spread of the disease and delay the Commonwealth's ability to put an end to the COVID-19 state of emergency.

American Rescue Plan

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 175, lines 2 through 6, in their entirety.

I am vetoing this part because it prevents the exigent provision of relief and investment intended by the federal American Rescue Plan Act and violates the Supremacy Clause of the United States Constitution. As a federal law, the American Rescue Plan Act will determine the circumstances of how it can be implemented. This provision also slows and hinders the provision of assistance to the many Kentuckians that are unemployed or underemployed, to affected Kentucky businesses and nonprofit organizations. It is the intent of the American Rescue Plan Act to cycle these funds into the state economy to bridge the economic gap that the pandemic has caused. The sooner we deploy the resources from the American Rescue Plan Act, in combination with our

vaccination program, the sooner the economy will recover and create jobs so that people can return to work.

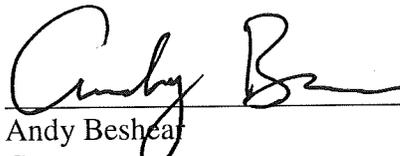
Pandemic Relief Funds

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 175, lines 7 through 18, in their entirety.

I am vetoing this part because it prevents the exigent provision of relief and investment intended by various federal acts and violate the Supremacy Clause of the United States Constitution. As federal laws, their terms will determine the circumstances of how they can be implemented. These provisions also slow and hinder the provision of assistance to the many Kentuckians that are unemployed or underemployed, to affected Kentucky businesses and nonprofit organizations. The sooner we deploy the federal resources, in combination with our vaccination program, the sooner the economy will recover and create jobs so that people can return to work.

This the 26th day of March, 2021.



Andy Beshear
Governor

CHAPTER 169

(HB 192)

Provisions of this bill that are to be deleted due to vetoes of the Governor that were not overridden by the General Assembly are displayed as bracketed and struck-through text enclosed in double asterisks, e.g., ****[text]****.

AN ACT relating to appropriations measures providing funding and establishing conditions for the operations, maintenance, support, and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state-supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

→Section 1. The State/Executive Branch Budget is as follows:

**PART I
OPERATING BUDGET**

(1) **Funds Appropriations:** There is appropriated out of the General Fund, Road Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for the fiscal year beginning July 1, 2019, and ending June 30, 2020, and for the fiscal year beginning July 1, 2020, and ending June 30, 2021, and for the fiscal year beginning July 1, 2021, and ending June 30, 2022, the following discrete sums, or so much thereof as may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each appropriation is made by source of respective fund or funds accounts. Appropriations for the following officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and budget units of the state government, and any and all other activities of the government of the Commonwealth, are subject to the provisions of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions and procedures set forth in this Act.

(2) **Tobacco Settlement Funds:** Appropriations identified as General Fund (Tobacco) in Part I, Operating Budget, of this Act are representative of the amounts provided in Part X, Phase I Tobacco Settlement, of this Act and are not to be appropriated in duplication.

A. GENERAL GOVERNMENT

Budget Units

1. OFFICE OF THE GOVERNOR

	2020-21	2021-22
General Fund	6,099,000	6,105,800
Restricted Funds	294,700	294,700
Federal Funds	900,000	500,000
TOTAL	7,293,700	6,900,500

(1) **Salary Increment:** Notwithstanding KRS 64.480(2), no increment is provided on the base salary or wages of the Lieutenant Governor of the Commonwealth.

Notwithstanding KRS 64.480(4), no increment is provided on the base salary or wages of the Governor of the Commonwealth.

2. OFFICE OF STATE BUDGET DIRECTOR

	2020-21	2021-22
General Fund	3,604,100	3,608,500
Restricted Funds	164,500	261,400
Federal Funds	13,000,000	-0-
TOTAL	16,768,600	3,869,900

(1) Participation in Transparent Governing - Full Disclosure of Inmate Population Forecasts and Related Materials: The Office of State Budget Director shall provide the methodology, assumptions, data, and all other related materials used to project biennial offender population forecasts conducted by the Office of State Budget Director, the Kentucky Department of Corrections, and any consulting firms, to the Interim Joint Committee on Appropriations and Revenue by November 1, 2021. This submission shall include but not be limited to the projected state, county, and community offender populations for the 2022-2024 fiscal biennium and must coincide with the budgeted amount for these populations. This submission shall clearly divulge the methodology and reasoning behind the budgeted and projected offender population in a commitment to participate in transparent governing.

(2) Facilities Security Reimbursement Report: It is the intent of the General Assembly to increase the existing reimbursement rate for Facilities Security services for state-operated buildings. The Office of State Budget Director shall provide a report to the Interim Joint Committee on Appropriations and Revenue detailing the anticipated costs of increasing the existing Facilities Security rate to \$36 per hour for every participating state-operated building by September 1, 2020.

3. HOMELAND SECURITY

	2020-21	2021-22
General Fund	257,000	578,200
Restricted Funds	1,360,800	2,443,600
Federal Funds	4,259,400	5,784,600
Road Fund	321,000	-0-
TOTAL	6,198,200	8,806,400

4. VETERANS' AFFAIRS

	2020-21	2021-22
General Fund	26,060,400	26,121,400
Restricted Funds	73,788,700	68,075,600
Federal Funds	2,958,000	500,000
TOTAL	102,807,100	94,697,000

(1) Weekend and Holiday Premium Pay Incentive: The Kentucky Veterans Centers are authorized to continue the weekend and holiday premium pay incentive for the 2020-2022 fiscal biennium.

(2) Congressional Medal of Honor Recipients - Travel and Per Diem: The Commissioner of the Department of Veterans' Affairs may approve travel and per diem expenses incurred when Kentucky residents who have been awarded the Congressional Medal of Honor attend veterans, military, or memorial events in the Commonwealth of Kentucky.

(3) Debt Service - Bowling Green Veterans' Center: If any debt service is required for the issuance of bonds for the Construct Bowling Green Veterans' Center capital project authorized in Part II, Capital Projects Budget, of this Act, it shall be deemed a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705). No bonds shall be sold for this project until it has been approved by the United States Department of Veterans Affairs and the Commonwealth has been notified by the United States Department of Veterans Affairs that Federal Funds are available to support this construction.

(4) State Veterans Nursing Home: With the exception of the Bowling Green Veterans Center construction project, all state veterans' nursing homes must meet a combined 80 percent bed occupancy rate before any future projects will be considered. Once the 80 percent threshold has been met, it is the intent of the General Assembly that any future beds allocated from the United States Department of Veterans Affairs or reallocated from the Kentucky Department of Veterans' Affairs be dedicated to a state veterans nursing home in Magoffin County to serve that area.

(5) Brain Injury Association of America, Kentucky Chapter and the Epilepsy Foundation of Kentuckiana Funding: Included in the above General Fund appropriation is \$93,700 in each fiscal year for grants to the Brain Injury Association of America, Kentucky Chapter and \$93,700 in each fiscal year for grants to the Epilepsy

Foundation of Kentuckiana to be used solely for the purpose of working with veterans who have experienced brain trauma and their families.

(6) Veterans' Service Organization Funding: Included in the above General Fund appropriation is \$187,500 in each fiscal year for grants to Veterans' Service Organization programs.

5. GOVERNOR'S OFFICE OF AGRICULTURAL POLICY

	2020-21	2021-22
General Fund (Tobacco)	34,594,800	-0-
Restricted Funds	100,000	-0-
Federal Funds	2,000,000	-0-
TOTAL	36,694,800	-0-

(1) Tobacco Settlement Funds - Allocations: Notwithstanding KRS 248.711(2), and from the allocation provided therein, counties that are allocated in excess of \$20,000 in fiscal year 2020-2021 may provide up to four percent of the individual county allocation, not to exceed \$15,000 in fiscal year 2020-2021, to the county council in that county for administrative costs.

(2) Counties Account: Notwithstanding KRS 248.703(1), included in the above General Fund (Tobacco) appropriation is \$14,279,200 in fiscal year 2020-2021 for the counties account as specified in KRS 248.703(1)(a).

(3) Directive for Fiscal Year 2018-2019 and Fiscal Year 2019-2020 General Fund (Tobacco) Appropriations: Any remaining uncommitted or unobligated funds from the \$13,000,000 General Fund (Tobacco) appropriated in the 2018-2020 fiscal biennium to the Governor's Office of Agricultural Policy for use by the State Fair Board shall not be approved by the Agricultural Development Board for any other project until appropriated by the General Assembly.

(4) State Account: Notwithstanding KRS 248.703(1), included in the above General Fund (Tobacco) appropriation is \$20,315,600 in fiscal year 2020-2021 for the state account as specified in KRS 248.703(1)(b).

6. KENTUCKY INFRASTRUCTURE AUTHORITY

	2020-21	2021-22
General Fund	1,117,200	1,057,200
Restricted Funds	33,095,700	33,102,900
Federal Funds	29,380,100	29,376,700
TOTAL	63,593,000	63,536,800

(1) Debt Service: Included in the above General Fund appropriation is \$344,500 in fiscal year 2020-2021 and \$284,000 in fiscal year 2021-2022 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

7. MILITARY AFFAIRS

	2020-21	2021-22
General Fund	14,991,400	15,006,800
Restricted Funds	48,590,600	39,733,800
Federal Funds	159,824,300	86,055,500
TOTAL	223,406,300	140,796,100

(1) Kentucky National Guard: Included in the above General Fund appropriation is \$4,500,000 in each fiscal year to be expended, subject to the conditions and procedures provided in this Act, which are required as a result of the Governor's declaration of emergency pursuant to KRS Chapter 39A, and the Governor's call of the Kentucky National Guard to active duty when an emergency or exigent situation has been declared to exist by the Governor. Any portion of the \$4,500,000 not expended shall lapse to the General Fund at the end of each fiscal year. In the event that costs for Governor-declared emergencies or the Governor's call of the Kentucky National Guard for emergencies or exigent situations exceed \$4,500,000 annually, the costs shall be deemed necessary government

expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

(2) **Disaster or Emergency Aid Funds:** There is appropriated from the General Fund the necessary funds, subject to the conditions and procedures in this Act, which are required to match federal aid for which the state would be eligible in the event of a presidentially declared disaster or emergency. These necessary funds shall be made available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

(3) **Residential Youth-at-Risk Program:** Included in the above General Fund appropriation is \$335,000 in each fiscal year to support the Bluegrass Challenge Academy and \$335,000 in each fiscal year to support the Appalachian Youth Challenge Academy.

(4) **Bluegrass Station:** Included in the above Restricted Funds appropriation is \$1,761,000 in fiscal year 2021-2022 for preliminary work on the Bluegrass Station Industrial Airport and Airpark project, a project that has the potential for significant economic development and job creation opportunities, as well as the prospect of leveraging the mission of Bluegrass Station. These funds will support the request for information and qualification process and initiate related project activities that will inform key elements of a potential request for proposal once that is authorized by a future General Assembly.

8. COMMISSION ON HUMAN RIGHTS

	2020-21	2021-22
General Fund	1,926,600	1,929,400
Restricted Funds	10,000	10,000
Federal Funds	245,000	245,000
TOTAL	2,181,600	2,184,400

9. COMMISSION ON WOMEN

(1) **Redistribution of Resources:** Notwithstanding KRS 12.020, 12.023, 14.260, 15A.190, 214.554, and 344.510 to 344.530, no General Fund appropriation is provided for the Commission on Women in order to provide additional funding for Domestic Violence Shelters, Rape Crisis Centers, and Children's Advocacy Centers.

10. DEPARTMENT FOR LOCAL GOVERNMENT

	2020-21	2021-22
General Fund	9,415,300	9,637,700
Restricted Funds	1,388,700	1,382,900
Federal Funds	373,682,100	46,227,500
TOTAL	384,486,100	57,248,100

(1) **Area Development District Funding:** Included in the above General Fund appropriation is \$1,984,000 in each fiscal year for the Joint Funding Administration Program in support of the area development districts.

(2) **Mary Kendall Homes and Gateway Juvenile Diversion:** Included in the above General Fund appropriation is \$257,800 in each fiscal year for the support of the Mary Kendall Homes and \$257,800 in each fiscal year for the support of Gateway Juvenile Diversion.

(3) **Allocation of Area Development District Funding:** The Department for Local Government shall allocate area development district funding appropriated to the Joint Funding Administration Program to the area development districts in accordance with the following formula:

(a) Seventy percent of the total appropriation shall be allocated equally among all area development districts;

(b) Twenty percent of the total appropriation shall be allocated based upon each area development district's proportionate share of total state population, as identified by the 2010 United States Census; and

(c) Ten percent of the total appropriation shall be allocated based upon each area development district's proportionate share of total incorporated cities and counties, as identified by the records of the Kentucky Secretary of State's Land Office at the time of the allocation.

The Department for Local Government shall, upon the unanimous written direction of all area development districts, reduce the allocation based upon proportionate share of total incorporated cities and counties and instead allocate those funds to provide additional nonfederal dollars to area development districts for the purpose of maximizing federal awards.

(4) Debt Service: Included in the above General Fund appropriation is \$218,000 in fiscal year 2021-2022 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

11. LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	2020-21	2021-22
General Fund	20,445,600	21,960,400

(1) Allocation of the Local Government Economic Assistance Fund: Notwithstanding KRS 42.470(1)(a), 70 percent of moneys in the Local Government Economic Assistance Fund shall be distributed to each coal producing county on the basis of the ratio of coal severed in each respective county to the coal severed statewide. Notwithstanding KRS 42.470(1)(c), no allocation shall be distributed to non-coal producing counties.

(2) Coal Haul Road System: Notwithstanding KRS 42.455(2), no funds appropriated to the Local Government Economic Assistance Fund are required to be spent on the coal haul road system.

12. LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND

	2020-21	2021-22
General Fund	17,163,800	18,511,800

(1) Coal Severance Tax Transfers: Notwithstanding KRS 42.450 to 42.495, 70 percent of the severance and processing taxes on coal collected annually, except items described in subsection (2) below, shall be transferred to the Local Government Economic Development Fund. Notwithstanding KRS 42.450 to 42.495, 30 percent of the severance and processing taxes on coal collected annually, except items described in subsection (2) below, shall be transferred to the Local Government Economic Assistance Fund. Transfers to the Local Government Economic Development Fund and the Local Government Economic Assistance Fund shall be made quarterly, based upon the revenue estimates prevailing at the time each quarterly transfer is due, except the last quarterly transfer shall be made after the close of the fiscal year accounting records, and shall be adjusted to provide the balance of the annual transfer required by this subsection.

(2) Coal Severance Tax Collections Calculations and Transfers: The above appropriations from the General Fund are based on the official estimate presented by the Office of State Budget Director. Notwithstanding KRS 42.450 to 42.495, coal severance tax collections during the 2020-2022 fiscal biennium shall first be allocated to the following programs or purposes on a quarterly basis:

(a) Department for Local Government: An annual appropriation of \$669,700 in each fiscal year is appropriated as General Fund moneys to the Department for Local Government budget unit for Local Government Economic Development Fund and Local Government Economic Assistance Fund project administration costs;

(b) Debt Service: An annual appropriation of 100 percent of the debt service necessary to support bonds authorized in 2003 Ky. Acts ch. 156, 2005 Ky. Acts ch. 173, 2006 Ky. Acts ch. 252, 2008 Ky. Acts ch. 127, and 2010 (1st Extra. Sess.) Ky. Acts ch. 1, in the amount of \$26,210,600 in fiscal year 2020-2021 and \$24,784,800 in fiscal year 2021-2022 is appropriated for that purpose;

(c) Osteopathic Medicine Scholarship Program: Notwithstanding KRS 164.7891(11)(b), no transfers shall be made to the Osteopathic Medicine Scholarship Program within the Kentucky Higher Education Assistance Authority;

(d) Pharmacy Scholarships: Notwithstanding KRS 164.7890(11)(c), no transfers shall be made to the Coal County Pharmacy Scholarship Program within the Kentucky Higher Education Assistance Authority;

(e) Kentucky Coal Fields Endowment Authority: Notwithstanding KRS 42.453(3), no transfers shall be made to the Kentucky Coal Field Endowment Authority; and

(f) General Fund: A transfer of \$1,000,000 to the General Fund in fiscal year 2020-2021.

(3) Allocation of the Local Government Economic Development Fund: Notwithstanding KRS 42.4592(1), 50 percent of Local Government Economic Development Fund moneys shall be allocated in accordance with KRS 42.4592(1)(a), and 50 percent shall be allocated in accordance with KRS 42.4592(1)(b).

(4) Use of the Local Government Economic Development Fund: Notwithstanding KRS 42.450 to 42.495, all funds appropriated to Local Government Economic Development Fund Single-County Accounts shall be allocated to projects with the concurrence of the respective county judge/executive, state senator(s), and state representative(s) of each county. If concurrence is not achieved, the fiscal court of each county may apply for grants through the Department for Local Government pursuant to KRS 42.4588.

13. AREA DEVELOPMENT FUND

(1) Area Development Fund: Notwithstanding KRS 42.345 to 42.370 and 48.185, or any statute to the contrary, no funding is provided for the Area Development Fund.

(2) Area Development District Flexibility: Notwithstanding KRS 42.350(2) and provided that sufficient funds are maintained in the Joint Funding Agreement program to meet the match requirements for the Economic Development Administration grants, Community Development Block Grants, Appalachian Regional Commission grants, or any federal program where the Joint Funding Agreement funds are utilized to meet nonfederal match requirements, an area development district with authorization from its Board of Directors may request approval to transfer funding between the Area Development Fund and the Joint Funding Agreement Program from the Commissioner of the Department for Local Government.

14. REGIONAL DEVELOPMENT AGENCY ASSISTANCE FUND

	2020-21	2021-22
Restricted Funds	6,000,000	6,000,000

15. EXECUTIVE BRANCH ETHICS COMMISSION

	2020-21	2021-22
General Fund	561,600	563,000
Restricted Funds	420,000	420,000
TOTAL	981,600	983,000

(1) Use of Restricted Funds: All penalties collected or received by the Executive Branch Ethics Commission shall be deposited in the State Treasury and credited to a trust and agency fund account to the credit of the Commission to be used by the Commission for the cost of conducting administrative hearings pursuant to KRS Chapter 13B. Notwithstanding KRS 45.229, these funds shall not lapse and shall carry forward.

16. SECRETARY OF STATE

	2020-21	2021-22
Restricted Funds	5,177,600	5,102,500
Federal Funds	221,400	221,400
TOTAL	5,399,000	5,323,900

(1) Use of Restricted Funds: Notwithstanding KRS 14.140(1) and (3), the above Restricted Funds may be used for the continuation of current activities within the Office of the Secretary of State.

(2) Salary Increment: Notwithstanding KRS 64.480(2), no increment is provided on the base salary or wages of the Secretary of State.

17. BOARD OF ELECTIONS

	2020-21	2021-22
General Fund	6,206,500	3,326,600
Restricted Funds	2,188,500	246,000
Federal Funds	13,395,400	1,829,800
TOTAL	21,790,400	5,402,400

(1) Cost of Elections: Costs associated with special elections, KRS 117.345(2) costs associated with additional precincts with a voting machine, KRS 117.343 costs for additional registered voters, and KRS 116.145 costs for additional new registered voters shall be deemed a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705). Any

reimbursements authorized as a necessary government expense according to the above provisions shall be at the same rates as those established by the State Board of Elections.

18. REGISTRY OF ELECTION FINANCE

	2020-21	2021-22
General Fund	1,541,300	1,543,300

19. ATTORNEY GENERAL

	2019-20	2020-21	2021-22
General Fund (Tobacco)	-0-	150,000	150,000
General Fund	135,000	12,473,700	12,860,100
Restricted Funds	-0-	18,051,600	17,586,700
Federal Funds	-0-	4,989,000	4,994,100
TOTAL	135,000	35,664,300	35,590,900

(1) State Enforcement: Notwithstanding KRS 248.654 and 248.703(4), a total of \$150,000 of the Tobacco Settlement payments received in each fiscal year is appropriated to the Attorney General for the state’s diligent enforcement of noncompliant nonparticipating manufacturers.

(2) Expert Witnesses: In addition to such funds as may be appropriated, the Office of the Attorney General may request from the Finance and Administration Cabinet, as a necessary government expense, such funds as may be necessary for expert witnesses. Upon justification of the request, the Finance and Administration Cabinet shall provide ****[up to \$250,000]**** for the 2020-2022 fiscal biennium for this purpose to the Office of the Attorney General from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705). Without charge, the Department of Insurance shall provide the Office of the Attorney General any available information to assist in the preparation of a rate hearing pursuant to KRS 304.17A-095. Expenditures under this subsection shall be reported to the Interim Joint Committee on Appropriations and Revenue by August 1 of each year.

(3) Annual and Sick Leave Service Credit: Notwithstanding any statutory or regulatory restrictions to the contrary, any former employee of the Unified Prosecutorial System who has been appointed to a permanent full-time position under KRS Chapter 18A shall be credited annual and sick leave based on service credited under the Kentucky Retirement Systems solely for the purpose of computation of sick and annual leave. This provision shall only apply to any new appointment or current employee as of July 1, 1998.

(4) Compensatory Leave Conversion to Sick Leave: If the Office of the Attorney General determines that internal budgetary pressures warrant further austerity measures, the Attorney General may institute a policy to suspend payment of 50-hour blocks of compensatory time for those attorneys who have accumulated 240 hours of compensatory time and instead convert those hours to sick leave.

(5) Operations of the Office of the Attorney General: Notwithstanding KRS 367.478(2), 367.805(3), and 367.905(5), funds may be expended in support of the operations of the Office of the Attorney General.

(6) Purdue Pharma Settlement Funds: In each fiscal year, the Attorney General shall transfer \$1,500,000 of any lawfully received settlement funds resulting from Commonwealth of Kentucky, ex rel. v. Purdue Pharma, et al., Civil Action No: 07-CI-01303 to the Justice Administration budget unit for Operation UNITE.

(7) Salary Increment: Notwithstanding KRS 64.480(2), no increment is provided on the base salary or wages of the Attorney General.

(8) Legal Services Contracts: The Office of the Attorney General may present proposals to state agencies specifying legal work that is presently accomplished through personal service contracts that indicate the Office of the Attorney General's capacity to perform the work at a lesser cost. State agencies may agree to make arrangements with the Office of the Attorney General to perform the legal work and compensate the Office of the Attorney General for the legal services.

(9) Debt Service: Included in the above General Fund appropriation is \$127,000 in fiscal year 2020-2021 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(10) Electronic Crimes Laboratories: The Attorney General and the Commissioner of the Kentucky State Police shall work collaboratively to identify a pathway for consolidation of the Commonwealth’s electronic crimes laboratories.

(11) Attorney General Security: Included in the above General Fund appropriation is \$500,000 in fiscal year 2021-2022 for security for the Attorney General.

(12) Civil Action Representation: To ensure adequate representation of the interest of the Commonwealth and to protect the financial condition of the Kentucky Retirement Systems, it has been determined that it is necessary to allow the Attorney General appropriate authority to engage private lawyers as co-counsel in Civil Action No. 17-CI-01348. Due to the highly complex and specialized nature of that litigation, KRS Chapter 45A, et seq. would prevent the Attorney General from engaging counsel of his choice. Accordingly, to protect the interest of the Commonwealth, and notwithstanding the requirements of KRS Chapter 45A, et seq., which are hereby waived in respect to the Attorney General retaining private lawyers to prosecute Civil Action No. 17-CI-01348, the Attorney General is vested with the authority to hire and pay counsel of his choice on any contractual basis the Attorney General deems advisable.

20. UNIFIED PROSECUTORIAL SYSTEM

(1) Prosecutors Advisory Council Administrative Functions: The Prosecutors Advisory Council shall approve compensation for employees of the Unified Prosecutorial System subject to the appropriations in this Act.

(2) Employment Salary Scale: The Prosecutors Advisory Council shall develop a proposed salary scale for the employees of the Unified Prosecutorial System. Among the criteria that the proposal may include are pay differential and locality pay. The proposal shall also establish part-time positions as hourly or by one-quarter or one-half of a full-time equivalent. The Council shall finalize and submit the proposed salary scale to the Interim Joint Committee on Appropriations and Revenue by August 1, 2020. The salary scale shall not be implemented until approved by the General Assembly.

a. Commonwealth's Attorneys

	2020-21	2021-22
General Fund	60,413,100	60,494,200
Restricted Funds	6,118,200	6,134,800
Federal Funds	756,800	777,800
TOTAL	67,288,100	67,406,800

(1) Rocket Docket Program: Included in the above General Fund appropriation is \$387,700 in each fiscal year to support the Rocket Docket Program.

(2) Salary Increment: Notwithstanding KRS 15.755(7), no increment is provided on the base salary or wages of each eligible Commonwealth's Attorney.

b. County Attorneys

	2020-21	2021-22
General Fund	53,518,500	56,153,400
Restricted Funds	958,400	963,300
Federal Funds	1,025,200	1,025,200
TOTAL	55,502,100	58,141,900

(1) Salary Increment: Notwithstanding KRS 15.765(3), no increment is provided on the base salary or wages of each eligible County Attorney.

(2) Rocket Docket Program: Included in the above General Fund appropriation is \$549,800 in each fiscal year to support the Rocket Docket Program.

(3) County Attorneys Expense Allowance: Notwithstanding KRS 15.765(2), each County Attorney shall receive a monthly expense allowance of \$400, payable out of the State Treasury for the 2020-2022 fiscal biennium.

(4) County Attorney Retirement Costs: Included in the above General Fund appropriation is \$2,520,500 in fiscal year 2021-2022 to cover each County Attorneys Office's share of the anticipated increase in retirement costs

over each employer's fiscal year 2019-2020 baseline contribution as outlined in the fiscal note for 2021 Regular Session House Bill 8, as passed by the General Assembly and located on the Legislative Research Commission's Web site.

TOTAL - UNIFIED PROSECUTORIAL SYSTEM

	2020-21	2021-22
General Fund	113,931,600	116,647,600
Restricted Funds	7,076,600	7,098,100
Federal Funds	1,782,000	1,803,000
TOTAL	122,790,200	125,548,700

21. TREASURY

	2020-21	2021-22
General Fund	2,411,800	2,664,600
Restricted Funds	1,848,400	1,845,700
Federal Funds	1,254,800	1,247,300
Road Fund	250,600	-0-
TOTAL	5,765,600	5,757,600

(1) **Unclaimed Property Fund:** Included in the above Restricted Funds appropriation is \$1,848,400 in fiscal year 2020-2021 and \$1,845,700 in fiscal year 2021-2022 from the Unclaimed Property Fund to provide funding for services performed by the Unclaimed Property Division of the Department of the Treasury.

(2) **Salary Increment:** Notwithstanding KRS 64.480(2), no increment is provided on the base salary or wages of the State Treasurer.

22. AGRICULTURE

	2020-21	2021-22
General Fund (Tobacco)	500,000	35,468,800
General Fund	16,822,000	18,842,800
Restricted Funds	14,362,700	12,336,800
Federal Funds	12,817,300	8,664,200
TOTAL	44,502,000	75,312,600

(1) **Use of Restricted Funds:** Notwithstanding KRS 217.570 and 217B.580, funds may be expended in support of the operations of the Department of Agriculture.

(2) **Farms to Food Banks:** Included in the above General Fund (Tobacco) appropriation is \$500,000 in each fiscal year to support the Farms to Food Banks Program. The use of the moneys provided by this appropriation shall be restricted to purchases of Kentucky-grown produce from Kentucky farmers who participate in the Farms to Food Banks Program.

(3) **Salary Increment:** Notwithstanding KRS 64.480(2), no increment is provided on the base salary or wages of the Commissioner of Agriculture.

(4) **County Fair Grants:** Included in the above General Fund appropriation is \$300,000 in each fiscal year to support capital improvement grants to the Local Agricultural Fair Aid Program.

(5) **Kentucky Grape and Wine Council:** Notwithstanding KRS 260.175(2), no General Fund is provided for the Kentucky Small Farm Wineries Support Fund for use by the Kentucky Grape and Wine Council.

(6) **Counties Account:** Notwithstanding KRS 248.703(1), included in the above General Fund (Tobacco) appropriation is \$14,443,600 in fiscal year 2021-2022 for the counties account as specified in KRS 248.703(1)(a).

(7) **State Account:** Notwithstanding KRS 248.703(1), included in the above General Fund (Tobacco) appropriation is \$20,525,200 in fiscal year 2021-2022 for the state account as specified in KRS 248.703(1)(b).

(8) **Tobacco Settlement Funds - Allocations:** Notwithstanding KRS 248.711(2), and from the allocation provided therein, counties that are allocated in excess of \$20,000 in fiscal year 2021-2022 may provide up to four percent of the individual county allocation, not to exceed \$15,000 in fiscal year 2021-2022, to the county council in that county for administrative costs.

23. AUDITOR OF PUBLIC ACCOUNTS

	2020-21	2021-22
General Fund	7,787,000	7,788,900
Restricted Funds	11,926,600	11,569,300
TOTAL	19,713,600	19,358,200

(1) **Auditor's Scholarships:** Notwithstanding KRS 43.200, no funding is provided for Auditor's scholarships.

(2) **Audit Services Contracts:** No state agency shall enter into any contract with a nongovernmental entity for audit services unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within 30 days of receipt of a written request for such services. The agency's request for audit services shall include a comprehensive statement of the scope and nature of the proposed audit.

(3) **Compensatory Leave Conversion to Sick Leave:** If the Auditor of Public Accounts determines that internal budgetary pressures warrant further austerity measures, the State Auditor may institute a policy to suspend payment of 50-hour blocks of compensatory time for those employees who have accumulated 240 hours of compensatory time and instead convert those hours to sick leave.

(4) **Salary Increment:** Notwithstanding KRS 64.480(2), no increment is provided on the base salary or wages of the Auditor of Public Accounts.

24. PERSONNEL BOARD

	2020-21	2021-22
Restricted Funds	875,000	856,000

25. KENTUCKY RETIREMENT SYSTEMS

	2020-21	2021-22
General Fund	384,000	-0-
Restricted Funds	48,888,200	48,005,500
TOTAL	49,272,200	48,005,500

(1) **State Police Retirement System Pension Fund:** Included in the above General Fund appropriation is \$384,000 in fiscal year 2020-2021 to be applied to the unfunded pension liability of the State Police Retirement System pension fund.

26. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

a. Accountancy

	2020-21	2021-22
Restricted Funds	673,300	658,300

b. Certification of Alcohol and Drug Counselors

	2020-21	2021-22
Restricted Funds	180,200	180,200

c. Applied Behavior Analysis Licensing

	2020-21	2021-22
Restricted Funds	39,600	39,600

d. Architects		
	2020-21	2021-22
Restricted Funds	474,500	454,700
e. Certification for Professional Art Therapists		
	2020-21	2021-22
Restricted Funds	11,200	11,200
f. Barbering		
	2020-21	2021-22
Restricted Funds	465,400	457,400
g. Chiropractic Examiners		
	2020-21	2021-22
Restricted Funds	377,900	377,900
h. Dentistry		
	2020-21	2021-22
Restricted Funds	939,600	923,100
i. Licensed Diabetes Educators		
	2020-21	2021-22
Restricted Funds	29,300	29,300
j. Licensure and Certification for Dietitians and Nutritionists		
	2020-21	2021-22
Restricted Funds	93,900	93,900
k. Embalmers and Funeral Directors		
	2020-21	2021-22
Restricted Funds	498,300	487,800
l. Licensure for Professional Engineers and Land Surveyors		
	2020-21	2021-22
Restricted Funds	1,772,200	1,738,300
m. Certification of Fee-Based Pastoral Counselors		
	2020-21	2021-22
Restricted Funds	3,600	3,600
n. Registration for Professional Geologists		
	2020-21	2021-22
Restricted Funds	109,000	109,000
o. Hairdressers and Cosmetologists		
	2020-21	2021-22
Restricted Funds	1,936,900	1,903,700
p. Specialists in Hearing Instruments		
	2020-21	2021-22

Restricted Funds	78,000	78,000
q. Interpreters for the Deaf and Hard of Hearing		
	2020-21	2021-22
Restricted Funds	38,200	38,200
r. Examiners and Registration of Landscape Architects		
	2020-21	2021-22
Restricted Funds	80,700	79,300
s. Licensure of Marriage and Family Therapists		
	2020-21	2021-22
Restricted Funds	133,600	133,600
t. Licensure for Massage Therapy		
	2020-21	2021-22
Restricted Funds	151,500	150,500
u. Medical Imaging and Radiation Therapy		
	2020-21	2021-22
Restricted Funds	443,800	466,300
v. Medical Licensure		
	2020-21	2021-22
Restricted Funds	3,550,900	3,473,500
w. Nursing		
	2020-21	2021-22
Restricted Funds	8,924,800	8,764,100
x. Licensure for Nursing Home Administrators		
	2020-21	2021-22
Restricted Funds	101,100	101,100
y. Licensure for Occupational Therapy		
	2020-21	2021-22
Restricted Funds	211,600	211,600
z. Ophthalmic Dispensers		
	2020-21	2021-22
Restricted Funds	71,400	71,400
aa. Optometric Examiners		
	2020-21	2021-22
Restricted Funds	221,800	205,700
ab. Pharmacy		
	2020-21	2021-22
Restricted Funds	2,568,200	2,505,400
ac. Physical Therapy		
	2020-21	2021-22

Restricted Funds	673,500	660,700
ad. Podiatry		
	2020-21	2021-22
Restricted Funds	46,500	46,500
ae. Private Investigators		
	2020-21	2021-22
Restricted Funds	113,700	113,700
af. Licensed Professional Counselors		
	2020-21	2021-22
Restricted Funds	310,800	310,800
ag. Prosthetics, Orthotics, and Pedorthic s		
	2020-21	2021-22
Restricted Funds	46,200	46,200
ah. Examiners of Psychology		
	2020-21	2021-22
Restricted Funds	256,400	256,400
ai. Respiratory Care		
	2020-21	2021-22
Restricted Funds	251,900	245,800
aj. Social Work		
	2020-21	2021-22
Restricted Funds	370,600	362,700
ak. Speech-Language Pathology and Audiology		
	2020-21	2021-22
Restricted Funds	222,900	222,900
al. Veterinary Examiners		
	2020-21	2021-22
Restricted Funds	525,000	525,000
TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS		
	2020-21	2021-22
Restricted Funds	26,998,000	26,537,400
27. KENTUCKY RIVER AUTHORITY		
	2020-21	2021-22
General Fund	288,500	288,300
Restricted Funds	7,686,600	6,446,600
TOTAL	7,975,100	6,734,900
28. SCHOOL FACILITIES CONSTRUCTION COMMISSION		
	2020-21	2021-22

General Fund	121,775,600	125,835,000
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(1) **Debt Service:** Included in the above General Fund appropriation is \$2,946,900 in fiscal year 2020-2021 and \$4,974,600 in fiscal year 2021-2022 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(2) **Additional Offers of Assistance:** Notwithstanding KRS 157.611 to 157.665, the School Facilities Construction Commission is authorized to make an additional \$58,000,000 in offers of assistance during the 2020-2022 biennium in anticipation of debt service availability during the 2022-2024 biennium. No bonded indebtedness based on the above amount is to be incurred during the 2020-2022 biennium.

(3) **Urgent Needs School Assistance - 2020-2022:** Notwithstanding KRS 157.611 to 157.665, the School Facilities Construction Commission is authorized to make additional offers of assistance in the specified amounts in fiscal year 2020-2021 to the following local school districts:

- (a) Not more than \$19,784,500 to Mason County Schools for Mason County Middle School;
- (b) Not more than \$12,931,700 to Lewis County Schools for Garrison Elementary School;
- (c) Not more than \$7,527,100 to Rowan County Schools for Clearfield Elementary School; and
- (d) Not more than \$7,283,700 to Green County Schools for Green County High School.

These schools are designated as the four schools ranked highest on the Kentucky Facilities Inventory and Classification System report as of February 27, 2020, that are A1 schools, are ranked as a Priority 1 or 2 on the local school district's facility plan, and have levied a ten-cent equivalent tax dedicated to capital improvements but remain unable to cash fund or to sufficiently support the required annual debt service for replacement or renovation of the school. The amounts stated represent the difference between the cost to replace or renovate the designated facility and the amount of available local resources.

The School Facilities Construction Commission shall make offers of assistance to each local school district up to the amount authorized for that local school district only upon the written authorization of the Commissioner of Education or his or her designee and documentation of the project cost, but in no case shall any district receive an additional offer of assistance greater than that authorized in this subsection.

29. TEACHERS' RETIREMENT SYSTEM

	2020-21	2021-22
General Fund	781,620,000	715,293,700
Restricted Funds	16,100,300	16,320,600
TOTAL	797,720,300	731,614,300

(1) **Debt Service:** Included in the above General Fund appropriation is \$51,660,000 in fiscal year 2020-2021 and \$33,015,900 in fiscal year 2021-2022 for debt service on previously issued bonds.

(2) **Dependent Subsidy for All Retirees under age 65:** Pursuant to KRS 161.675(4), health insurance supplement payments made by the retirement system shall not exceed the amount of the single coverage insurance premium. Notwithstanding KRS 161.675(4), for all retirees under the age of 65 who participate in the Kentucky Group Health Insurance Program through the Kentucky Teachers' Retirement System and for Plan Year 2020 only, the Kentucky Teachers' Retirement System Board of Trustees may continue to pay from the Medical Insurance Fund one-third of the costs of the dependent subsidy. No General Fund appropriation shall be expended to pay one-third of the costs of the dependent subsidy. The dependent subsidy is not subject to KRS 161.714.

(3) **Retiree Health Insurance:** Pursuant to KRS 161.550(2)(b) and notwithstanding any statute to the contrary, included in the above General Fund appropriation is \$61,700,000 in fiscal year 2020-2021 to support the state's contribution for the cost of retiree health insurance for members not eligible for Medicare who have retired on or after July 1, 2010. Notwithstanding KRS 161.675, the Teachers' Retirement System Board of Trustees shall provide health insurance supplement payments towards the cost of the single coverage insurance premium based on age and years of service credit of eligible recipients of a retirement allowance, the cost of which shall be paid from the Medical Insurance Fund. Notwithstanding KRS 161.675, the Teachers' Retirement System Board of Trustees shall authorize eligible recipients of a retirement allowance from the Teachers' Retirement System who are less than age 65 to be included in the state-sponsored health insurance plan that is provided to active teachers and state employees under KRS 18A.225. Notwithstanding KRS 161.675(4)(a), the contribution paid by retirees who are less than age 65 who qualify for the maximum health insurance supplement payment for single coverage shall be no more

than the sum of (a) the employee contribution paid by active teachers and state employees for a similar plan, and (b) the standard Medicare Part B premium as determined by the Centers for Medicare and Medicaid Services. Notwithstanding KRS 161.675(4)(a), the contribution paid by retirees who are less than age 65 who do not qualify for the maximum health insurance supplement payment for single coverage shall be determined by the same graduated formula used by the Teachers' Retirement System for Plan Year 2020.

Notwithstanding KRS 161.420 and 161.550, any General Fund contribution to the Teachers' Retirement System medical insurance fund in fiscal year 2020-2021 in excess of the actuarially determined contribution shall carry forward and be considered the General Fund contribution for fiscal year 2021-2022. The Teachers' Retirement System Board of Trustees shall report the amount carried forward to the Interim Joint Committee on Appropriations and Revenue by August 1, 2021.

(4) Medical Insurance Fund Employee Contributions: Notwithstanding KRS 161.540(1), the employee contribution to the Medical Insurance Fund shall not be changed in fiscal year 2020-2021 or fiscal year 2021-2022.

30. APPROPRIATIONS NOT OTHERWISE CLASSIFIED

	2019-20	2020-21	2021-22
General Fund	4,500,000	14,526,400	14,526,400

(1) Funding Sources for Appropriations Not Otherwise Classified: Funds required to pay the costs of items included within Appropriations Not Otherwise Classified are appropriated. Any required expenditure over the above amounts is to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any available balance in either the Judgments budget unit appropriation or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act.

The above appropriation is for the payment of Attorney General Expense, Kentucky Claims Commission Award, Guardian Ad Litem, Prior Year Claims, Unredeemed Checks Refunded, Involuntary Commitments - ICF/MR, Frankfort in Lieu of Taxes, Frankfort Cemetery, Police Officer, Firefighter, and National Guard and Reserve Survivor Benefits, Medical Malpractice Liability Insurance Reimbursement, and Blanket Employee Bonds.

(2) Repayment of Awards or Judgments: Funds are appropriated from the General Fund for the repayment of awards or judgments made by the Kentucky Claims Commission against departments, boards, commissions, and other agencies funded with appropriations out of the General Fund. However, awards under \$5,000 shall be paid from funds available for the operations of the agency.

(3) Guardian Ad Litem Fees: Included in the above appropriation is funding for fees to be paid to each guardian ad litem appointed by the court pursuant to KRS 311.732. The fee shall be fixed by the court and shall not exceed \$500.

(4) Reissuance of Uncashed Checks: Checks written by the State Treasurer and not cashed within the statutory period may be presented to the State Treasurer for reissuance in accordance with KRS 41.370.

(5) Police Officer, Firefighter, and Active Duty National Guard and Reserve Survivor Benefits: Funds are appropriated for payment of benefits for survivors of state and local police officers, firefighters, and active duty National Guard and Reserve members in accordance with KRS 61.315 and for the cost of insurance premiums for firefighters as provided in KRS 95A.070.

31. JUDGMENTS

	2019-20	2020-21	2021-22
General Fund	16,900,000	22,500,000	22,500,000

(1) Known Liabilities Against the Commonwealth: The above appropriation is for the payment of judgments for known liabilities against the Commonwealth.

(2) Payment of Judgments and Carry Forward of General Fund Appropriation Balance: Notwithstanding KRS 45A.275, the payment of judgments, that exceed the above appropriation, as may be rendered against the Commonwealth by courts and orders of the State Personnel Board and, where applicable, shall be subject to KRS Chapter 45 and shall not be deemed a necessary governmental expense. Notwithstanding KRS 45A.270(1), funds required to pay the costs of items included within the Judgments budget are included in the above appropriation, and amounts required for any award or judgment in excess of the above appropriation shall be paid from appropriations for that department or agency and otherwise paid pursuant to KRS 45A.270(2).

32. KENTUCKY COMMUNICATIONS NETWORK AUTHORITY

	2020-21	2021-22
General Fund	34,220,000	34,222,600
Restricted Funds	12,033,100	12,106,400
TOTAL	46,253,100	46,329,000

(1) Rate Assessments: Notwithstanding KRS 154.15-020, rate assessments charged to state agencies for access to the KentuckyWired broadband network shall not exceed rates currently charged for broadband services to those state agencies in fiscal year 2019-2020.

(2) Availability Payments: Included in the above General Fund appropriation is \$22,535,600 in fiscal year 2020-2021 and \$22,539,800 in fiscal year 2021-2022 for the network availability payments.

(3) Authority to Sell: Notwithstanding KRS 154.15-020, the Kentucky Communications Network Authority shall have the authority to enter into contracts with public and private entities to carry out its duties and responsibilities, which may include the sale of all or portions of the Commonwealth’s open-access broadband network known as KentuckyWired. A contract or other agreement involving the acquisition or disposition of a property interest by the Commonwealth shall be signed by the Secretary of the Finance and Administration Cabinet. KRS Chapters 45A and 56 may require the Secretary’s signature on other contracts or agreements.

(4) Contractual Costs: Included in the above General Fund appropriation is \$8,025,800 in fiscal year 2020-2021 and \$8,027,300 in fiscal year 2021-2022 for contractual costs.

TOTAL - GENERAL GOVERNMENT

	2019-20	2020-21	2021-22
General Fund (Tobacco)	-0-	35,244,800	35,618,800
General Fund	21,535,000	1,238,130,400	1,181,420,100
Restricted Funds	-0-	338,426,900	317,782,500
Federal Funds	-0-	620,708,800	187,449,100
Road Fund	-0-	571,600	-0-
TOTAL	21,535,000	2,233,082,500	1,722,270,500

B. ECONOMIC DEVELOPMENT CABINET

Budget Unit

1. ECONOMIC DEVELOPMENT

	2020-21	2021-22
General Fund	26,054,000	27,040,800
Restricted Funds	4,116,600	2,857,000
Federal Funds	521,400	521,400
TOTAL	30,692,000	30,419,200

(1) Funding for Commercialization and Innovation: Notwithstanding KRS 154.12-278, interest income earned on the balances in the High-Tech Construction/Investment Pool and loan repayments received by the High-Tech Construction/Investment Pool shall be used to support the Office of Entrepreneurship and are appropriated in addition to amounts appropriated above.

(2) Lapse and Carry Forward of General Fund Appropriation Balance for Bluegrass State Skills Corporation: Notwithstanding KRS 45.229, the General Fund appropriation balance for Bluegrass State Skills Corporation training grants for fiscal year 2019-2020 and fiscal year 2020-2021 shall not lapse and shall carry forward. The amount available to the Corporation for disbursement in each fiscal year shall be limited to the unexpended training grant allotment balance at the end of each fiscal year combined with the additional training grant allotment amounts in each fiscal year of the 2020-2022 biennium, less any disbursements. If the required disbursements exceed the Bluegrass State Skills Corporation training grants allotment balance, notwithstanding KRS 154.12-278, Restricted Funds may be expended for training grants.

(3) **Science and Technology Program:** Notwithstanding KRS 164.6011 to 164.6041 and any other statute to the contrary, the Cabinet for Economic Development shall have the authority to carry out the provisions of KRS 164.6013 to 164.6041.

(4) **Carry Forward of General Fund Appropriation Balance:** Notwithstanding KRS 45.229, the General Fund appropriation in fiscal year 2019-2020 and fiscal year 2020-2021 to the Cabinet for Economic Development, Science and Technology Program, shall not lapse and shall carry forward in the Cabinet for Economic Development.

(5) **Executive Officers' Compensation:** Notwithstanding KRS 154.10-050(2), any additional executive officers as described in KRS 154.10-050(2) shall not be paid a salary greater than the salary of the Governor of the Commonwealth.

(6) **Training Grants:** Included in the above General Fund appropriation is \$1,000,000 in each fiscal year for the Bluegrass State Skills Corporation to make training grants to support manufacturing-related investments. The Corporation shall utilize these funds for a manufacturer designated by the United States Department of Commerce, United States Census Bureau North American Industry Classification System code of 336111, 336112, 336120, or 336211 that employs at least 10,000 full-time persons at the same facility or at multiple facilities located within the same county to help offset associated costs of retraining its workforce.

(7) **Debt Service:** Included in the above General Fund appropriation is \$283,500 in fiscal year 2021-2022 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

C. DEPARTMENT OF EDUCATION

Budget Units

1. SUPPORT EDUCATION EXCELLENCE IN KENTUCKY (SEEK) PROGRAM

	2020-21	2021-22
General Fund	2,819,696,700	2,922,857,900
Federal Funds	130,000,000	-0-
TOTAL	2,949,696,700	2,922,857,900

(1) **Common School Fund Earnings:** Accumulated earnings for the Common School Fund shall be transferred in each fiscal year to the SEEK Program.

(2) **Allocation of SEEK Funds:** Notwithstanding KRS 157.360(2)(c), the above General Fund appropriation to the base SEEK Program is intended to provide a base guarantee of \$4,000 per student in average daily attendance in each fiscal year, as well as to meet the other requirements of KRS 157.360. Notwithstanding KRS 157.360(2), each district's base funding level shall be adjusted for the number of students demonstrating limited proficiency in English language skills, multiplied by 0.096.

Funds appropriated to the SEEK Program shall be allotted to school districts in accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall not exceed the appropriation for this purpose, except as provided in this Act. The total appropriation for the SEEK Program shall be measured by, or construed as, estimates of the state expenditures required by KRS 157.310 to 157.440. If the required expenditures exceed these estimates, the Secretary of the Finance and Administration Cabinet, upon the written request of the Commissioner of Education and with the approval of the Governor, may increase the appropriation by such amount as may be available and necessary to meet, to the extent possible, the required expenditures under the cited sections of the Kentucky Revised Statutes, but any increase of the total appropriation to the SEEK Program is subject to Part III, General Provisions, of this Act and KRS Chapter 48. If funds appropriated to the SEEK Program are insufficient to provide the amount of money required under KRS 157.310 to 157.440, allotments to local school districts may be reduced in accordance with KRS 157.430.

(3) **SEEK Lapse:** Notwithstanding 2018 Ky. Acts ch. 169, Part I, C., 1., (3), any unexpended SEEK funds in fiscal year 2019-2020 shall lapse to the General Fund. Notwithstanding KRS 45.229, any unexpended SEEK funds in fiscal year 2020-2021 and fiscal year 2021-2022 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

(4) **Base SEEK Allotments:** Notwithstanding KRS 157.420(2), included in the above appropriations are \$1,836,553,400 in General Fund and \$130,000,000 in Federal Funds in fiscal year 2020-2021 and \$1,941,876,500 in

General Fund in fiscal year 2021-2022 for the base SEEK Program as defined by KRS 157.360. Funds appropriated to the SEEK Program shall be allotted to school districts in accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall not exceed the appropriation for this purpose, except as provided in this Act. Notwithstanding KRS 157.360(2)(c), included in the appropriation for the base SEEK Program is \$214,752,800 in each fiscal year for pupil transportation.

(5) **Tier I Component:** Included in the above General Fund appropriation is \$174,746,300 in fiscal year 2020-2021 and \$168,881,500 in fiscal year 2021-2022 for the Tier I component as established by KRS 157.440.

(6) **Vocational Transportation:** Included in the above General Fund appropriation is \$2,416,900 in each fiscal year for vocational transportation.

(7) **Teachers' Retirement System Employer Match:** Included in the above General Fund appropriation is \$425,565,500 in fiscal year 2020-2021 and \$435,085,500 in fiscal year 2021-2022 to enable local school districts to provide the employer match for qualified employees.

(8) **Salary Supplements for Nationally Certified Teachers:** Notwithstanding KRS 157.395, included in the above General Fund appropriation is \$2,750,000 in each fiscal year for the purpose of providing salary supplements for public school teachers attaining certification by the National Board for Professional Teaching Standards. Notwithstanding KRS 157.395, if the appropriation is insufficient to provide the mandated salary supplement for teachers who have obtained this certification, the Department of Education is authorized to pro rata reduce the supplement.

(9) **SEEK Adjustment Factors:** Funds allocated for the SEEK base and its adjustment factors that are not needed for the base or a particular adjustment factor may be allocated to other adjustment factors, if funds for that adjustment factor are not sufficient.

(10) **Facilities Support Program of Kentucky/Equalized Nickel Levies:** Included in the above General Fund appropriation is \$89,854,800 in fiscal year 2020-2021 and \$86,600,400 in fiscal year 2021-2022 to provide facilities equalization funding pursuant to KRS 157.440 and 157.620.

(11) **Growth Levy Equalization Funding:** : Included in the above General Fund appropriation is \$21,796,600 in fiscal year 2020-2021 and \$20,119,400 in fiscal year 2021-2022 to provide facilities equalization funding pursuant to KRS 157.440 and 157.620 for districts meeting the eligibility requirements of KRS 157.621(1) and (4). Notwithstanding KRS 157.621(1)(b)2., a school district that imposes the levy authorized by KRS 157.621(1)(b)1. shall be equalized for that levy at 25 percent of the calculated equalization funding in each fiscal year, in addition to the equalization funding appropriated in accordance with KRS 157.621(1)(b)2., and all funds for this purpose shall be committed to debt service, new facilities, or major renovations in accordance with KRS 157.440(1)(b). It is the intent of the General Assembly that any local school district receiving partial equalization under this subsection in the 2020-2022 fiscal biennium shall receive full calculated equalization in the 2022-2024 fiscal biennium and thereafter, until the earlier of June 30, 2038, or the date the bonds for the local school district supported by this equalization are retired, in accordance with KRS 157.621(2). Notwithstanding KRS 157.440, 157.621, or any other provision of this Act, no school district shall be equalized for an equivalent tax rate of more than 15 cents in fiscal year 2020-2021.

(12) **Retroactive Equalized Facility Funding:** Included in the above General Fund appropriation is \$33,221,300 in fiscal year 2020-2021 and \$32,740,800 in fiscal year 2021-2022 to provide equalized facility funding pursuant to KRS 157.440 and 157.620 to districts meeting the eligibility requirements of KRS 157.621(2) and (4). In addition, a local board of education that levied a tax rate subject to recall by January 1, 2014, in addition to the five cents levied pursuant to KRS 157.440(1)(b) and that committed the receipts to debt service, new facilities, or major renovations of existing facilities shall be eligible for equalization funds from the state at 150 percent of the statewide average per pupil assessment. Revenue to generate the five cent equivalent levy may be obtained from levies on property, motor vehicles, or the taxes authorized by KRS 160.593 to 160.597, 160.601 to 160.633, and 160.635 to 160.648 if the levy was dedicated to facilities funding at the time of the levy. The equalization funds shall be used as provided in KRS 157.440(1)(b). Notwithstanding KRS 157.621(2)(a) and (4), for the 2020-2022 fiscal biennium, school districts that levied the tax rate subject to recall prior to January 1, 2018, shall be equalized at 100 percent of the calculated equalization funding, school districts that levied the tax rate subject to recall after January 1, 2018, and before January 1, 2020, shall be equalized at 25 percent of the calculated equalization funding, and all funds for this purpose shall be committed to debt service, new facilities, or major renovations in accordance with KRS 157.440(1)(b). Notwithstanding KRS 157.621(2)(a) and (4), for fiscal year 2021-2022, school districts that levied the tax rate subject to recall after January 1, 2020, and before January 1, 2021, shall be equalized at 25 percent of the calculated equalization funding, and all funds for this purpose shall be committed to debt service, new facilities, or major renovations in accordance with KRS 157.440(1)(b). It is the intent of the General Assembly that any local

school district receiving partial equalization under this subsection in the 2020-2022 fiscal biennium shall receive full calculated equalization in the 2022-2024 fiscal biennium and thereafter, until the earlier of June 30, 2038, or the date the bonds for the local school district supported by this equalization are retired, in accordance with KRS 157.621(2). Notwithstanding KRS 157.440, 157.621, or any other provision of this Act, no school district shall be equalized for an equivalent tax rate of more than 15 cents in fiscal year 2020-2021.

(13) Equalized Facility Funding: Included in the above General Fund appropriation is \$8,788,900 in fiscal year 2020-2021 and \$8,418,400 in fiscal year 2021-2022 to provide equalized facility funding pursuant to KRS 157.440 and 157.620 to districts meeting the eligibility requirements of KRS 157.621(3) and (4). Notwithstanding KRS 157.621(3)(c), a school district meeting the criteria of KRS 157.621(3)(a) and (b) that did not receive equalization funding in fiscal year 2019-2020 shall be equalized at 25 percent of the calculated equalization funding in each fiscal year, and all funds for this purpose shall be committed to debt service, new facilities, or major renovations in accordance with KRS 157.440(1)(b). In addition, notwithstanding KRS 157.621(1) and (3), a school district that has levied a five-cent equivalent rate authorized by KRS 157.621(1)(a) and is not receiving state equalization funding for that levy under KRS 157.621(1)(b), 157.621(3), or any other provision of this Act, shall be equalized at 25 percent of the calculated equalization funding in each fiscal year, and all funds for this purpose shall be committed to debt service, new facilities, or major renovations in accordance with KRS 157.440(1)(b). It is the intent of the General Assembly that any local school district receiving partial equalization under this subsection in the 2020-2022 fiscal biennium shall receive full calculated equalization in the 2022-2024 fiscal biennium and thereafter, until the earlier of June 30, 2038, or the date the bonds for the local school district supported by this equalization are retired, in accordance with KRS 157.621(3).

(14) BRAC Equalized Facility Funding: Notwithstanding KRS 157.621(1)(c)2., included in the above General Fund appropriation is \$2,314,200 in fiscal year 2020-2021 and \$2,226,400 in fiscal year 2021-2022 to provide equalized facility funding to school districts meeting the eligibility requirements of KRS 157.621(1)(c)1. pursuant to KRS 157.440 and 157.620.

(15) Equalization Funding for Critical Construction Needs Schools: Included in the above General Fund appropriation is \$6,936,000 in fiscal year 2020-2021 and \$6,989,300 in fiscal year 2021-2022 to school districts in accordance with KRS 157.621(5).

(16) Hold-Harmless Guarantee: A modified hold-harmless guarantee is established in each fiscal year which provides that every local school district shall receive at least the same amount of SEEK state funding per pupil as was received in fiscal year 1991-1992. If funds appropriated to the SEEK Program are insufficient to provide the amount of money required under KRS 157.310 to 157.440, and allotments to local school districts are reduced in accordance with KRS 157.430, allocations to school districts subject to this provision shall not be reduced.

(17) Residential Youth-at-Risk Programs: In accordance with KRS 157.360, no funds from the SEEK Program shall be distributed to the programs operated by the Kentucky Guard Youth Challenge Division of the Department of Military Affairs. Notwithstanding KRS 157.350, 157.360, 157.410, and any other statute to the contrary, any school district providing educational services to students enrolled in programs operated by the Kentucky Guard Youth Challenge Division of the Department of Military Affairs shall be paid for those services solely from the General Fund appropriation in Part I, A., 7. of this Act, and students enrolled in such programs shall not be included in the average daily attendance for purposes of SEEK Program funding.

2. OPERATIONS AND SUPPORT SERVICES

	2020-21	2021-22
General Fund	55,615,100	58,459,100
Restricted Funds	7,913,400	8,150,100
Federal Funds	410,152,800	410,127,200
TOTAL	473,681,300	476,736,400

(1) Employment of Leadership Personnel: Notwithstanding KRS 18A.005 to 18A.200, the Kentucky Board of Education shall continue to have sole authority to determine the employees of the Department of Education who are exempt from the classified service and to set those employees' compensation comparable to the competitive market.

(2) **Debt Service:** Included in the above General Fund appropriation is \$959,500 in fiscal year 2020-2021 and \$182,000 in fiscal year 2021-2022 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(3) **Blind/Deaf Residential Travel Program:** Included in the above General Fund appropriation is \$492,300 in each fiscal year for the Blind/Deaf Residential Travel Program.

(4) **School Food Services:** Included in the above General Fund appropriation is \$3,555,900 in each fiscal year for the School Food Services Program.

(5) **Advanced Placement and International Baccalaureate Exams:** Notwithstanding KRS 160.348(3), included in the above General Fund appropriation is \$1,000,000 in each fiscal year to pay the cost of Advanced Placement and International Baccalaureate examinations for those students who meet the eligibility requirements for free or reduced-price meals. Notwithstanding KRS 154A.130(4) and 160.348(3), included in the above General Fund appropriation is \$2,600,000 in fiscal year 2021-2022 to pay the cost of Advanced Placement examinations for students on a first-come, first-served basis.

(6) **Review of the Classification of Primary and Secondary School Buildings:** Included in the above General Fund appropriation is \$600,000 in each fiscal year to implement KRS 157.420(9) and (10). Notwithstanding KRS 45.229, any portion of the \$600,000 that has not been expended by the end of fiscal year 2020-2021 shall not lapse and shall carry forward. Notwithstanding KRS 157.420(9) and (10), only schools classified as A1, A2, A3, A4, A5, A6, C2, and D1 shall be included in the evaluation process. Notwithstanding KRS 157.420(9) and (10), the Department of Education may limit the school buildings included in the evaluation process based on the time elapsed since the building's construction or last major renovation as defined in 702 KAR 4:160. The Department of Education shall provide an updated list of school buildings evaluated by the process pursuant to KRS 157.420(9) and (10) to the Legislative Research Commission by October 1, 2021.

(7) **District Facility Plan Modifications:** Notwithstanding any statute to the contrary, a district may modify its district facility plan without convening the local planning committee for the sole purpose of complying with KRS 158.162(3)(d). Any modification shall identify an unmet requirement of KRS 158.162(3)(d) as the highest priority on the modified district facility plan, subject to approval by the local board of education and the Commissioner of Education.

3. LEARNING AND RESULTS SERVICES

	2020-21	2021-22
General Fund	1,067,023,400	1,084,786,100
Restricted Funds	35,617,100	35,016,700
Federal Funds	561,547,100	561,549,800
TOTAL	1,664,187,600	1,681,352,600

(1) **Kentucky Education Technology System:** Notwithstanding KRS 157.650 to 157.665, the School for the Deaf and the School for the Blind shall be fully eligible, along with local school districts, to participate in the Kentucky Education Technology System in a manner that takes into account the special needs of the students of these two schools.

(2) **Family Resource and Youth Services Centers:** Funds appropriated to establish and support Family Resource and Youth Services Centers shall be transferred in each fiscal year to the Cabinet for Health and Family Services consistent with KRS 156.496. The Cabinet for Health and Family Services is authorized to use, for administrative purposes, no more than three percent of the total funds transferred from the Department of Education for the Family Resource and Youth Services Centers. If a certified person is employed as a director or coordinator of a Family Resource and Youth Services Center, that person shall retain his or her status as a certified employee of the school district.

If 70 percent or more of the funding level provided by the state is utilized to support the salary of the director of a center, that center shall provide a report to the Cabinet for Health and Family Services and the State Budget Director identifying the salary of the director. The Cabinet for Health and Family Services shall transmit any reports received from Family Resource and Youth Services Centers pursuant to this paragraph to the Legislative Research Commission.

(3) Health Insurance: Included in the above General Fund appropriation is \$738,599,100 in fiscal year 2020-2021 and \$752,581,300 in fiscal year 2021-2022 for employer contributions for health insurance and the contribution to the health reimbursement account for employees waiving coverage.

(4) Program Flexibility: Notwithstanding KRS 158.070(8) and 158.446, local school districts shall be provided additional flexibility in the utilization of funds for Extended School Services and Safe Schools. Local school districts shall continue to address the governing statutes and serve the intended student population but may utilize funds from these programs for general operating expenses in each fiscal year. Local school districts that utilize these funds for general operating expenses shall report to the Kentucky Department of Education and the Interim Joint Committee on Education the amount of funding from each program utilized for general operating expenses.

(5) Center for School Safety: Included in the above General Fund appropriation is \$13,000,000 in each fiscal year for the Center for School Safety. Notwithstanding KRS 158.446, the Center for School Safety shall develop and implement allotment policies for all moneys received for the purposes of KRS 158.440, 158.441, 158.4415, 158.4416, 158.442, 158.445, and 158.446, except that no more than \$1,300,000 in each fiscal year may be retained for administrative purposes.

(6) Allocations to School-Based Decision Making Councils: Notwithstanding KRS 160.345(8), for each fiscal year, a local board of education may reduce the allocations to individual schools within the district as outlined in 702 KAR 3:246, secs. 6, 7, and 8. The allocation under 702 KAR 3:246, sec. 6, shall not be less than \$100 per pupil in average daily attendance.

(7) Kentucky School for the Blind and Kentucky School for the Deaf: Included in the above General Fund appropriation is \$7,853,100 in each fiscal year for the Kentucky School for the Blind and \$10,580,600 in each fiscal year for the Kentucky School for the Deaf. ~~**[Any federal funds received related to COVID-19 emergency response or pandemic relief, including the American Rescue Plan Act of 2021, shall be expended prior to General Fund.]**~~ Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

(8) Career and Technical Education: Included in the above General Fund appropriation is \$64,149,700 in fiscal year 2020-2021 and \$64,782,800 in fiscal year 2021-2022 for career and technical education. Of this amount, \$12,043,500 in each fiscal year shall be distributed as supplemental funding to local area vocational education centers. Notwithstanding KRS 157.069, Category II and III programs in districts that also enroll students at a state-operated vocational education and technology center physically located in a different time zone shall be included in the distribution. Notwithstanding KRS 157.069, Category II and III programs in districts established after June 21, 2001, shall be included in the distribution if approved by the Commissioner of Education.

(9) Advisory Council for Gifted and Talented Education: Notwithstanding KRS 158.648(1), a member of the State Advisory Council for Gifted and Talented Education may be reappointed but shall not serve more than five consecutive terms. Notwithstanding KRS 158.648(1), a member of the Kentucky Association for Gifted Education shall be a voting member of the State Advisory Council for Gifted and Talented Education.

(10) School-Based Mental Health Services Providers: Included in the above General Fund appropriation is \$7,412,500 in each fiscal year to fund additional school-based mental health services provider full-time equivalent positions on a reimbursement basis. The Kentucky Center for School Safety, in consultation with the Office of the State School Security Marshal, shall develop criteria to determine which districts shall receive funding to meet the requirements of KRS 158.4416(3)(a). The criteria shall include:

- (a) A local district's use of Medicaid funding to supplement General Fund;
- (b) An equitable and balanced statewide distribution; and
- (c) Any other criteria to support a trauma-informed approach in schools.

(11) Redistribution of Resources: Notwithstanding KRS 156.095, 156.553, 156.555, 157.390, 158.070, 158.770, 158.775, 158.805, 161.027 to 161.030, 161.165, and 161.167, no General Fund is provided for the Professional Development Program, the Commonwealth School Improvement Fund, the Leadership and Mentor Fund, the Middle School Academic Center, the Teacher's Professional Growth Fund, the Teacher Academies Program, the Writing Program, the Kentucky Principal Internship Program, the Kentucky Teacher Internship Program, and the Kentucky Academy for Equity in Teaching in order to increase funding for school-based mental health services providers.

(12) Learning and Results Services Programs: Included in the above General Fund appropriation are the following allocations for the 2020-2022 fiscal biennium, but no portion of these funds shall be utilized for state-level administrative purposes:

- (a) \$1,700,000 in each fiscal year for AdvanceKentucky;
- (b) \$1,200,000 in each fiscal year for the Collaborative Center for Literacy Development;
- (c) \$1,850,000 in each fiscal year for the Community Education Program;
- (d) \$800,000 in fiscal year 2021-2022 for Dolly Parton’s Imagination Library;
- (e) \$23,916,300 in each fiscal year for the Extended School Services Program;
- (f) \$48,889,000 in each fiscal year for the Family Resource and Youth Services Centers Program;
- (g) \$6,208,400 in each fiscal year for the Gifted and Talented Program;
- (h) \$100,000 in each fiscal year for the Hearing and Speech Center;
- (i) \$100,000 in each fiscal year for the Heuser Hearing and Language Academy;
- (j) Notwithstanding KRS 154A.130(4), \$250,000 in fiscal year 2020-2021 and \$500,000 in fiscal year 2021-2022 for the Jobs for America’s Graduates Program;
- (k) \$250,000 in each fiscal year for the Kentucky Alliance of Boys & Girls Clubs;
- (l) \$9,465,500 in each fiscal year for the Kentucky Educational Collaborative for State Agency Children;
- (m) \$1,391,000 in each fiscal year for Local School District Life Insurance;
- (n) \$5,019,000 in each fiscal year for the Mathematics Achievement Fund;
- (o) \$84,481,100 in each fiscal year for the Preschool Program;
- (p) \$15,936,600 in each fiscal year for the Read to Achieve Program;
- (q) \$1,300,000 in each fiscal year for Save the Children;
- (r) \$500,000 in each fiscal year for Teach for America; and
- (s) \$250,000 in each fiscal year for the Visually Impaired Preschool Services Program.

~~**[(13) — Area Technology Center Authority: Notwithstanding KRS 157.069, for the first year a local board of education assumes authority for the management and control of a state operated secondary vocational education and technology center on or after the effective date of this Act, the locally operated center shall receive funding in an amount not less than 100 percent of the annual state General Fund appropriation allocated to the center for on-site direct costs for the budget year immediately preceding the transfer, including any amount allocated directly to the local district for use of district owned facilities. In the second year, after the local board of education assumes authority of a state operated center and annually thereafter, the center shall annually receive an amount not less than 75 percent of the amount allocated to it the previous year. The remaining 25 percent of funds previously allocated to the center shall annually be allocated to locally operated secondary area centers and vocational departments that do not receive state supplemental funds under Part I, C., 3., (8) of this Act.~~

~~Notwithstanding KRS 156.844(1), if a state operated secondary vocational education and technology center serves more than one school district, any agreement shall require the local board to continue to serve the additional school district or districts through an interlocal agreement.~~

~~Notwithstanding KRS 156.844(2) and (5), a certified employee who has earned continuing status in the state certified personnel system under KRS 156.800 to 156.860 may be granted a continuing service contract as defined in KRS 161.720 upon transfer to a local board of education; a principal who has earned continuing status prior to transfer may be granted a continuing service contract, but the provisions relating to demotion of the principal under KRS 161.765 shall apply; and a classified employee who has four years of continuous active service in the state certified personnel system under KRS 156.800 to 156.860 at the time of transfer may be offered an employment contract at the time of transfer that shall be considered a continuing service contract as defined in KRS 161.720 for a minimum of five complete school terms.]**~~

TOTAL - DEPARTMENT OF EDUCATION

2020-21

2021-22

General Fund	3,942,335,200	4,066,103,100
Restricted Funds	43,530,500	43,166,800
Federal Funds	1,101,699,900	971,677,000
TOTAL	5,087,565,600	5,080,946,900

D. EDUCATION AND WORKFORCE DEVELOPMENT CABINET

Budget Units

1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT

	2020-21	2021-22
General Fund (Tobacco)	1,400,000	1,400,000
General Fund	6,415,700	8,744,000
Restricted Funds	9,583,800	8,910,100
Federal Funds	11,515,500	10,995,800
TOTAL	28,915,000	30,049,900

(1) Early Childhood Development: Included in the above General Fund (Tobacco) appropriation is \$1,400,000 in each fiscal year for the Early Childhood Advisory Council.

(2) Governor's Scholars Program: Included in the above General Fund appropriation is \$1,758,700 in each fiscal year for the Governor's Scholars Program.

(3) Governor's School for Entrepreneurs: Included in the above General Fund appropriation is \$362,700 in fiscal year 2020-2021 and \$495,200 in fiscal year 2021-2022 for the Governor's School for Entrepreneurs.

(4) Kentucky Center for Statistics: Included in the above General Fund appropriation is \$1,200,000 in each fiscal year to sustain the State Longitudinal Data System. Included in the above General Fund appropriation is \$1,363,200 in fiscal year 2021-2022 for the Workforce Data Quality Initiative and Supplemental Nutrition Assistance Program data collection and analysis.

(5) The Hope Center: Included in the above General Fund appropriation is \$100,000 in each fiscal year for the Hope Center.

(6) Kentucky Adult Learner Pilot Program: Included in the above General Fund appropriation is \$1,000,000 in fiscal year 2021-2022 for the Kentucky Adult Learner Pilot Program. The purpose of the pilot program is to provide adults 18 years of age or older who have not graduated high school the opportunity to earn a high school diploma. The Education and Workforce Development Cabinet (EWDC) and the Kentucky Department of Education shall authorize a single eligible entity to operate the pilot program for not more than 350 adult learners. The eligible entity shall be a Kentucky-based non-profit organization, agree to commit at least \$1,000,000 to the pilot program, and staff the program with certified teachers teaching core academic subjects.

Notwithstanding any statute to the contrary, the Kentucky Adult Learner Pilot Program shall have authorization to issue a Kentucky high school diploma to an adult learner participant if all of the minimum graduation requirements under Kentucky law are met.

The Kentucky Board of Education and the EWDC shall develop metrics that will appropriately assess the expected performance outcomes of the pilot program. By June 30, 2022, the EWDC shall provide a report that evaluates the pilot program and makes recommendations on continuation to the Interim Joint Committee on Education.

2. PROPRIETARY EDUCATION

	2020-21	2021-22
Restricted Funds	331,900	375,100

3. DEAF AND HARD OF HEARING

	2020-21	2021-22
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General Fund	970,200	971,700
Restricted Funds	1,378,200	1,365,600
TOTAL	2,348,400	2,337,300

4. KENTUCKY EDUCATIONAL TELEVISION

	2020-21	2021-22
General Fund	15,054,000	15,074,600
Restricted Funds	1,524,800	1,524,800
TOTAL	16,578,800	16,599,400

5. ENVIRONMENTAL EDUCATION COUNCIL

	2020-21	2021-22
Restricted Funds	506,900	500,900
Federal Funds	316,000	316,000
TOTAL	822,900	816,900

(1) Environmental Education Council: Notwithstanding KRS 224.43-505(2)(b), the Council may use interest received to support the operations of the Council.

6. LIBRARIES AND ARCHIVES

a. General Operations

	2020-21	2021-22
General Fund	4,747,100	6,253,500
Restricted Funds	3,161,400	967,100
Federal Funds	2,586,400	2,578,700
TOTAL	10,494,900	9,799,300

b. Direct Local Aid

	2020-21	2021-22
General Fund	4,329,600	4,329,600
Restricted Funds	1,046,900	1,046,900
TOTAL	5,376,500	5,376,500

(1) Per Capita Grants: Notwithstanding KRS 171.201, no General Fund is provided for non-construction state aid.

(2) Public Libraries Facilities Construction: Included in the above General Fund appropriation is \$4,329,600 in each fiscal year for the Public Libraries Facilities Construction Fund.

TOTAL - LIBRARIES AND ARCHIVES

	2020-21	2021-22
General Fund	9,076,700	10,583,100
Restricted Funds	4,208,300	2,014,000
Federal Funds	2,586,400	2,578,700
TOTAL	15,871,400	15,175,800

7. WORKFORCE INVESTMENT

	2020-21	2021-22
General Fund	34,867,900	34,879,100

Restricted Funds	4,719,900	4,669,800
Federal Funds	119,774,100	119,111,800
TOTAL	159,361,900	158,660,700

(1) **Lapse and Carry Forward of General Fund Appropriation:** Not less than \$2,000,000 of unexpended Office of Adult Education funds in fiscal year 2019-2020 shall lapse to the General Fund. Notwithstanding KRS 45.229, the General Fund balance for the Office of Adult Education for fiscal year 2019-2020 and fiscal year 2020-2021 shall not lapse and shall carry forward.

(2) **Cafeteria Service Contracts:** No state agency shall enter into any contract with a nongovernmental entity for the operation of food services provided in the cafeterias located in the Kentucky Transportation Cabinet office building and/or the Cabinet for Human Resources office building in Frankfort unless the Office of Vocational Rehabilitation has declined in writing to provide such services.

(3) **Adult Education:** Included in the above General Fund appropriation is \$18,407,600 in each fiscal year for the Office of Adult Education.

(4) **Employer and Apprenticeship Services:** Included in the above General Fund appropriation is \$581,100 in each fiscal year for the Office of Employer and Apprenticeship Services. The Education and Workforce Development Cabinet shall provide a report by December 1 of each year to the Interim Joint Committee on Education detailing the use of these funds.

TOTAL - EDUCATION AND WORKFORCE DEVELOPMENT CABINET

	2020-21	2021-22
General Fund (Tobacco)	1,400,000	1,400,000
General Fund	66,384,500	70,252,500
Restricted Funds	22,253,800	19,360,300
Federal Funds	134,192,000	133,002,300
TOTAL	224,230,300	224,015,100

E. ENERGY AND ENVIRONMENT CABINET

Budget Units

1. SECRETARY

	2020-21	2021-22
General Fund	3,769,800	3,772,600
Restricted Funds	22,296,800	1,783,300
Federal Funds	1,607,600	1,323,000
TOTAL	27,674,200	6,878,900

(1) **Volkswagen Settlement:** Included in the above Restricted Funds appropriation is \$20,378,600 in fiscal year 2020-2021 to administer the Consent Decrees in Volkswagen "Clean Diesel" Marketing, Sales 14 Practices, and Products Liability litigation. Of this amount:

(a) \$8,521,700 shall be used to reimburse local school districts for 50 percent of the purchase cost to replace up to five school buses per district currently in daily use meeting the necessary criteria with a chassis year of 2001 or earlier. If these funds are insufficient to cover 50 percent of the purchase costs of districts that have requested reimbursement by June 1, 2021, the reimbursement shall be pro rata reduced;

(b) \$8,521,700 shall be transferred to the Office of Transportation Delivery to replace public transit buses meeting the necessary criteria. Priority shall be given to maximizing Federal Transit Grants;

(c) \$3,056,700 shall be used for the purchase of light-duty, zero-emission vehicle supply equipment meeting the necessary criteria. Recipients shall provide at least 50 percent of matching funds per project; and

(d) \$278,500 may be used for administrative costs.

Notwithstanding Part III, 2. of this Act, unexpended Restricted Funds appropriated in this subsection shall become available for expenditure in the 2020-2022 biennium.

2. ADMINISTRATIVE SERVICES

	2020-21	2021-22
General Fund	5,175,900	5,187,900
Restricted Funds	4,350,300	4,231,900
Federal Funds	1,278,000	1,268,300
TOTAL	10,804,200	10,688,100

3. ENVIRONMENTAL PROTECTION

	2019-20	2020-21	2021-22
General Fund	700,000	23,067,100	25,314,500
Restricted Funds	-0-	77,058,700	76,023,800
Federal Funds	-0-	26,427,800	24,053,800
Road Fund	-0-	320,900	-0-
TOTAL	700,000	126,874,500	125,392,100

(1) Debt Service: Included in the above General Fund appropriation is \$140,000 in fiscal year 2020-2021 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

4. NATURAL RESOURCES

	2020-21	2021-22
General Fund (Tobacco)	3,386,800	3,423,400
General Fund	36,068,600	37,115,300
Restricted Funds	13,322,600	13,122,600
Federal Funds	59,074,400	58,633,500
TOTAL	111,852,400	112,294,800

(1) Emergency Forest Fire Suppression: Not less than \$2,500,000 of the above General Fund appropriation in each fiscal year shall be set aside for emergency forest fire suppression. Any portion of the \$2,500,000 not expended for emergency forest fire suppression shall lapse to the General Fund at the end of each fiscal year. There is appropriated from the General Fund the necessary funds, subject to the conditions and procedures provided in this Act, which are required as a result of emergency fire suppression activities in excess of \$2,500,000 in each fiscal year. Fire suppression costs in excess of \$2,500,000 annually shall be deemed necessary government expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

(2) Environmental Stewardship Program: Included in the above General Fund (Tobacco) appropriation is \$2,479,500 in fiscal year 2020-2021 and \$2,516,100 in fiscal year 2021-2022 for the Environmental Stewardship Program.

(3) Conservation District Local Aid: Included in the above General Fund (Tobacco) appropriation is \$907,300 in each fiscal year for the Division of Conservation to provide direct aid to local conservation districts.

(4) Mine Safety Specialist Vacancies: No Mine Safety Specialist vacancies shall be filled in the 2020-2022 fiscal biennium.

5. ENERGY POLICY

	2020-21	2021-22
General Fund	361,300	861,500
Restricted Funds	1,031,900	382,000
Federal Funds	809,500	539,900

TOTAL	2,202,700	1,783,400
6. KENTUCKY NATURE PRESERVES		
	2020-21	2021-22
General Fund	1,253,600	1,257,700
Restricted Funds	2,065,800	1,264,300
Federal Funds	160,700	72,700
TOTAL	3,480,100	2,594,700

7. PUBLIC SERVICE COMMISSION

	2020-21	2021-22
General Fund	16,656,600	16,667,300
Restricted Funds	721,600	721,600
Federal Funds	910,600	703,200
TOTAL	18,288,800	18,092,100

(1) **Lapse of General Fund Appropriation Balance:** Notwithstanding KRS 278.150(3), \$7,185,200 in fiscal year 2020-2021 and \$7,185,200 in fiscal year 2021-2022 shall lapse to the General Fund.

(2) **Kentucky State Board on Electric Generation and Transmission Siting:** Notwithstanding Part III, 2. of this Act, unexpended Restricted Funds appropriated for the purposes of administering KRS 278.700 to 278.716 shall become available for expenditure in the 2020-2022 biennium.

TOTAL - ENERGY AND ENVIRONMENT CABINET

	2019-20	2020-21	2021-22
General Fund (Tobacco)	-0-	3,386,800	3,423,400
General Fund	700,000	86,352,900	90,176,800
Restricted Funds	-0-	120,847,700	97,529,500
Federal Funds	-0-	90,268,600	86,594,400
Road Fund	-0-	320,900	-0-
TOTAL	700,000	301,176,900	277,724,100

F. FINANCE AND ADMINISTRATION CABINET

Budget Units

1. GENERAL ADMINISTRATION

	2020-21	2021-22
General Fund	7,129,200	7,418,700
Restricted Funds	29,016,000	28,879,800
Federal Funds	15,083,800	-0-
Road Fund	273,600	-0-
TOTAL	51,502,600	36,298,500

(1) **State Motor Vehicle Fleet:** The Secretary of the Finance and Administration Cabinet shall restrict permanently assigned vehicles to only Constitutional Officers, the Court of Justice, Executive Cabinet Secretaries, law enforcement, and those who are assigned vehicles for other public safety purposes. A report listing the recipients of permanently assigned vehicles from the State Motor Vehicle Fleet shall be submitted to the Interim Joint Committee on Appropriations and Revenue by August 1 of each fiscal year. The above General Fund appropriation

shall be used to assist with development of this report. Should the report not be submitted timely, the entire above General Fund appropriation shall be forfeited and all remaining funds shall lapse to the General Fund.

2. CONTROLLER

	2020-21	2021-22
General Fund	5,576,700	5,582,800
Restricted Funds	14,352,700	14,179,500
TOTAL	19,929,400	19,762,300

(1) Social Security Contingent Liability Fund: Any expenditures that may be required by KRS 61.470 are hereby deemed necessary government expenses and shall be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any available balance in the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act.

3. INSPECTOR GENERAL

	2020-21	2021-22
General Fund	283,200	-0-
Restricted Funds	673,700	665,000
TOTAL	956,900	665,000

4. DEBT SERVICE

	2020-21	2021-22
General Fund (Tobacco)	30,863,200	26,601,200
General Fund	491,964,100	528,429,500
TOTAL	522,827,300	555,030,700

(1) General Fund (Tobacco) Debt Service Lapse: Notwithstanding Part X, (4) of this Act, \$1,926,600 in fiscal year 2020-2021 and \$1,785,700 in fiscal year 2021-2022 shall lapse to the General Fund.

5. FACILITIES AND SUPPORT SERVICES

	2020-21	2021-22
General Fund	4,002,000	4,008,200
Restricted Funds	54,964,600	54,578,200
Federal Funds	445,900	-0-
TOTAL	59,412,500	58,586,400

(1) Debt Service: Included in the above General Fund appropriation is \$533,000 in fiscal year 2020-2021 and \$182,000 in fiscal year 2021-2022 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

~~****(2) Renovation Assessment:** Included in the above Restricted Funds appropriation is \$182,000 in fiscal year 2020-2021 and \$364,000 in fiscal year 2021-2022 to be transferred from the Legislative Research Commission for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.】**~~

(3) Capitol Campus Security Upgrades: Included in the above General Fund appropriation is \$343,000 in fiscal year 2021-2022 to support security upgrades for the Capitol campus. The Commissioner of the Department for Facilities and Support Services, or his or her designee, shall work under the direction of the Commissioner of the Kentucky State Police, or his or her designee, to ensure the best utilization of these funds for security purposes.

6. COUNTY COSTS

	2019-20	2020-21	2021-22
General Fund	2,800,000	19,743,500	19,743,500
Restricted Funds	-0-	1,702,500	1,702,500

TOTAL	2,800,000	21,446,000	21,446,000
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(1) **County Costs:** Funds required to pay county costs are appropriated and additional funds may be allotted from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance and Administration Cabinet, subject to the conditions and procedures provided in this Act.

(2) **Reimbursement to Sheriffs' Offices for Court Security Services:** Notwithstanding KRS 64.092(6), the sheriff or other law enforcement officer serving a Circuit or District Court shall be compensated at the rate of \$9 per hour of service.

(3) **Sheriffs' Expense Allowance:** Notwithstanding KRS 70.170, each sheriff performing the duties required under the provisions of KRS 70.150 shall be allowed the amount of \$2,400 annually, payable out of the State Treasury at the rate of \$200 per month for such services in the 2020-2022 fiscal biennium.

7. COMMONWEALTH OFFICE OF TECHNOLOGY

	2020-21	2021-22
Restricted Funds	134,891,600	142,971,300
Federal Funds	3,749,400	150,400
TOTAL	138,641,000	143,121,700

(1) **Computer Services Fund Receipts:** The Secretary of the Finance and Administration Cabinet shall provide a listing of fee receipts from the Executive, Judicial, and Legislative Branches of government itemized by appropriation units, cost allocation methodology, and a report detailing the rebate of excess fee receipts to the agencies to the Interim Joint Committee on Appropriations and Revenue by August 1 of each fiscal year.

(2) **Service Rates:** Notwithstanding KRS 45.253(6), the Commonwealth Office of Technology shall maintain the rate schedule in effect in fiscal year 2019-2020 for services rendered or materials furnished during the 2020-2022 fiscal biennium, unless the services or materials are required by law to be furnished gratuitously. Enterprise assessments and security assessments not directly related to specific rated services shall not exceed fiscal year 2019-2020 levels.

8. REVENUE

	2020-21	2021-22
General Fund (Tobacco)	250,000	250,000
General Fund	100,026,900	104,202,800
Restricted Funds	13,834,000	12,789,300
Federal Funds	233,700	-0-
Road Fund	3,773,800	-0-
TOTAL	118,118,400	117,242,100

(1) **Operations of Revenue:** Notwithstanding KRS 132.672, 134.552(2), 136.652, and 365.390(2), funds may be expended in support of the operations of the Department of Revenue.

(2) **State Enforcement:** Notwithstanding KRS 248.654 and 248.703(4), a total of \$250,000 of the Tobacco Settlement payments received in each fiscal year is appropriated to the Finance and Administration Cabinet, Department of Revenue for the state's diligent enforcement of noncompliant nonparticipating manufacturers.

9. PROPERTY VALUATION ADMINISTRATORS

	2020-21	2021-22
General Fund	56,446,700	56,593,800
Restricted Funds	3,500,000	3,500,000
TOTAL	59,946,700	60,093,800

(1) **Management of Expenditures:** Notwithstanding KRS 132.590 and 132.597, the property valuation administrators are authorized to take necessary actions to manage expenditures within the appropriated amounts contained in this Act.

(2) **Property Valuation Administrators' Expense Allowance:** Notwithstanding KRS 132.597, each property valuation administrator shall receive an expense allowance of \$2,400 annually, payable out of the State Treasury at the rate of \$200 per month in the 2020-2022 fiscal biennium.

(3) **Salary Increment:** Notwithstanding KRS 132.590, no increment is provided on the base salary or wages of each eligible property valuation administrator.

TOTAL - FINANCE AND ADMINISTRATION CABINET

	2019-20	2020-21	2021-22
General Fund (Tobacco)	-0-	31,113,200	26,851,200
General Fund	2,800,000	685,172,300	725,979,300
Restricted Funds	-0-	252,935,100	259,265,600
Federal Funds	-0-	19,512,800	150,400
Road Fund	-0-	4,047,400	-0-
TOTAL	2,800,000	992,780,800	1,012,246,500

G. HEALTH AND FAMILY SERVICES CABINET

Budget Units

1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT

	2020-21	2021-22
General Fund	10,323,200	10,350,000
Restricted Funds	53,366,200	53,384,300
Federal Funds	48,932,500	48,859,100
TOTAL	112,621,900	112,593,400

(1) **Debt Service:** Included in the above General Fund appropriation is \$199,000 in fiscal year 2020-2021 and \$182,000 in fiscal year 2021-2022 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(2) **Human Services Transportation Delivery:** Notwithstanding KRS 281.010, the Kentucky Works Program shall not participate in the Human Services Transportation Delivery Program or the Coordinated Transportation Advisory Committee.

(3) **Federally Funded Positions:** Notwithstanding KRS 18A.010(2) and any provisions of this Act to the contrary, direct service units of the Office of Inspector General, Department for Income Support, Office for Children with Special Health Care Needs, Department for Community Based Services, Department for Behavioral Health, Developmental and Intellectual Disabilities, Family Resource Centers and Volunteer Services, Department for Aging and Independent Living, and the Department for Public Health shall be authorized to establish and fill such positions that are 100 percent federally funded for salary and fringe benefits.

(4) **Kentucky All Schedule Prescription Electronic Reporting (KASPER) System:** In accordance with the appropriation as set forth in Part II, G., 1., 002. of this Act, the Cabinet for Health and Family Services shall issue a Request for Proposals to determine if a vendor can provide a system that is a scalable, cloud-based solution and is capable of best practices, including analytics and administrative dashboards, that also enables critical communications between practitioners, administrators, and doctors, and readily bridges patient transition directly to treatment. The Cabinet may include additional requirements for system functionalities that may improve the implementation of a new KASPER program. A Request for Proposals shall be issued by October 1, 2021. Notwithstanding KRS 45.229, in the event that the Cabinet fails to issue a Request for Proposals by October 1, 2021, an amount of \$693,000 of the General Fund appropriation within the General Administration and Program Support budget unit shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705) on October 2, 2021, and shall be used for no other purpose.

(5) **Special Olympics:** Included in the above General Fund appropriation is \$50,000 in each fiscal year to support the operations of Special Olympics Kentucky.

2. OFFICE FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS

	2020-21	2021-22
General Fund	3,863,100	5,851,900
Restricted Funds	11,439,500	8,982,600
Federal Funds	4,551,800	4,564,800
TOTAL	19,854,400	19,399,300

3. MEDICAID SERVICES

a. Medicaid Administration

	2020-21	2021-22
General Fund	59,304,800	59,310,400
Restricted Funds	12,547,500	12,568,700
Federal Funds	165,853,300	165,864,500
TOTAL	237,705,600	237,743,600

(1) **Transfer of Excess Administrative Funds for Medicaid Benefits:** If any portion of the above General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the Department, the amount may be used for Medicaid Benefits in accordance with statutes governing the functions and activities of the Department for Medicaid Services. In no instance shall these excess funds be used without prior written approval of the State Budget Director to:

- (a) Establish a new program;
- (b) Expand the services of an existing program; or
- (c) Increase rates or payment levels in an existing program.

Any transfer authorized under this subsection shall be approved by the Secretary of the Finance and Administration Cabinet upon recommendation of the State Budget Director.

(2) **Medicaid Service Category Expenditure Information:** No Medicaid managed care contract shall be valid and no payment to a Medicaid managed care vendor by the Finance and Administration Cabinet or the Cabinet for Health and Family Services shall be made, unless the Medicaid managed care contract contains a provision that the contractor shall collect Medicaid expenditure data by the categories of services paid for by the Medicaid Program. Actual statewide Medicaid expenditure data by all categories of Medicaid services, including mandated and optional Medicaid services, special expenditures/offsets, and Disproportionate Share Hospital payments by type of hospital, shall be compiled by the Department for Medicaid Services for all Medicaid providers and forwarded to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis. Projections of Medicaid expenditures by categories of Medicaid services shall be provided to the Interim Joint Committee on Appropriations and Revenue upon request.

b. Medicaid Benefits

	2020-21	2021-22
General Fund	2,018,893,700	1,934,395,200
Restricted Funds	713,921,500	1,510,913,700
Federal Funds	11,745,488,200	11,483,841,700
TOTAL	14,478,303,400	14,929,150,600

(1) **Transfer of Medicaid Benefits Funds:** Any portion of the General Fund appropriation in either fiscal year that is deemed to be necessary for the administration of the Medicaid Program may be transferred from the Medicaid Benefits budget unit to the Medicaid Administration budget unit in accordance with statutes governing the

functions and activities of the Department for Medicaid Services. The Secretary shall recommend any proposed transfer to the State Budget Director for approval prior to transfer. Such action shall be reported by the Cabinet for Health and Family Services to the Interim Joint Committee on Appropriations and Revenue.

(2) Intergovernmental Transfers (IGTs): Any funds received through an Intergovernmental Transfer (IGT) agreement between the Department for Medicaid Services and other governmental entities, in accordance with a federally approved State Plan amendment, shall be used to provide for the health and welfare of the citizens of the Commonwealth through the provision of Medicaid Benefits. Revenues from IGTs are contingent upon agreement by the parties, including but not limited to the Cabinet for Health and Family Services, Department for Medicaid Services, and the appropriate providers. The Secretary of the Cabinet for Health and Family Services shall make the appropriate interim appropriations increase requests pursuant to KRS 48.630.

(3) Medicaid Benefits Budget Deficit: If Medicaid Benefits expenditures are projected to exceed available funds, the Secretary of the Cabinet for Health and Family Services may recommend and implement that reimbursement rates, optional services, eligibles, or programs be reduced or maintained at levels existing at the time of the projected deficit in order to avoid a budget deficit. The projected deficit shall be confirmed and approved by the Office of State Budget Director. No rate, service, eligible, or program reductions shall be implemented by the Cabinet for Health and Family Services without written notice of such action to the Interim Joint Committee on Appropriations and Revenue and the State Budget Director. Such actions taken by the Cabinet for Health and Family Services shall be reported, upon request, at the next meeting of the Interim Joint Committee on Appropriations and Revenue.

(4) Kentucky Access Fund: Notwithstanding KRS 304.17B-021, funds are transferred from this source to Medicaid Benefits in each fiscal year.

(5) Disproportionate Share Hospital (DSH) Program: Hospitals shall report the uncompensated care for which, under federal law, the hospital is eligible to receive disproportionate share payments. Disproportionate share payments shall equal the maximum amounts established under federal law.

(6) Medicaid Pharmacy: Notwithstanding KRS 205.6312(4), a pharmacy provider participating in the Medical Assistance Program or a pharmacy provider serving Kentucky Medicaid recipients through a Medicaid Managed Care Organization shall not be required to serve an eligible recipient if the recipient does not make the required copayment at the time of service. An exception to this provision shall be an encounter when a recipient presents a condition which could result in harm to the recipient if left untreated, in which case the pharmacist shall dispense a 72-hour emergency supply of the required medicine. The recipient may then return to the pharmacy with the necessary copayment to obtain the remainder of the prescription. Only one dispensing fee shall be paid by the Cabinet for the provision of both the emergency supply and the remainder of the prescription. The Medicaid Managed Care Organization shall determine its policies with respect to dispensing fees.

(7) Hospital Indigent Patient Billing: Hospitals shall not bill patients for services if the services have been reported to the Cabinet and the hospital has received disproportionate share payments for the specific services.

(8) Provider Tax Information: Any provider who posts a sign or includes information on customer receipts or any material distributed for public consumption indicating that it has paid provider tax shall also post, in the same size typeset as the provider tax information, the amount of payment received from the Department for Medicaid Services during the same period the provider tax was paid. Providers who fail to meet this requirement shall be excluded from the Disproportionate Share Hospital and Medicaid Programs. The Cabinet for Health and Family Services shall include this provision in facilities' annual licensure inspections.

(9) Medicaid Budget Analysis Reports: The Department for Medicaid Services shall submit a quarterly budget analysis report to the Interim Joint Committee on Appropriations and Revenue no later than 75 days after the quarter's end. The report shall provide monthly detail of actual expenditures, eligibles, and average monthly cost per eligible by eligibility category along with current trailing 12-month averages for each of these figures. The report shall also provide actual figures for all categories of noneligible-specific expenditures such as Supplemental Medical Insurance premiums, Kentucky Patient Access to Care, nonemergency transportation, drug rebates, cost settlements, and Disproportionate Share Hospital payments by type of hospital. The report shall compare the actual expenditure experience with those underlying the enacted or revised enacted budget and explain any significant variances which may occur.

(10) Medicaid Managed Care Organization Reporting: Except as provided by KRS 61.878, all records and correspondence relating to Kentucky Medicaid, revenues derived from Kentucky Medicaid funds, and expenditures utilizing Kentucky Medicaid funds of a Medicaid managed care company operating within the Commonwealth shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. All records and

correspondence relating to Medicaid specifically prohibited from disclosure by the federal Health Insurance Portability and Accountability Act privacy rules shall not be provided under this Act.

No later than 60 days after the end of a quarter, each Medicaid managed care company operating within the Commonwealth shall prepare and submit to the Department for Medicaid Services sufficient information to allow the department to meet the following requirements 90 days after the end of the quarter. The Department shall forward to the Legislative Research Commission Budget Review Office a quarterly report detailing monthly actual expenditures by service category, monthly eligibles, and average monthly cost per eligible for Medicaid and the Kentucky Children's Health Insurance Program (KCHIP) along with current trailing 12-month averages for each of these figures. The report shall also provide actual figures for other categories such as pharmacy rebates and reinsurance. Finally, the Department shall include in this report the most recent information or report available regarding the amount withheld to meet Department of Insurance reserve requirements, and any distribution of moneys received or retained in excess of these reserve requirements.

(11) Critical Access Hospitals: Beginning with the effective date of this Act through June 30, 2022, no acute care hospital shall convert to a critical access hospital unless the hospital has either received funding for a feasibility study from the Kentucky State Office of Rural Health or filed a written request by January 1, 2020, with the Kentucky State Office of Rural Health requesting funding for conducting a feasibility study.

(12) Appeals: An appeal from denial of a service or services provided by a Medicaid managed care organization for medical necessity, or denial, limitation, or termination of a health care service in a case involving a medical or surgical specialty or subspecialty, shall, upon request of the recipient, authorized person, or provider, include a review by a board-eligible or board-certified physician in the appropriate specialty or subspecialty area; except in the case of a health care service rendered by a chiropractor or optometrist, for which the denial shall be made respectively by a chiropractor or optometrist duly licensed in Kentucky as specified in KRS 304.17A-607(1)(b). The physician reviewer shall not have participated in the initial review and denial of service and shall not be the provider of the service or services under consideration in the appeal.

(13) Medicaid Prescription Benefits Reporting: Notwithstanding KRS 205.647, the Department for Medicaid Services shall submit a report to the Interim Joint Committee on Appropriations and Revenue and the Medicaid Oversight and Advisory Committee by December 1 of each fiscal year on the dispensing of prescription medications to persons eligible under KRS 205.560. The report shall include:

- (a) The total Medicaid dollars paid to the state pharmacy benefit manager by a managed care organization;
- (b) The total amount of Medicaid dollars paid to the state pharmacy benefit manager by a managed care organization which were not subsequently paid to a pharmacy licensed in Kentucky;
- (c) The average reimbursement by drug ingredient cost, dispensing fee, and any other fee paid by the state pharmacy benefit manager to licensed pharmacies with which the state pharmacy benefit manager shares common ownership, management, or control; or which are owned, managed, or controlled by any of the state pharmacy benefit manager's management companies, parent companies, subsidiary companies, jointly held companies, or companies otherwise affiliated by a common owner, manager, or holding company; or which share any common members on the board of directors; or which share managers in common;
- (d) The average reimbursement by drug ingredient cost, dispensing fee, or any other fee paid by the state pharmacy benefit manager to pharmacies licensed in Kentucky which operate ten locations, ten or fewer locations, or ten or more locations; and
- (e) All common ownership, management, common members of a board of directors, shared managers, or control of the state pharmacy benefit manager, or any of the state pharmacy benefit manager's management companies, parent companies, subsidiary companies, jointly held companies, or companies otherwise affiliated by a common owner, manager, or holding company with any managed care organization contracted to administer Kentucky Medicaid benefits, any entity which contracts on behalf of a pharmacy, or any pharmacy services administration organization, or any common ownership management, common members of a board of directors, shared managers, or control of a pharmacy services administration organization that is contracted with the state pharmacy benefit manager, with any drug wholesaler or distributor or any of the pharmacy services administration organizations, management companies, parent companies, subsidiary companies, jointly held companies, or companies otherwise affiliated by a common owner, common members of a board of directors, manager, or holding company.

(14) Kentucky Children's Health Insurance Program (KCHIP): Included in the above appropriation is \$46,143,100 in General Fund, \$799,500 in Restricted Funds, and \$257,910,000 in Federal Funds in fiscal year 2020-

2021 and \$44,281,500 in General Fund, \$605,200 in Restricted Funds, and \$232,258,200 in Federal Funds in fiscal year 2021-2022 to support the continuation of KCHIP services.

(15) Supports for Community Living Waiver Program Rates: If the Supports for Community Living Waiver Program experiences a material change in funding based upon a new or amended waiver that is approved by the Centers for Medicare and Medicaid Services, the Department for Medicaid Services may adjust the upper payment limit amount for a Supports for Community Living Waiver Program service as long as the upper payment limit for each service is not less than the upper payment limit in effect on January 1, 2020.

(16) Substance Abuse Treatment for Incarcerated Individuals - Medicaid Demonstration Waiver: Within ninety days after the effective date of this Act, the Department for Medicaid Services shall develop and submit an application for a Section 1115 demonstration waiver under 42 U.S.C. sec. 1315 to provide Medicaid coverage for substance use disorder treatment, including peer support services, to individuals incarcerated for a conviction under KRS Chapter 218A. Upon approval of the waiver, the cost of treatment for a substance use disorder or patient navigation provided by a licensed clinical social worker shall be a covered Medicaid benefit for an incarcerated individual.

(17) Nursing Home Pandemic Relief Reimbursement Increase: Included in the above appropriation is \$16,312,500 in General Fund and \$58,687,500 in Federal Funds for the period of January 1, 2021, through June 30, 2021, and \$16,312,500 in General Fund and \$58,687,500 in Federal Funds for the period of July 1, 2021, through December 31, 2021, for an additional reimbursement of \$29.00 per resident day for Medicaid eligible nursing home residents. The reimbursement increase shall only be used for personal protective equipment, COVID-19 testing, and staffing for Medicaid eligible nursing home residents. The reimbursement increase shall extend through the last day of the quarter in which the public health emergency for COVID-19 terminates as declared by the Secretary of the U.S. Department of Health and Human Services or December 31, 2021, whichever date occurs earlier. The Department for Medicaid Services shall file an emergency state plan amendment with the Centers for Medicare and Medicaid Services by March 31, 2021, to effectuate the pandemic reimbursement increase. Notwithstanding KRS 45.229, any funds not expended during the period of January 1, 2021, through June 30, 2021, shall not lapse and shall carry forward for expenditures in fiscal year 2021-2022. Notwithstanding KRS 45.229, any portion of the General Fund moneys not expended for the purpose of providing the pandemic reimbursement increase shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705) at the end of fiscal year 2021-2022.

TOTAL - MEDICAID SERVICES

	2020-21	2021-22
General Fund	2,078,198,500	1,993,705,600
Restricted Funds	726,469,000	1,523,482,400
Federal Funds	11,911,341,500	11,649,706,200
TOTAL	14,716,009,000	15,166,894,200

4. BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES

	2020-21	2021-22
General Fund (Tobacco)	1,916,000	1,950,500
General Fund	158,573,900	150,032,000
Restricted Funds	215,396,800	211,176,400
Federal Funds	108,552,900	95,540,400
TOTAL	484,439,600	458,699,300

(1) Disproportionate Share Hospital Funds: Pursuant to KRS 205.640(3)(a)2., mental health disproportionate share funds are budgeted at the maximum amounts permitted by Section 1923(h) of the Social Security Act. Upon publication in the Federal Register of the Annual Institutions for Mental Disease (IMD) Disproportionate Share Hospital (DSH) limit, 92.3 percent of the federal IMD DSH limit goes to the state-operated mental hospitals. If there are remaining funds within the psychiatric pool after all private psychiatric hospitals reach their hospital-specific DSH limit, state mental hospitals may exceed the 92.3 percent limit but may not exceed their hospital-specific DSH limit.

(2) **Lease Payments for Eastern State Hospital:** Included in the above General Fund appropriation is \$11,256,700 in fiscal year 2020-2021 and \$11,258,200 in fiscal year 2021-2022 to make lease payments to the Lexington-Fayette Urban County Government to retire its debt for the construction of the new facility.

(3) **Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$1,416,000 in fiscal year 2020-2021 and \$1,450,500 in fiscal year 2021-2022 for substance abuse prevention and treatment for pregnant women with a history of substance abuse problems.

(4) **Debt Service:** Included in the above General Fund appropriation is \$275,000 in fiscal year 2020-2021 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(5) **Kentucky Rural Mental Health and Suicide Prevention Pilot Program:** Included in the above General Fund (Tobacco) appropriation is \$500,000 in each fiscal year to support the Kentucky Rural Mental Health and Suicide Prevention pilot program. The Department for Behavioral Health, Developmental and Intellectual Disabilities shall coordinate with the Kentucky Department of Agriculture, the University of Kentucky Southeast Center for Agricultural Health and Injury Prevention, and other entities to enhance awareness of the National Suicide Prevention Lifeline (988) in rural communities in Kentucky and to improve access to information on mental health issues and available treatment services. The Department for Behavioral Health, Developmental and Intellectual Disabilities shall provide cultural competency training to staff to address the unique mental health challenges affecting the state’s rural communities. The Department for Behavioral Health, Developmental and Intellectual Disabilities shall also provide outreach, treatment, and other necessary services to improve the mental health outcomes of rural communities in Kentucky. The Department for Behavioral Health, Developmental and Intellectual Disabilities, in conjunction with the Kentucky Department of Agriculture and the University of Kentucky Southeast Center for Agricultural Health and Injury Prevention, shall apply for federal funds as provided by the Agriculture Improvement Act of 2018, 7 U.S.C. sec. 5936, to supplement the General Fund (Tobacco) appropriation provided above. The Cabinet for Health and Family Services shall submit a report on the results of the pilot program, including but not limited to the number of participants, the mental health issues addressed, and the funding used to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Agriculture by June 30, 2021.

(6) **The Healing Place:** Included in the above General Fund appropriation is \$900,000 in each fiscal year to support direct services to clients provided by The Healing Place.

(7) **Regional Mental Health/Mental Retardation Boards Retirement Cost:** Included in the above General Fund appropriation is \$23,274,100 in fiscal year 2020-2021 for Regional Mental Health/Mental Retardation Boards to assist them with employer contributions for the Kentucky Employees Retirement System. In July and January of each year, the Department for Behavioral Health, Developmental and Intellectual Disabilities shall obtain the total creditable compensation reported by each Regional Mental Health/Mental Retardation Board to the Kentucky Retirement System and utilize that number to determine how much of this total appropriation shall be distributed to each Regional Mental Health/Mental Retardation Board. Payments to the Mental Health/Mental Retardation Boards shall be made on September 1 and April 1 of each fiscal year.

5. PUBLIC HEALTH

	2019-20	2020-21	2021-22
General Fund (Tobacco)	-0-	11,873,100	11,943,200
General Fund	300,000	66,670,100	52,433,100
Restricted Funds	-0-	84,625,500	87,483,100
Federal Funds	-0-	499,477,100	263,241,400
TOTAL	300,000	662,645,800	415,100,800

(1) **Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$7,000,000 in each fiscal year for the Health Access Nurturing Development Services (HANDS) Program, \$942,000 in fiscal year 2020-2021 and \$965,000 in fiscal year 2021-2022 for Healthy Start initiatives, \$942,000 in fiscal year 2020-2021 and \$965,000 in fiscal year 2021-2022 for Early Childhood Mental Health, \$989,100 in fiscal year 2020-2021 and \$1,013,200 in 2021-2022 for Early Childhood Oral Health, and \$2,000,000 in each fiscal year for Smoking Cessation.

(2) **Local and District Health Department Retirement Cost:** Included in the above General Fund appropriation is \$25,394,600 in fiscal year 2020-2021 for Local and District Health Departments to assist them with employer contributions for the Kentucky Employees Retirement System. In July and January of each year, the

Department for Public Health shall obtain the total creditable compensation reported by each Local and District Health Department Board to the Kentucky Retirement System and utilize that number to determine how much of this total appropriation shall be distributed to each department. Payments to the Local and District Health Departments shall be made on September 1 and April 1 of each fiscal year.

(3) Local and District Health Department Fees: Notwithstanding KRS 211.170 and 211.180, local and district health departments shall retain 90 percent of the fees collected for delivering foundational public health program services to fund the costs of operations, services, and the employer contributions for the Kentucky Employees Retirement System.

(4) Kentucky Poison Control Center and COVID-19 Hotline: Included in the above General Fund appropriation is \$300,000 in fiscal year 2019-2020, and \$1,850,000 in fiscal year 2020-2021 for the Kentucky Poison Control Center and COVID-19 Hotline. Included in the above General Fund appropriation is \$750,000 in fiscal year 2021-2022 for the Kentucky Poison Control Center. If federal emergency relief funds become available for COVID-19-related poison control expenditures, those Federal Funds shall be used first to support the Kentucky Poison Control Center and COVID-19 Hotline, and any unexpended General Fund balance from the appropriations set forth in this subsection shall lapse to the General Fund.

(5) Kentucky Colon Cancer Screening Program: Included in the above General Fund appropriation is \$500,000 in each fiscal year to support the Kentucky Colon Cancer Screening Program.

(6) Kentucky Pediatric Cancer Research Trust Fund: Included in the above General Fund appropriation is \$2,500,000 in each fiscal year to the Kentucky Pediatric Cancer Research Trust Fund for general pediatric cancer research and support of expansion of clinical trials at the University of Kentucky and the University of Louisville.

(7) Folic Acid Program: General Fund (Tobacco) continuing appropriation reserves allotted to the Folic Acid Program shall be utilized by the Department for Public Health during the 2020-2022 fiscal biennium to continue the Folic Acid Program.

6. FAMILY RESOURCE CENTERS AND VOLUNTEER SERVICES

	2020-21	2021-22
General Fund	11,348,900	12,451,200
Federal Funds	7,053,300	7,053,300
TOTAL	18,402,200	19,504,500

(1) Family Resource and Youth Services Centers Funds: No more than three percent of the total funds transferred from the Department of Education to the Family Resource and Youth Services Centers, as consistent with KRS 156.496, shall be used for administrative purposes in each fiscal year.

If 70 percent or more of the funding level provided by the state is utilized to support the salary of the director of a Family Resource and Youth Services Center, that center shall provide a report to the Cabinet for Health and Family Services and the State Budget Director identifying the salary of the director. The Cabinet for Health and Family Services shall transmit any reports received from Family Resource and Youth Services Centers pursuant to this paragraph to the Legislative Research Commission.

(2) Additional Centers: Included in the above General Fund appropriation is \$1,100,000 in fiscal year 2021-2022 to support the operations of an additional 24 Family Resource and Youth Services Centers.

7. INCOME SUPPORT

	2020-21	2021-22
General Fund	13,616,600	13,616,600
Restricted Funds	13,053,500	12,930,900
Federal Funds	90,521,000	91,020,200
TOTAL	117,191,100	117,567,700

8. COMMUNITY BASED SERVICES

	2020-21	2021-22
General Fund (Tobacco)	12,250,000	12,311,000

General Fund	505,418,400	504,340,900
Restricted Funds	202,178,300	202,239,400
Federal Funds	710,631,100	650,370,100
TOTAL	1,430,477,800	1,369,261,400

(1) **Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$9,750,000 in each fiscal year for the Early Childhood Development Program. Included in the above General Fund (Tobacco) appropriation is \$2,500,000 in fiscal year 2020-2021 and \$2,561,000 in fiscal year 2021-2022 for the Early Childhood Adoption and Foster Care Supports Program.

(2) **Contracted Entities Retirement Cost:** Included in the above General Fund appropriation is \$1,498,900 in fiscal year 2020-2021 for domestic violence shelters, rape crisis centers, and child advocacy centers to assist them with employer contribution rates for the Kentucky Employees Retirement System. In the interim, the contracted entities shall evaluate the feasibility of continued participation in the Kentucky Employees Retirement System as provided in KRS 61.522.

(3) **Fostering Success:** Included in the above General Fund appropriation is \$500,000 in each fiscal year for the Fostering Success Program. The Cabinet for Health and Family Services shall submit a report containing the results of the program, including but not limited to the number of participants, number and type of job placements, job training provided, and any available information pertaining to individual outcomes to the Interim Joint Committee on Appropriations and Revenue by July 1 of each fiscal year.

(4) **Relative Placement Support Benefit:** Included in the above General Fund appropriation is \$1,000,000 in each fiscal year for start-up costs associated with placing children with non-parental relatives.

(5) **Domestic Violence Shelters:** Included in the above General Fund appropriation is \$500,000 in each fiscal year for operational costs.

(6) **Rape Crisis Centers:** Included in the above General Fund appropriation is \$500,000 in each fiscal year for operational costs.

(7) **Dually Licensed Pediatric Facilities:** Included in the above General Fund appropriation is \$550,000 in each fiscal year to provide supplemental payments to dually licensed pediatric facilities for emergency shelter services for children.

(8) **Child Care Assistance Program:** Included in the above General Fund appropriation is \$10,600,000 in each fiscal year to provide services to families at or below 160 percent of the federal poverty level as determined annually by the U.S. Department of Health and Human Services.

(9) **Family Counseling and Trauma Remediation:** Included in the above General Fund appropriation is \$50,000 in each fiscal year to provide forensic interviews, family counseling, and trauma remediation services primarily in Jefferson County and surrounding Kentucky counties.

(10) **Child Advocacy Centers:** Included in the above General Fund appropriation is \$500,000 in each fiscal year to support the operations of the child advocacy centers.

(11) **Family Scholar House:** Included in the above General Fund appropriation is \$1,000,000 in each fiscal year to support the operations of the Family Scholar House.

(12) **Personal Care Homes:** Included in the above General Fund appropriation is \$2,200,000 in each fiscal year to support an increase in the reimbursements provided to personal care homes.

(13) **Transition Aged Foster Youth:** Notwithstanding KRS 610.110(6), 620.140(1)(e), and 625.025, through September 30, 2021, youth in extended foster care may remain committed in the custody of the Cabinet for Health and Family Services or receive transitional living support past twenty-one years of age. Any youth over the age of eighteen who ended their commitment with the Cabinet during the COVID-19 public health emergency shall be permitted to voluntarily re-enter foster care and extend commitment. Extended commitment shall not be terminated solely due to age or noncompliance with education or work requirements because of COVID-19.

(14) **Children's Services Contractors:** Notwithstanding KRS Chapter 45A, no contracts awarded for the use and benefit of the Department for Community Based Services shall interfere with the contractor's freedom of religion as set forth in KRS 446.350. Any such contracts shall contain a provision allowing a contractor to allow a

substitute contractor who is also licensed or approved by the Cabinet to deliver the contracted services if the contractor cannot perform a contracted service because of religiously held beliefs as outlined in KRS 446.350.

9. AGING AND INDEPENDENT LIVING

	2020-21	2021-22
General Fund	45,269,700	45,293,900
Restricted Funds	2,816,700	2,787,400
Federal Funds	45,754,300	24,829,300
TOTAL	93,840,700	72,910,600

(1) **Local Match Requirements:** Notwithstanding KRS 205.460, entities contracting with the Cabinet for Health and Family Services to provide essential services under KRS 205.455 and 205.460 shall provide local match equal to or greater than the amount in effect during fiscal year 2019-2020. Local match may include any combination of materials, commodities, transportation, office space, personal services, or other types of facility services or funds. The Secretary of the Cabinet for Health and Family Services shall prescribe the procedures to certify the local match compliance.

10. HEALTH DATA AND ANALYTICS

	2020-21	2021-22
General Fund	481,400	482,000
Restricted Funds	16,318,900	23,301,900
Federal Funds	25,095,200	9,287,700
TOTAL	41,895,500	33,071,600

(1) **Kentucky Access Fund:** Notwithstanding KRS 304.17B-021, funds from this source are transferred to the Health Benefit Exchange in each fiscal year.

TOTAL - HEALTH AND FAMILY SERVICES CABINET

	2019-20	2020-21	2021-22
General Fund (Tobacco)	-0-	26,039,100	26,204,700
General Fund	300,000	2,893,763,800	2,788,557,200
Restricted Funds	-0-	1,325,664,400	2,125,768,400
Federal Funds	-0-	13,451,910,700	12,844,472,500
TOTAL	300,000	17,697,378,000	17,785,002,800

H. JUSTICE AND PUBLIC SAFETY CABINET

Budget Units

1. JUSTICE ADMINISTRATION

	2020-21	2021-22
General Fund (Tobacco)	3,516,600	3,593,800
General Fund	34,937,200	35,817,200
Restricted Funds	8,025,500	6,733,900
Federal Funds	45,119,800	45,125,000
TOTAL	91,599,100	91,269,900

(1) **Operation UNITE:** (a) Notwithstanding KRS 48.005(4), included in the above Restricted Funds appropriation is \$1,500,000 in each fiscal year for the Operation UNITE Program from settlement funds resulting from the suit against Purdue Pharma, et al.. Included in the above General Fund appropriation is \$500,000 in each fiscal year for the Operation UNITE Program.

(b) For the period ending June 30, 2020, the Secretary of the Justice and Public Safety Cabinet, in coordination with the Chief Executive Officer of Operation UNITE, shall prepare a report detailing for what purpose and function the funds were utilized. This report shall be submitted to the Interim Joint Committee on Appropriations and Revenue by September 1 of fiscal year 2020-2021.

(2) **Office of Drug Control Policy:** Included in the above General Fund (Tobacco) appropriation is \$3,166,600 in fiscal year 2020-2021 and \$3,243,800 in fiscal year 2021-2022 for the Office of Drug Control Policy.

(3) **Access to Justice:** Included in the above General Fund appropriation is \$500,000 in each fiscal year to support the Access to Justice Program.

(4) **Court Appointed Special Advocate Funding:** (a) Included in the above General Fund appropriation is \$1,500,000 in each fiscal year for grants to support Court Appointed Special Advocate (CASA) funding programs.

(b) No administrative costs shall be paid from the appropriation provided in paragraph (a) of this subsection.

(5) **Restorative Justice:** Included in the above General Fund (Tobacco) appropriation is \$350,000 in each fiscal year to support the Restorative Justice Program administered by the Volunteers of America.

(6) **State Medical Examiner Offices:** (a) Included in the above General Fund appropriation is \$50,000 in fiscal year 2020-2021 and \$325,000 in fiscal year 2021-2022 for the realignment of staffing to address caseloads.

(b) Included in the above Restricted Funds appropriation is \$900,000 in fiscal year 2021-2022 to support toxicology needs.

(c) Included in the above General Fund appropriation is \$593,700 in fiscal year 2021-2022 to reestablish the Northern Kentucky Regional Medical Examiner’s Office.

(d) The Secretary of the Justice and Public Safety Cabinet shall prepare a report detailing the realignment of existing Medical Examiner offices in order to best meet the needs of the program. This report shall be submitted to the Interim Joint Committee on Appropriations and Revenue by July 1, 2022.

2. CRIMINAL JUSTICE TRAINING

	2020-21	2021-22
Restricted Funds	81,686,200	83,373,900
Federal Funds	120,000	120,000
TOTAL	81,806,200	83,493,900

(1) **Kentucky Law Enforcement Foundation Program Fund:** Included in the above Restricted Funds appropriation is \$76,878,700 in fiscal year 2020-2021 and \$78,704,300 in fiscal year 2021-2022 for the Kentucky Law Enforcement Foundation Program Fund.

(2) **Training Incentive Payments:** Notwithstanding Part III, 2. of this Act, Restricted Funds appropriations may be increased to ensure sufficient funding to support the provision of training incentive payments.

(3) **Administrative Reimbursement:** Notwithstanding KRS 15.450(3), the Department of Criminal Justice Training shall not receive reimbursement for the salaries and other costs of administering the fund, to include the Kentucky Law Enforcement Council operations and expenses, Peace Officers Professional Standards Office, attorney positions in the Department of Justice Administration, the Professional Development and Wellness Branch, Office of the State School Security Marshal, debt service, capital outlay, and Department personnel costs and expenses in excess of \$30,096,600 in fiscal year 2020-2021 and \$30,247,100 in fiscal year 2021-2022. The Department shall submit a report detailing reimbursed expenditures for the prior fiscal year to the Interim Joint Committee on Appropriations and Revenue by August 1 of each fiscal year.

(4) **Criminal Justice Council:** Pursuant to KRS 15.410 to 15.518, the Department of Criminal Justice Training shall not transfer funds from the Kentucky Law Enforcement Foundation Program Fund to support the Criminal Justice Council.

3. JUVENILE JUSTICE

	2020-21	2021-22
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General Fund	80,948,400	98,791,100
Restricted Funds	15,480,000	13,961,500
Federal Funds	25,046,100	9,272,800
TOTAL	121,474,500	122,025,400

4. STATE POLICE

	2020-21	2021-22
General Fund	94,247,000	183,805,400
Restricted Funds	34,402,100	32,102,100
Federal Funds	75,146,600	14,665,900
Road Fund	78,100,200	56,980,300
TOTAL	281,895,900	287,553,700

(1) **Call to Extraordinary Duty:** There is appropriated from the General Fund to the Department of Kentucky State Police, subject to the conditions and procedures provided in this Act, funds which are required as a result of the Governor's call of the Kentucky State Police to extraordinary duty when an emergency situation has been declared to exist by the Governor. Funding is authorized to be provided from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

(2) **Restricted Funds Uses:** Notwithstanding KRS 24A.179, 42.320(2)(h), 65.7631, 189A.050(3)(a), 237.110(18), and 281A.160(2)(b), funds are included in the above Restricted Funds appropriation to maintain the operations and administration of the Kentucky State Police.

(3) **Telecommunicator Training Incentive:** Included in the above General Fund appropriation is sufficient funding for a \$3,100 annual training incentive stipend for telecommunicators.

(4) **Debt Service:** Included in the above General Fund appropriation is \$295,000 in fiscal year 2020-2021 to support debt service for the Emergency Radio System Replacement, Phase II capital project set forth in Part II, H., 4., 001. of this Act.

(5) **Statewide Law Enforcement Initiatives:** (a) Included in the above General Fund appropriation is \$3,000,000 in each fiscal year to support rapid DNA laboratory analysis.

(b) Included in the above General Fund appropriation is \$180,000 in each fiscal year to support service contracts for mass spectrometry instruments.

(6) **Police Officer Salary Schedule:** Notwithstanding KRS 16.052(5), no salary of any officer shall be adjusted annually to incorporate any increase in the nonseasonally adjusted Consumer Price Index for all urban consumers, U.S. city average, all items, published by the United States Department of Labor, Bureau of Labor Statistics, in fiscal year 2020-2021.

Notwithstanding KRS 16.052, no salary of any officer shall be adjusted annually to incorporate the base compensation of officers based on years of service and rank, nor provide any increase in the nonseasonally adjusted Consumer Price Index for all urban consumers, U.S. city average, all items, published by the United States Department of Labor, Bureau of Labor Statistics, in fiscal year 2021-2022.

(7) **State Police Recruitment:** Included in the above General Fund appropriation is \$500,000 in fiscal year 2021-2022 to support recruitment efforts.

(8) **Capitol Campus Security Personnel:** Included in the above General Fund appropriation is \$125,600 in fiscal year 2021-2022 to support two Trooper R contracts designated specifically for the Capitol campus.

(9) **Retention and Incentive Pay Program:** (a) Included in the above appropriation is \$4,098,700 in General Fund and \$1,024,700 in Road Fund in fiscal year 2021-2022 to provide a retention and incentive pay program for sworn officers, as provided by KRS 16.052, to be determined by the Commissioner of the Department of Kentucky State Police.

(b) Notwithstanding KRS 16.505(8) and 61.510(13), retention and incentive pay awarded to sworn officers as outlined in paragraph (a) of this subsection shall not be considered as creditable compensation, and no employer or employee contributions shall be paid to any retirement system administered by the Kentucky Retirement Systems for retention and incentive pay.

(10) Forensic Laboratory Technician Salary Increases: Included in the above General Fund appropriation is \$1,845,500 in fiscal year 2021-2022 to support a 15 percent increase in forensic laboratory personnel salaries.

5. CORRECTIONS

a. Corrections Management

	2020-21	2021-22
General Fund	13,875,600	13,896,700
Restricted Funds	150,000	150,000
Federal Funds	893,800	75,000
TOTAL	14,919,400	14,121,700

(1) Local Correctional Facilities: Notwithstanding KRS 441.420, no funds are provided for reimbursement to counties for design fees for architectural and engineering services associated with any new local correctional facility approved by the Local Correctional Facilities Construction Authority.

(2) Facility Reporting: (a) The Department of Corrections shall continuously monitor its bed utilization of county jails, halfway houses, Recovery Kentucky Drug treatment centers, and all other community correctional residential facilities that are under contract with the Department. This monitoring shall include periodic review of its classification system to ensure that all offenders are placed in the least restrictive housing that provides appropriate security to protect public safety and provide ample opportunity for treatment and successful re-entry.

(b) On a quarterly basis, the Department shall submit a report detailing the average occupancy rate for each of these facility types outlined in paragraph (a) of this subsection to the Legislative Research Commission.

b. Adult Correctional Institutions

	2019-20	2020-21	2021-22
General Fund	13,415,600	298,527,100	359,193,500
Restricted Funds	-0-	17,597,400	17,921,900
Federal Funds	-0-	56,587,000	30,000
TOTAL	13,415,600	372,711,500	377,145,400

(1) Debt Service: Included in the above General Fund appropriation is \$460,000 in fiscal year 2020-2021 and \$586,000 in fiscal year 2021-2022 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(2) Transfer to State Institutions: Notwithstanding KRS 532.100(8), state prisoners, excluding the Class C and Class D felons qualifying to serve time in county jails, may be transferred to a state institution within 90 days of final sentencing, if the county jail does not object to the additional 45 days.

(3) Operational Costs for Inmate Population: In the event that actual operational costs exceed the amounts appropriated to support the budgeted average daily population of state felons for each fiscal year, the additional payments shall be deemed necessary government expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705), subject to notification as to necessity and amount by the State Budget Director who shall report any certified expenditure to the Interim Joint Committee on Appropriations and Revenue.

(4) Substance Abuse Treatment and Job Training Pilot Project: (a) It is the intent of the General Assembly to reduce recidivism, enhance public safety, reduce overcrowding across the Commonwealth’s correctional institutions and jails, promote workforce preparedness within the justice-involved population, and encourage successful re-entry of offenders.

(b) No later than September 1, 2020, the Department shall, in conformance with the provisions of KRS Chapter 45A, issue a solicitation for a Substance Abuse Treatment and Job Training pilot project that will include inpatient/residential treatment services for offenders with substance use disorders to receive evidence-based treatment, provide job training services, and coordinate work assignments for offenders within a centrally located facility.

(c) Any cost avoidance pursuant to the provisions of this subsection shall be reported on a quarterly basis to the Legislative Research Commission in each fiscal year. This report shall include but not be limited to the costs associated with the pilot project, the number of offenders participating in the pilot project, and the total number of days of sentence credit awarded by program type for offenders participating in the pilot project.

(d) Within ninety days after the effective date of this Act, the Department for Medicaid Services shall develop and submit an application for a Section 1115 demonstration waiver under 42 U.S.C. sec. 1315 to provide Medicaid coverage for substance use disorder treatment, including peer support services, to individuals incarcerated for a conviction under KRS Chapter 218A. Upon approval of the waiver, the cost of treatment for a substance use disorder or patient navigation provided by a licensed clinical social worker shall be a covered Medicaid benefit for an incarcerated individual.

(5) Long-term Facility and Capacity Planning: The Department of Corrections shall submit a report to the Interim Joint Committee on Appropriations and Revenue by July 1, 2021, detailing the overall long-term plan for each adult correctional institution, their individual services and facilities, operational capacity of each institution, and how each of those items corresponds with the Department's overall strategic plan and objectives.

c. Community Services and Local Facilities

	2019-20	2020-21	2021-22
General Fund	3,801,300	202,873,100	206,298,500
Restricted Funds	-0-	10,228,900	9,500,600
Federal Funds	-0-	694,900	695,000
TOTAL	3,801,300	213,796,900	216,494,100

(1) Excess Local Jail Per Diem Costs: In the event that actual local jail per diem payments exceed the amounts appropriated to support the budgeted average daily population of state felons in county jails for each fiscal year, the payments shall be deemed necessary government expenses and may be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705), subject to notification as to necessity and amount by the State Budget Director who shall report any certified expenditure to the Interim Joint Committee on Appropriations and Revenue.

(2) Local Jails Funding: Notwithstanding KRS 441.605 to 441.695, funds in the amount of \$3,000,000 in each fiscal year shall be expended from the Kentucky Local Correctional Facilities Construction Authority for local correctional facility and operational support.

(3) Parole for Infirm Inmates: (a) The Commissioner of the Department of Corrections shall certify and notify the Parole Board when a prisoner meets the requirements of paragraph (c) of this subsection for parole.

(b) Notwithstanding any statute to the contrary, within 30 days of receiving notification as prescribed by paragraph (a) of this subsection, the Parole Board shall grant parole.

(c) A prisoner who has been determined by the Department of Corrections to be physically or mentally debilitated, incapacitated, or infirm as a result of advanced age, chronic illness, disease, or any other qualifying criteria that constitutes an infirm prisoner shall be eligible for parole if:

1. The prisoner was not convicted of a capital offense and sentenced to death or was not convicted of a sex crime as defined in KRS 17.500;
2. The prisoner has reached his or her parole eligibility date or has served one-half of his or her sentence, whichever occurs first;
3. The prisoner is substantially dependent on others for the activities of daily living; and
4. There is a low risk of the prisoner presenting a threat to society if paroled.

(d) Unless a new offense is committed that results in a new conviction subsequent to a prisoner being paroled, paroled prisoners shall not be considered to be under the custody of the state in any way.

(e) Prisoners paroled under this subsection shall be paroled to a licensed long-term-care facility, nursing home, or family placement in the Commonwealth.

(f) The Cabinet for Health and Family Services and the Justice and Public Safety Cabinet shall provide all needed assistance and support in seeking and securing approval from the United States Department of Health and

Human Services for federal assistance, including Medicaid funds, for the provision of long-term-care services to those eligible for parole under paragraph (c) of this subsection.

(g) The Cabinet for Health and Family Services and the Justice and Public Safety Cabinet shall have the authority to contract with community providers that meet the requirements of paragraph (e) of this subsection and that are willing to house any inmates deemed to meet the requirements of this subsection so long as contracted rates do not exceed current expenditures related to the provisions of this subsection.

(h) The Cabinet for Health and Family Services and the Justice and Public Safety Cabinet are encouraged to collaborate with other states that are engaged in similar efforts so as to achieve the mandates of this subsection.

(i) The Cabinet for Health and Family Services and the Justice and Public Safety Cabinet shall provide a report to the Interim Joint Committee on Appropriations and Revenue by December 15 of each fiscal year concerning these provisions. The report shall include the number of persons paroled, the identification of the residential facilities utilized, an estimate of cost savings as a result of the project, and any other relevant material to assist the General Assembly in assessing the value of continuing and expanding the project.

(4) Participation in Transparent Governing - Full Disclosure of Inmate Population Forecasts and Related Materials: The Office of State Budget Director shall provide the methodology, assumptions, data, and all other related materials used to project biennial offender population forecasts conducted by the Office of State Budget Director, the Kentucky Department of Corrections, and any consulting firms, to the Interim Joint Committee on Appropriations and Revenue by November 1, 2021. This submission shall include but not be limited to the projected state, county, and community offender populations for the 2022-2024 fiscal biennium and must coincide with the budgeted amount for these populations. This submission shall clearly divulge the methodology and reasoning behind the budgeted and projected offender population in a commitment to participate in transparent governing.

(5) Calculating Avoided Costs Relating to Legislative Action: Notwithstanding KRS 196.288(5)(a), \$4,630,200 has been determined to meet the intent of the statute for the amount of avoided costs to be provided to the Local Corrections Assistance Fund. The actions implemented pursuant to the implementation of 2011 Ky. Acts ch. 2 now are no longer able to be calculated validly due to the length of time they have been embedded in the criminal justice system.

d. Local Jail Support

	2020-21	2021-22
General Fund	16,633,600	16,633,600

(1) Local Corrections Assistance Fund Allocation: Notwithstanding KRS 196.288(5)(a), included in the above General Fund appropriation is \$4,630,200 in each fiscal year for the Local Corrections Assistance Fund. Moneys in the fund shall be distributed to the counties each year. Amounts distributed from the fund shall be used to support local correctional facilities and programs, including the transportation of prisoners, as follows:

(a) In each fiscal year, the first \$3,000,000 received by the fund, or, if the fund receives less than \$3,000,000, the entire balance of the fund, shall be divided equally among all counties; and

(b) Any moneys remaining after making the distributions required by paragraph (a) of this subsection shall be distributed to each county based on a ratio, the numerator of which shall be the county's county inmate population on the second Thursday in January during the prior fiscal year, and the denominator of which shall be the total counties' county inmate population for the entire state on the second Thursday in January during the prior fiscal year.

(2) Jailers' Allowance: Notwithstanding KRS 441.115(2), each jailer shall receive an expense allowance of \$2,400 annually, at the rate of \$200 per month in the 2020-2022 fiscal biennium, for participation in the Jail Staff Training Program.

(3) Life Safety or Closed Jails: Included in the above General Fund appropriation is \$860,000 in each fiscal year to provide a monthly payment of an annual amount of \$20,000 to each county with a life safety jail or closed jail. The payment shall be in addition to the payment required by KRS 441.206(2).

(4) Inmate Medical Care Expenses: Included in the above General Fund appropriation is \$792,800 in each fiscal year for medical care contracts to be distributed, upon approval of the Department of Corrections, to counties by the formula codified in KRS 441.206, and \$851,800 in each fiscal year, on a partial reimbursement basis, for medical claims in excess of the statutory threshold pursuant to KRS 441.045. The funding support for medical contracts and catastrophic medical expenses for indigents shall be maintained in discrete accounts. Any medical claim that exceeds the statutory threshold may be reimbursed for that amount in excess of the statutory threshold.

(5) County Jail Incentive Program: (a) It is the intent of the General Assembly to incentivize county jails to offer evidence-based programs to state inmates housed in county jails. Program completions shall result in sentence credit awards to state inmates.

(b) No later than July 1, 2020, the Department shall issue guidance to counties, and submit a copy to the Legislative Research Commission, detailing the dollar amount of each incentive, the number of days of sentence credit awarded to eligible state inmates for each eligible program, standards that eligible county jails must achieve to be eligible for participation, and for which inmates county jails are incentivized to offer evidence-based programs.

(c) Any cost avoidance pursuant to the provisions of this subsection shall be reported on a quarterly basis to the Legislative Research Commission in each fiscal year. This report shall include but is not limited to the number of program completions by program type, the number of county jails participating in the incentive program, the total number of days of sentence credit awarded by program type, and the total amount of incentive payments awarded to each county by program type.

TOTAL - CORRECTIONS

	2019-20	2020-21	2021-22
General Fund	17,216,900	531,909,400	596,022,300
Restricted Funds	-0-	27,976,300	27,572,500
Federal Funds	-0-	58,175,700	800,000
TOTAL	17,216,900	618,061,400	624,394,800

6. PUBLIC ADVOCACY

	2020-21	2021-22
General Fund	66,576,800	66,663,700
Restricted Funds	5,792,000	5,792,000
Federal Funds	2,664,300	1,841,400
TOTAL	75,033,100	74,297,100

(1) Compensatory Leave Conversion to Sick Leave: If the Department of Public Advocacy determines that internal budgetary pressures warrant further austerity measures, the Public Advocate may institute a policy to suspend payment of 50-hour blocks of compensatory time for those attorneys who have accumulated 240 hours of compensatory time and instead convert those hours to sick leave.

TOTAL - JUSTICE AND PUBLIC SAFETY CABINET

	2019-20	2020-21	2021-22
General Fund (Tobacco)	-0-	3,516,600	3,593,800
General Fund	17,216,900	808,618,800	981,099,700
Restricted Funds	-0-	173,362,100	169,535,900
Federal Funds	-0-	206,272,500	71,825,100
Road Fund	-0-	78,100,200	56,980,300
TOTAL	17,216,900	1,269,870,200	1,283,034,800

I. LABOR CABINET

Budget Units

1. SECRETARY

	2020-21	2021-22
General Fund	289,700	464,700
Restricted Funds	12,483,100	14,825,300
Federal Funds	17,261,200	139,100

TOTAL	30,034,000	15,429,100
2. WORKPLACE STANDARDS		
	2020-21	2021-22
General Fund	1,774,000	1,775,300
Restricted Funds	6,524,100	8,054,300
Federal Funds	3,517,200	4,196,300
TOTAL	11,815,300	14,025,900
3. WORKERS' CLAIMS		
	2020-21	2021-22
Restricted Funds	71,231,900	71,061,800
4. OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION		
	2020-21	2021-22
Restricted Funds	715,700	707,700
5. WORKERS' COMPENSATION FUNDING COMMISSION		
	2020-21	2021-22
Restricted Funds	97,020,700	103,627,800
6. WORKERS' COMPENSATION NOMINATING COMMITTEE		
	2020-21	2021-22
Restricted Funds	1,100	1,100
7. EMPLOYMENT SERVICES		
	2020-21	2021-22
Restricted Funds	9,507,200	9,530,200
Federal Funds	1,421,879,000	546,559,600
TOTAL	1,431,386,200	556,089,800

(1) **Sale of Properties:** Notwithstanding KRS 45A.045(4), the Finance and Administration Cabinet may sell, trade, or otherwise dispose of the three properties used by the Labor Cabinet located in the cities of Winchester, Morehead, and Hazard at a selling price that is below the appraised value. Notwithstanding KRS 45.777, up to \$3,000,000 of proceeds from the disposal of the above-mentioned properties shall be used to reduce the Wagner-Peyser deficit.

(2) **Unemployment Insurance Program Positions:** Included in the above Federal Funds appropriation is \$1,054,800 in fiscal year 2020-2021 and \$8,441,500 in fiscal year 2021-2022 to support 90 additional Office of Unemployment Insurance Program positions.

TOTAL - LABOR CABINET

	2020-21	2021-22
General Fund	2,063,700	2,240,000
Restricted Funds	197,483,800	207,808,200
Federal Funds	1,442,657,400	550,895,000
TOTAL	1,642,204,900	760,943,200

J. PERSONNEL CABINET

Budget Units

1. GENERAL OPERATIONS

	2020-21	2021-22
Restricted Funds	30,121,500	31,197,500
Federal Funds	650,000	-0-
TOTAL	30,771,500	31,197,500

(1) **Pro Rata Assessment:** Included in the above Restricted Funds appropriation is \$2,690,700 in fiscal year 2020-2021 to be transferred to the General Fund to support debt service on bonds previously issued for the Kentucky Human Resources Information System.

2. PUBLIC EMPLOYEES DEFERRED COMPENSATION AUTHORITY

	2020-21	2021-22
Restricted Funds	8,284,500	8,242,500

3. WORKERS' COMPENSATION BENEFITS AND RESERVE

	2020-21	2021-22
Restricted Funds	24,094,200	24,266,400

4. FIXED ALLOCATION NON-HAZARDOUS PENSION FUND

	2020-21	2021-22
General Fund	-0-	102,064,000

(1) **Quasi-State Agency Subsidy Distributions:** (a) Included in the above General Fund appropriation is \$53,477,900 in fiscal year 2021-2022 to cover each employer's share of the anticipated increase in retirement costs over each employer's fiscal year 2019-2020 baseline contribution as outlined in the fiscal note for 2021 Regular Session House Bill 8, as passed by the General Assembly and located on the Legislative Research Commission's Web site.

(b) Included in the above General Fund appropriation is an additional \$332,100 in fiscal year 2021-2022 to maintain each Non-P1 State Agency's fiscal year 2019-2020 baseline subsidy as adjusted and outlined in the fiscal note for 2021 Regular Session House Bill 8, as passed by the General Assembly and located on the Legislative Research Commission's Web site.

(c) Included in the above General Fund appropriation is an additional \$23,084,600 in fiscal year 2021-2022 to maintain each Regional Mental Health Unit's fiscal year 2019-2020 baseline subsidy as adjusted and outlined in the fiscal note for 2021 Regular Session House Bill 8, as passed by the General Assembly and located on the Legislative Research Commission's Web site.

(d) Included in the above General Fund appropriation is an additional \$25,169,400 in fiscal year 2021-2022 to maintain each Health Department's fiscal year 2019-2020 baseline subsidy as adjusted and outlined in the fiscal note for 2021 Regular Session House Bill 8, as passed by the General Assembly and located on the Legislative Research Commission's Web site.

(e) The distribution of the baseline subsidy to each employer classification identified in paragraphs (b), (c), and (d) of this subsection shall be distributed in the following manner: In July and January of fiscal year 2021-2022, the Office of State Budget Director shall obtain the total creditable compensation reported by each employer to the Kentucky Retirement System and utilize that number to determine how much of each total appropriation shall be distributed to each employer within its own unique employer classification. Payments to each employer shall be made on September 1 and April 1 of fiscal year 2021-2022. The Office of State Budget Director shall provide a report to the Interim Joint Committee on Appropriations and Revenue by May 1, 2022. The report shall detail the disbursement of funds in this subsection and include the creditable compensation, by employer, for which disbursements are made.

TOTAL - PERSONNEL CABINET

	2020-21	2021-22
General Fund	-0-	102,064,000
Restricted Funds	62,500,200	63,706,400

Federal Funds	650,000	-0-
TOTAL	63,150,200	165,770,400

K. POSTSECONDARY EDUCATION

Budget Units

1. COUNCIL ON POSTSECONDARY EDUCATION

	2020-21	2021-22
General Fund (Tobacco)	7,526,100	7,693,800
General Fund	8,086,400	11,598,800
Restricted Funds	6,435,200	4,923,900
Federal Funds	17,796,200	3,997,100
TOTAL	39,843,900	28,213,600

(1) **Interest Earnings Transfer from the Strategic Investment and Incentive Trust Fund Accounts:** Notwithstanding KRS 164.7911 to 164.7927, any expenditures from the Strategic Investment and Incentive Trust Fund accounts in excess of appropriated amounts by the Council on Postsecondary Education shall be subject to KRS 48.630.

(2) **Cancer Research and Screening:** Included in the above General Fund (Tobacco) appropriation is \$6,876,100 in fiscal year 2020-2021 and \$7,043,800 in fiscal year 2021-2022 for cancer research and screening. The appropriation in each fiscal year shall be equally shared between the University of Kentucky and the University of Louisville.

(3) **Southern Regional Education Board Dues:** Included in the above General Fund appropriation is \$211,600 in fiscal year 2020-2021 and \$214,800 in fiscal year 2021-2022 for Southern Regional Education Board dues.

(4) **Doctoral Scholars:** Included in the above General Fund appropriation is \$50,000 in each fiscal year for the Southern Regional Education Board Doctoral Scholars Program.

(5) **Ovarian Cancer Screening:** Included in the above General Fund appropriation is \$500,000 in each fiscal year for the Ovarian Cancer Screening Outreach Program at the University of Kentucky.

(6) **Redistribution of Resources:** Notwithstanding KRS 164.028 to 164.0282, no General Fund is provided for Professional Education Preparation in order to increase funding for Veterinary Medicine and Optometry contract spaces.

(7) **Postsecondary Education Debt:** Notwithstanding KRS 45.750 to 45.810, in order to lower the cost of borrowing, any university that has issued or caused to be issued debt obligations through a not-for-profit corporation or a municipality or county government for which the rental or use payments of the university substantially meet the debt service requirements of those debt obligations is authorized to refinance those debt obligations if the principal amount of the debt obligations is not increased and the rental payments of the university are not increased. Any funds used by a university to meet debt obligations issued by a university pursuant to this subsection shall be subject to interception of state-appropriated funds pursuant to KRS 164A.608.

(8) **Disposition of Postsecondary Institution Property:** Notwithstanding KRS 45.777, a postsecondary institution's governing board may elect to sell or dispose of real property or major items of equipment and proceeds from the sale shall be designated to the funding sources, on a proportionate basis, used for acquisition of the equipment or property to be sold.

(9) **Spinal Cord and Head Injury Research:** Included in the above General Fund (Tobacco) appropriation is \$650,000 in each fiscal year for spinal cord and head injury research. In accordance with KRS 211.500 to 211.504, the appropriation in each fiscal year shall be shared between the University of Kentucky and the University of Louisville.

2. KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

	2020-21	2021-22
General Fund	288,393,600	291,702,400

Restricted Funds	32,703,300	32,767,000
Federal Funds	78,700	33,800
TOTAL	321,175,600	324,503,200

(1) **College Access Program:** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$96,655,200 in fiscal year 2020-2021 and \$95,847,200 in fiscal year 2021-2022 for the College Access Program.

(2) **Kentucky Tuition Grant Program:** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$44,078,100 in each fiscal year for the Kentucky Tuition Grant Program.

(3) **Kentucky National Guard Tuition Award Program:** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$7,398,100 in each fiscal year for the National Guard Tuition Award Program.

(4) **Kentucky Educational Excellence Scholarships (KEES):** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$113,768,600 in fiscal year 2020-2021 and \$116,126,600 in fiscal year 2021-2022 for the Kentucky Educational Excellence Scholarships (KEES). Included in the above Restricted Funds appropriation is \$10,000,000 in each fiscal year for KEES.

(5) **Work Ready Scholarship Program:** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$7,300,000 in fiscal year 2020-2021 and \$7,800,000 in fiscal year 2021-2022 for the Work Ready Scholarship Program. Notwithstanding KRS 164.787, the dual credit component of the Work Ready Scholarship Program for high school students shall be funded and administered through the Dual Credit Scholarship Program.

(6) **Dual Credit Scholarship Program:** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$13,150,000 in each fiscal year for the Dual Credit Scholarship Program. Notwithstanding KRS 164.786(1)(f) and 164.787(2)(d), the dual credit tuition rate ceiling shall be two-fifths of the per credit hour tuition amount charged by the Kentucky Community and Technical College System for in-state students. Notwithstanding KRS 164.786(1)(g)2. and (4)(b), priority for awarding scholarships shall be given in order to high school seniors, juniors, sophomores, and freshmen. Notwithstanding KRS 164.786(4)(c), eligible high school students may receive a dual credit scholarship for two career and technical education dual credit courses per academic year and two general education dual credit courses over the junior and senior years, up to a maximum of ten approved dual credit courses. Notwithstanding KRS 164.786(4)(d), dual credit scholarships awarded for the Spring 2020 semester shall not be reduced if the dual credit course is not successfully completed by the student as a result of the student's inability to properly access the new course delivery method due to the novel coronavirus (COVID-19).

(7) **Veterinary Medicine Contract Spaces:** Included in the above General Fund appropriation is \$5,248,000 in fiscal year 2020-2021 and \$5,494,000 in fiscal year 2021-2022 to fund 164 veterinary slots.

(8) **Optometry Contract Spaces and Scholarships:** Included in the above General Fund appropriation is \$795,600 in fiscal year 2020-2021 to fund 44 optometry slots and \$808,400 in fiscal year 2021-2022 for the Optometry Scholarship Program.

(9) **Use of Lottery Revenues:** Notwithstanding KRS 154A.130(3) and (4), lottery revenues in the amount of \$282,350,000 in fiscal year 2020-2021 and \$285,400,000 in fiscal year 2021-2022 are appropriated to the Kentucky Higher Education Assistance Authority. Notwithstanding KRS 154A.130(4) and any provisions of this Act to the contrary, if lottery receipts received by the Commonwealth, excluding any unclaimed prize money received under Part III, 20. of this Act, exceed \$286,100,000 in fiscal year 2020-2021 or \$292,000,000 in fiscal year 2021-2022, the first \$3,000,000 of excess funds in each fiscal year shall be transferred to the Kentucky Higher Education Assistance Authority and appropriated in accordance with KRS 154A.130(4)(b), and any additional excess shall be held in a trust and agency account and shall not be expended or appropriated without the express authority of the General Assembly.

(10) **Redistribution of Resources:** Notwithstanding KRS 164.518, 164.740 to 164.764, 164.7890(11)(c), 164.7891(11)(b), and 164.7894, no General Fund is provided for Early Childhood Development Scholarships, Work Study, Coal County Pharmacy Scholarships, Osteopathic Medicine Scholarships, and Coal County College Completion Scholarships in order to provide additional funding to the College Access Program and Kentucky Tuition Grant Program.

(11) **Teacher Scholarship Program:** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$1,000,000 in fiscal year 2021-2022 for the Teacher Scholarship Program. The Kentucky

Higher Education Assistance Authority and the Council on Postsecondary Education shall submit a report on teacher scholarship programs, including but not limited to the history of state-funded teacher scholarship programs and the effects of teacher scholarship programs on recruitment and retention of teachers in the Commonwealth, to the Interim Joint Committee on Education by December 1, 2021.

3. EASTERN KENTUCKY UNIVERSITY

	2020-21	2021-22
General Fund	63,825,100	74,323,900
Restricted Funds	210,611,400	210,611,400
Federal Funds	137,011,900	135,500,000
TOTAL	411,448,400	420,435,300

(1) Mandated Programs: Included in the above General Fund appropriation are the following:

(a) \$4,571,900 in each fiscal year for the Model Laboratory School; and

(b) \$8,909,700 in fiscal year 2021-2022 for the fixed allocation non-hazardous retirement plan’s employer contribution.

(2) Debt Service: Included in the above General Fund appropriation is \$317,000 in fiscal year 2020-2021 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

4. KENTUCKY STATE UNIVERSITY

	2019-20	2020-21	2021-22
General Fund	497,400	25,859,200	27,186,100
Restricted Funds	-0-	23,000,000	23,500,000
Federal Funds	-0-	20,965,600	20,531,900
TOTAL	497,400	69,824,800	71,218,000

(1) Mandated Programs: Included in the above General Fund appropriation are the following:

(a) \$8,210,400 in each fiscal year to fund the state match payments required of land-grant universities under federal law; and

(b) \$558,200 in fiscal year 2021-2022 for the fixed allocation non-hazardous retirement plan’s employer contribution.

(2) Debt Service: Included in the above General Fund appropriation is \$182,000 in fiscal year 2021-2022 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

5. MOREHEAD STATE UNIVERSITY

	2020-21	2021-22
General Fund	37,447,000	43,324,900
Restricted Funds	117,811,000	120,145,300
Federal Funds	30,869,200	30,578,100
TOTAL	186,127,200	194,048,300

(1) Mandated Programs: Included in the above General Fund appropriation are the following:

(a) \$3,151,400 in fiscal year 2020-2021 and \$3,480,400 in fiscal year 2021-2022 for the Craft Academy for Excellence in Science and Mathematics;

(b) \$250,000 in fiscal year 2020-2021 for installation of the Jet Propulsion Laboratory antenna; and

(c) \$4,913,000 in fiscal year 2021-2022 for the fixed allocation non-hazardous retirement plan’s employer contribution.

6. MURRAY STATE UNIVERSITY

	2020-21	2021-22
General Fund	42,742,600	47,024,700
Restricted Funds	120,152,400	120,152,400
Federal Funds	23,720,200	22,709,000
TOTAL	186,615,200	189,886,100

(1) Mandated Programs: Included in the above General Fund appropriation are the following:

- (a) \$3,200,000 in each fiscal year for the Breathitt Veterinary Center; and
- (b) \$3,270,900 in fiscal year 2021-2022 for the fixed allocation non-hazardous retirement plan's employer contribution.

7. NORTHERN KENTUCKY UNIVERSITY

	2020-21	2021-22
General Fund	50,073,000	52,247,500
Restricted Funds	199,178,300	199,178,300
Federal Funds	14,283,100	13,075,600
TOTAL	263,534,400	264,501,400

(1) Mandated Programs: Included in the above General Fund appropriation is \$1,323,900 in each fiscal year for the Kentucky Center for Mathematics.

8. UNIVERSITY OF KENTUCKY

	2020-21	2021-22
General Fund	252,479,200	266,243,800
Restricted Funds	3,972,440,600	4,302,810,200
Federal Funds	286,352,000	300,095,200
TOTAL	4,511,271,800	4,869,149,200

(1) Mandated Programs: Included in the above General Fund appropriation are the following:

- (a) \$31,275,300 in each fiscal year for the College of Agriculture, Food, and Environment's Cooperative Extension Service;
- (b) \$29,479,600 in each fiscal year for the Kentucky Agricultural Experiment Station;
- (c) \$5,176,200 in each fiscal year for the Center for Applied Energy Research;
- (d) \$4,076,300 in each fiscal year for the Kentucky Geological Survey;
- (e) \$4,034,200 in each fiscal year for the Veterinary Diagnostic Laboratory;
- (f) \$2,040,500 in each fiscal year for the Sanders-Brown Center on Aging;
- (g) \$1,800,000 in each fiscal year for the College of Agriculture, Food, and Environment's Division of Regulatory Services;
- (h) \$ 600,000 in each fiscal year for the College of Agriculture, Food, and Environment's Kentucky Small Business Development Center;
- (i) \$586,300 in each fiscal year for the University Press of Kentucky;
- (j) Notwithstanding KRS 154A.130(4), \$500,000 in each fiscal year for the Human Development Institute for the Supported Higher Education Project;
- (k) \$450,200 in each fiscal year for the Center of Excellence in Rural Health;
- (l) \$450,200 in each fiscal year for the Kentucky Cancer Registry; and
- (m) \$100,000 in each fiscal year for the Sports Medicine Research Institute.

(2) **Debt Service:** Included in the above General Fund appropriation is \$1,013,000 in fiscal year 2021-2022 to provide new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(3) **Restricted Funds Transfer:** Notwithstanding KRS 138.510 and 230.265, \$1,500,000 in Restricted Funds shall be transferred in fiscal year 2020-2021 from the Equine Drug Research Council under the Horse Racing Commission budget unit to the Equine Analytical Chemistry Lab.

9. UNIVERSITY OF LOUISVILLE

	2020-21	2021-22
General Fund	121,181,400	127,156,800
Restricted Funds	1,052,772,700	1,068,081,000
Federal Funds	123,020,900	123,686,900
TOTAL	1,296,975,000	1,318,924,700

(1) **Mandated Programs:** Included in the above General Fund appropriation are the following:

- (a) \$695,200 in each fiscal year for the Rural Health Education Program;
- (b) \$150,000 in each fiscal year for the Kentucky Autism Training Center; and
- (c) \$100,000 in fiscal year 2021-2022 for the School of Dentistry to provide dental care to patients with dental issues related to drug use.

10. WESTERN KENTUCKY UNIVERSITY

	2020-21	2021-22
General Fund	70,900,800	76,946,600
Restricted Funds	280,768,200	280,768,200
Federal Funds	34,035,400	32,340,000
TOTAL	385,704,400	390,054,800

(1) **Mandated Programs:** Included in the above General Fund appropriation are the following:

- (a) \$4,985,100 in each fiscal year for the Gatton Academy of Mathematics and Science;
- (b) \$750,000 in each fiscal year for the Kentucky Mesonet; and
- (c) \$3,592,500 in fiscal year 2021-2022 for the fixed allocation non-hazardous retirement plan’s employer contribution.

11. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

	2020-21	2021-22
General Fund	167,230,900	175,435,900
Restricted Funds	453,871,900	451,448,300
Federal Funds	224,517,700	220,482,800
TOTAL	845,620,500	847,367,000

(1) **Mandated Programs:** Included in the above General Fund appropriation are the following:

- (a) \$4,149,800 in each fiscal year for KCTCS-TRAINS;
- (b) \$1,869,900 in each fiscal year for the Kentucky Fire Commission;
- (c) \$1,799,700 in each fiscal year for the Kentucky Board of Emergency Medical Services;
- (d) \$1,000,000 in each fiscal year for Adult Agriculture Education; and
- (e) \$854,900 in fiscal year 2021-2022 for the fixed allocation non-hazardous retirement plan’s employer contribution.

(2) Firefighters Foundation Program Fund: (a) Included in the above Restricted Funds appropriation is \$50,560,000 in each fiscal year for the Firefighters Foundation Program Fund.

(b) Notwithstanding Part III, 2. of this Act, Restricted Funds appropriations may be increased to ensure sufficient funding to support the provision of training incentive payments.

(c) Notwithstanding KRS 95A.200 to 95A.300, \$6,400,000 in fiscal year 2020-2021 shall be transferred to support projects as set forth in Part II, Capital Projects Budget, of this Act.

(d) Notwithstanding KRS 95A.200 to 95A.300, \$1,250,000 in each fiscal year shall be made available from the fund for a program to care for and treat firefighters affected by Post-Traumatic Stress Injury and Post-Traumatic Stress Disorder.

(3) Firefighters Training Center Fund: Notwithstanding KRS 95A.262(3), \$500,000 in Restricted Funds is provided in each fiscal year for the Firefighters Training Center Fund.

(4) Guaranteed Energy Savings Performance Contracts: Notwithstanding KRS 56.770 and 56.774, guaranteed energy savings performance contracts may be executed for buildings operated by the Kentucky Community and Technical College System under agreements governed by KRS 164.593.

12. POSTSECONDARY EDUCATION PERFORMANCE FUND

	2020-21	2021-22
General Fund	14,994,800	17,307,100

(1) Postsecondary Education Performance Fund: Notwithstanding KRS 164.092(1)(e), "formula base amount" for fiscal year 2020-2021 means an institution's enacted General Fund appropriation in fiscal year 2019-2020, plus adjustments reflecting the performance distribution in fiscal year 2019-2020, plus any additional appropriations for mandated programs in fiscal year 2020-2021, minus debt service on bonds in fiscal year 2019-2020, and minus appropriations for mandated programs.

TOTAL - POSTSECONDARY EDUCATION

	2019-20	2020-21	2021-22
General Fund (Tobacco)	-0-	7,526,100	7,693,800
General Fund	497,400	1,143,214,000	1,210,498,500
Restricted Funds	-0-	6,469,745,000	6,814,386,000
Federal Funds	-0-	912,650,900	903,030,400
TOTAL	497,400	8,533,136,000	8,935,608,700

L. PUBLIC PROTECTION CABINET

Budget Units

1. SECRETARY

	2020-21	2021-22
Restricted Funds	8,883,300	9,293,800
Federal Funds	40,000,000	-0-
TOTAL	48,883,300	9,293,800

2. PROFESSIONAL LICENSING

	2020-21	2021-22
Restricted Funds	5,123,100	5,044,400
Federal Funds	541,300	-0-
TOTAL	5,664,400	5,044,400

3. BOXING AND WRESTLING AUTHORITY

	2020-21	2021-22
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Restricted Funds	183,000	177,300
4. ALCOHOLIC BEVERAGE CONTROL		

	2020-21	2021-22
Restricted Funds	6,485,200	6,387,500
Federal Funds	622,400	439,100
TOTAL	7,107,600	6,826,600

5. CHARITABLE GAMING

	2020-21	2021-22
Restricted Funds	3,795,200	3,804,100

6. FINANCIAL INSTITUTIONS

	2020-21	2021-22
Restricted Funds	13,114,000	12,773,100

7. HORSE RACING COMMISSION

	2020-21	2021-22
General Fund	1,677,700	3,686,100
Restricted Funds	42,569,200	42,055,500
TOTAL	44,246,900	45,741,600

(1) **Administration and Regulation of Racing:** Included in the above General Fund appropriation is \$500,000 in each fiscal year to support one full-time Safety Steward and additional Investigator positions.

(2) **Restricted Funds Transfer:** Notwithstanding KRS 138.510 and 230.265, \$1,500,000 in Restricted Funds shall be transferred in fiscal year 2020-2021 from the Equine Drug Research Council to the Equine Analytical Chemistry Lab at the University of Kentucky.

8. HOUSING, BUILDINGS AND CONSTRUCTION

	2020-21	2021-22
General Fund	2,629,800	2,632,100
Restricted Funds	22,355,700	21,385,500
TOTAL	24,985,500	24,017,600

(1) **Building Code Enforcement Positions:** Included in the above Restricted Funds appropriation is \$150,700 in fiscal year 2020-2021 to support Building Codes Field Inspector positions.

(2) **School Building Plan Reviews and Inspections:** Notwithstanding KRS 198B.060, local governments may have jurisdiction for plan review, inspection, and enforcement responsibilities over buildings intended for educational purposes, other than licensed day-care centers, at the discretion of the local school districts.

9. INSURANCE

	2020-21	2021-22
Restricted Funds	16,660,800	15,622,900
Federal Funds	600,000	576,000
TOTAL	17,260,800	16,198,900

10. CLAIMS AND APPEALS

	2020-21	2021-22
General Fund	1,005,400	1,006,000

Restricted Funds	911,200	911,200
Federal Funds	157,200	157,200
TOTAL	2,073,800	2,074,400

TOTAL - PUBLIC PROTECTION CABINET

	2020-21	2021-22
General Fund	5,312,900	7,324,200
Restricted Funds	120,080,700	117,455,300
Federal Funds	41,920,900	1,172,300
TOTAL	167,314,500	125,951,800

M. TOURISM, ARTS AND HERITAGE CABINET

Budget Units

1. SECRETARY

	2020-21	2021-22
General Fund	3,276,300	3,279,400
Restricted Funds	15,263,200	17,500,000
TOTAL	18,539,500	20,779,400

(1) **Tourism Grants:** Included in the above Restricted Funds appropriation are the following allocations for the 2020-2022 fiscal biennium:

- (a) \$500,000 in each fiscal year for the Kentucky Mountain Regional Recreation Authority;
- (b) \$150,000 in each fiscal year to the Kenton County Fiscal Court to execute the planning, marketing, and implementation of the regional Jacob Spears Licking River Water Trail from Paris, Kentucky, to the Ohio River;
- (c) \$190,000 in fiscal year 2020-2021 for the Judge Joseph Holt House;
- (d) \$100,000 in each fiscal year for EP Tom Sawyer Park Tennis/Pickleball Courts; and
- (e) \$60,000 in fiscal year 2020-2021 for the Trail of Tears Pow Wow.

(2) **Kentucky Center for African American Heritage:** Included in the above General Fund appropriation is \$100,000 in each fiscal year for the Kentucky Center for African American Heritage.

2. ARTISANS CENTER

	2020-21	2021-22
General Fund	290,300	1,066,300
Restricted Funds	1,801,300	1,601,300
Road Fund	573,800	-0-
TOTAL	2,665,400	2,667,600

3. TOURISM

	2020-21	2021-22
General Fund	3,145,000	3,209,100
Restricted Funds	60,000	22,700
TOTAL	3,205,000	3,231,800

(1) **Whitehaven Welcome Center:** Included in the above General Fund appropriation is \$130,000 in each fiscal year to support the Whitehaven Welcome Center.

4. PARKS

	2019-20	2020-21	2021-22
General Fund	2,700,000	58,547,900	47,626,400
Restricted Funds	-0-	41,285,900	52,261,400
TOTAL	2,700,000	99,833,800	99,887,800

(1) **Park Capital Maintenance and Renovation Fund:** Notwithstanding KRS 148.810, no transfer to the Park Capital Maintenance and Renovation Fund shall be made.

(2) **Debt Service:** Included in the above General Fund appropriation is \$398,000 in fiscal year 2020-2021 and \$364,000 in fiscal year 2021-2022 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(3) **Capitol Annex Cafeteria:** Included in the above General Fund appropriation is \$234,400 in each fiscal year to support the Capitol Annex cafeteria operated by the Department of Parks.

5. HORSE PARK COMMISSION

	2020-21	2021-22
General Fund	9,329,000	1,731,700
Restricted Funds	1,425,500	10,979,900
TOTAL	10,754,500	12,711,600

6. STATE FAIR BOARD

	2020-21	2021-22
General Fund	19,616,400	4,170,400
Restricted Funds	32,661,900	49,767,600
TOTAL	52,278,300	53,938,000

(1) **Debt Service:** Included in the above General Fund appropriation is \$302,500 in fiscal year 2020-2021 and \$56,500 in fiscal year 2021-2022 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

7. FISH AND WILDLIFE RESOURCES

	2020-21	2021-22
Restricted Funds	49,139,400	48,575,600
Federal Funds	19,381,900	19,412,000
TOTAL	68,521,300	67,987,600

(1) **Fish and Wildlife Resources Peace Officers' Stipend:** Notwithstanding Part III, 2. of this Act, Restricted Funds appropriations may be increased to ensure sufficient funding to support the provisions of KRS 15.460(1)(a).

(2) **Fees-in-Lieu-of Stream Mitigation Reporting:** The Department of Fish and Wildlife Resources shall develop a report of all projects managed by the Fees-in-Lieu-of Stream Mitigation Program. The Department shall present this report to the Interim Joint Committee on Tourism, Small Business, and Information Technology by August 1, 2021.

8. HISTORICAL SOCIETY

	2020-21	2021-22
General Fund	6,456,700	6,463,500
Restricted Funds	894,300	894,300
Federal Funds	170,000	170,000
TOTAL	7,521,000	7,527,800

9. ARTS COUNCIL

	2020-21	2021-22
General Fund	1,537,900	1,739,600
Restricted Funds	352,600	352,700
Federal Funds	892,500	759,400
TOTAL	2,783,000	2,851,700

10. HERITAGE COUNCIL

	2020-21	2021-22
General Fund	738,400	739,400
Restricted Funds	779,900	748,900
Federal Funds	869,200	983,800
TOTAL	2,387,500	2,472,100

11. KENTUCKY CENTER FOR THE ARTS

	2020-21	2021-22
General Fund	558,300	2,084,300

(1) **Kentucky Center for the Arts:** Included in the above General Fund appropriation is \$1,026,000 for operations and \$500,000 for maintenance in fiscal year 2021-2022 to support the Kentucky Center for the Arts. Any federal funds received related to COVID-19 emergency response or pandemic relief, including the American Rescue Plan Act of 2021, shall be expended prior to General Fund. Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

TOTAL - TOURISM, ARTS AND HERITAGE CABINET

	2019-20	2020-21	2021-22
General Fund	2,700,000	103,496,200	72,110,100
Restricted Funds	-0-	143,664,000	182,704,400
Federal Funds	-0-	21,313,600	21,325,200
Road Fund	-0-	573,800	-0-
TOTAL	2,700,000	269,047,600	276,139,700

N. BUDGET RESERVE TRUST FUND

Budget Unit

1. BUDGET RESERVE TRUST FUND

	2020-21	2021-22
General Fund	134,346,300	608,598,500

PART II

CAPITAL PROJECTS BUDGET

(1) **Capital Construction Fund Appropriations and Reauthorizations:** Moneys in the Capital Construction Fund are appropriated for the following capital projects subject to the conditions and procedures in this Act. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 2020-2022 fiscal biennium. Unless otherwise specified, reauthorized projects shall conform to the original authorization enacted by the General Assembly.

(2) **Expiration of Existing Line-Item Capital Construction Projects:** All appropriations to existing line-item capital construction projects expire on June 30, 2020, unless reauthorized in this Act with the following exceptions: (a) A construction or purchase contract for the project shall have been awarded by June 30, 2020; (b)

Permanent financing or a short-term line of credit sufficient to cover the total authorized project scope shall have been obtained in the case of projects authorized for bonds, if the authorized project completes an initial draw on the line of credit within the fiscal biennium immediately subsequent to the original authorization; and (c) Grant or loan agreements, if applicable, shall have been finalized and properly signed by all necessary parties by June 30, 2020. Notwithstanding the criteria set forth in this subsection, the disposition of 2020-2022 fiscal biennium nonstatutory appropriated maintenance pools funded from Capital Construction Investment Income shall remain subject to KRS 45.770(5)(c).

(3) Bond Proceeds Investment Income: Investment income earned from bond proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage rebates and penalties and excess bond proceeds upon the completion of a bond-financed capital project shall be used to pay debt service according to the Internal Revenue Service Code and accompanying regulations.

(4) Appropriations for Projects Not Line-Itemized: Inasmuch as the identification of specific projects in a variety of areas of the state government cannot be ascertained with absolute certainty at this time, amounts are appropriated for specific purposes to projects which are not individually identified in this Act in the following areas: Kentucky Infrastructure Authority Water and Sewer projects; Flood Control projects; Repair of State-Owned Dams; Guaranteed Energy Savings Performance Contract projects; Wetland and Stream Mitigation projects; Bond-funded, Restricted Fund, and Aircraft maintenance pools; Postsecondary Education pools; Commonwealth Office of Technology Infrastructure Upgrades; Legacy System Retirement Pool; and the Wastewater Treatment Upgrades pool. Notwithstanding any statute to the contrary, projects estimated to cost \$1,000,000 and over and equipment estimated to cost \$200,000 and over shall be reported to the Capital Projects and Bond Oversight Committee.

(5) Capital Construction and Equipment Purchase Contingency Account: If funds in the Capital Construction and Equipment Purchase Contingency Account are not sufficient, then expenditures of the fund are to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act.

(6) Emergency Repair, Maintenance, and Replacement Account: If funds in the Emergency Repair, Maintenance, and Replacement Account are not sufficient, then expenditures of the fund are to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act.

(7) Appropriation-Supported Debt: To lower the cost of borrowing, the agencies identified in KRS 45A.850(1)(a) and (2)(a) are authorized to refinance appropriation supported debt obligations that have previously been issued and for which the Commonwealth is currently making lease-rental payments to meet the current debt service requirements. Such action is authorized provided that the principal amount of any such debt obligation is not increased and the term of the debt obligation is not extended. Any such refinancing shall still be subject to the requirements of KRS 45.750 to 45.810 for reporting to the Capital Projects and Bond Oversight Committee.

(8) Cash Defeasance: State agencies identified in KRS 45A.850(1)(a) and (2)(a) are authorized to economically or legally defease debt obligations that have previously been issued by the agency, or through a third-party but for which the Commonwealth or the agency is currently making lease-rental payments to meet the current debt service requirements. If Restricted Funds are used for the defeasance of bonds, the agency may use a prior Agency Bond authorization for a new debt obligation so long as the debt service for the new debt obligation is not greater than the debt service of the defeased bonds and the term of the new debt obligation is not greater than the term of the defeased bonds. Any such refinancing shall still be subject to the requirements of KRS 45.750 to 45.810 for reporting to the Capital Projects and Bond Oversight Committee.

A. GENERAL GOVERNMENT

Budget Units	2019-20	2020-21	2021-22
1. VETERANS' AFFAIRS			
001. Nurse Call System – Additional Reauthorization (\$1,550,000 Investment Income)			
Restricted Funds	4,500,000	-0-	-0-
002. Improve/Expand Pavement and Parking Areas			
Restricted Funds	-0-	1,600,000	-0-
003. Construct Bowling Green Veterans Center			

Federal Funds	-0-	19,500,000	-0-
Bond Funds	-0-	10,500,000	-0-
TOTAL	-0-	30,000,000	-0-

004. Maintenance Pool - 2020-2022

Investment Income	-0-	600,000	600,000
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005. Replace Cooling Tower - Eastern Kentucky Veterans Center

Restricted Funds	-0-	400,000	-0-
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006. Replace Steam Boiler - Thomson-Hood Veterans Center

Restricted Funds	-0-	300,000	-0-
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2. KENTUCKY INFRASTRUCTURE AUTHORITY

001. KIA Fund A - Federally Assisted Wastewater Program - 2020-2022

Federal Funds	-0-	20,428,000	20,428,000
Bond Funds	-0-	4,086,000	4,086,000
TOTAL	-0-	24,514,000	24,514,000

(1) Permitted Use of Funds: The Bond Funds shall be used to meet the state match requirement for federal funds for the Wastewater State Revolving Loan Fund Program.

002. KIA Fund F - Drinking Water Revolving Loan Program - 2020-2022

Federal Funds	-0-	18,303,000	18,303,000
Bond Funds	-0-	4,561,000	3,661,000
TOTAL	-0-	22,864,000	21,964,000

(1) Permitted Use of Funds: The Bond Funds shall be used to meet the state match requirement for federal funds for the Safe Drinking Water State Revolving Loan Fund Program.

003. KIA Fund A - Federally Assisted Wastewater Program - 2018-2020 Reauthorization (\$30,000,000 Agency Bonds)

004. KIA Fund F - Drinking Water Revolving Loan Program - 2018-2020 Reauthorization (\$30,000,000 Agency Bonds)

3. MILITARY AFFAIRS

001. Maintenance Pool - 2020-2022

Investment Income	-0-	1,500,000	1,500,000
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002. Bluegrass Station Facility Maintenance Pool - 2020-2022

Restricted Funds	-0-	1,000,000	1,000,000
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003. Install Solar Panels at Armories Statewide Reauthorization (\$413,000 Restricted Funds, \$1,238,000 Federal Funds)

004. Construct Industrial Building at Bluegrass Station Reauthorization (\$15,000,000 Other Funds)

(1) Authorization: The above authorization is approved pursuant to KRS 45.763.

005. Construct Multi-purpose Building at Bluegrass Station Reauthorization (\$15,000,000 Other Funds)

(1) Authorization: The above authorization is approved pursuant to KRS 45.763.

006. Construct WHFRTC Qualification Training Range Reauthorization (\$6,515,000 Federal Funds)

4. DEPARTMENT FOR LOCAL GOVERNMENT

001. Flood Control Matching Fund

Bond Funds	-0-	-0-	6,000,000
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5. ATTORNEY GENERAL			
001. Franklin County - Lease			
002. Upgrade Technology			
Bond Funds	-0-	2,000,000	-0-
6. TREASURY			
001. Lease-Purchase Check Printer and Fold Sealers			
Investment Income	-0-	66,000	66,000
7. UNIFIED PROSECUTORIAL SYSTEM			
a. Commonwealth's Attorneys			
001. Jefferson County - Lease			
8. AGRICULTURE			
001. Inspection and Licensing Project			
Restricted Funds	-0-	1,052,400	1,065,600
002. Franklin County - Lease			
9. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS			
a. Nursing			
001. Jefferson County – Lease			
10. KENTUCKY RIVER AUTHORITY			
001. Locks 2 and 3 Upper Guide Wall Repair			
Restricted Funds	-0-	4,131,000	-0-
002. Design and Repair Lock 5			
Restricted Funds	-0-	-0-	1,062,000
003. Design and Repair Dam 7 Reauthorization (\$3,081,000 Agency Bonds)			
004. Design and Repair Dam 6 Reauthorization (\$2,299,000 Agency Bonds)			
11. SCHOOL FACILITIES CONSTRUCTION COMMISSION			
001. Offers of Assistance - 2018-2020			
Bond Funds	-0-	58,000,000	-0-
002. School Facilities Construction Commission Reauthorization (\$84,500,000 Bond Funds)			
003. Offers of Assistance - 2020-2022			
Bond Funds	-0-	47,527,000	-0-

B. ECONOMIC DEVELOPMENT CABINET

(1) **Economic Development Bond Issues:** Before any economic development bonds are issued, the proposed bond issue shall be approved by the Secretary of the Finance and Administration Cabinet and the State Property and Buildings Commission under KRS 56.440 to 56.590. In addition to the terms and conditions of KRS 154.12-100, administration of the Economic Development Bond Program by the Secretary of the Cabinet for Economic Development is subject to the following guideline: project selection shall be documented when presented to the Secretary of the Finance and Administration Cabinet. Included in the documentation shall be the rationale for selection and expected economic development impact.

(2) **Use of New Economy Funds:** Notwithstanding KRS 154.12-100, 154.12-278(4) and (5), and 154.20.035, the Secretary of the Cabinet for Economic Development may use funds appropriated in the Economic

Development Fund Program, High-Tech Construction/Investment Pool, and the Kentucky Economic Development Finance Authority Loan Pool interchangeably for economic development projects.

Budget Unit	2020-21	2021-22
1. ECONOMIC DEVELOPMENT		
001. Economic Development Bond Programs - 2020-2022		
Bond Funds	-0-	2,500,000
002. High-Tech Construction/Investment Pool - 2020-2022		
Bond Funds	-0-	2,500,000
003. KY Economic Development Finance Authority Loan Pool - 2020-2022		
Bond Funds	-0-	2,500,000

C. DEPARTMENT OF EDUCATION

Budget Units	2020-21	2021-22
1. OPERATIONS AND SUPPORT SERVICES		
001. School Safety Facility Upgrades		
Bond Funds	18,200,000	-0-
002. State Schools HVAC Pool - 2020-2022		
Bond Funds	5,000,000	5,000,000
003. State Schools Roof Replacement Pool - 2020-2022		
Bond Funds	3,272,000	-0-
004. Maintenance Pool - 2020-2022		
Investment Income	1,000,000	1,000,000

D. EDUCATION AND WORKFORCE DEVELOPMENT CABINET

Budget Units	2020-21	2021-22
1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT		
001. Maintenance Pool - 2020-2022		
Investment Income	600,000	600,000
2. KENTUCKY EDUCATIONAL TELEVISION		
001. Maintenance Pool - 2020-2022		
Investment Income	450,000	450,000
3. LIBRARIES AND ARCHIVES		
a. General Operations		
001. Franklin County - Lease		

E. ENERGY AND ENVIRONMENT CABINET

Budget Units	2020-21	2021-22
1. SECRETARY		
001. Maintenance Pool – 2020-2022		
Investment Income	300,000	300,000
2. ENVIRONMENTAL PROTECTION		
001. State-Owned Dam Repair – 2020-2022		

Bond Funds	7,000,000	-0-
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F. FINANCE AND ADMINISTRATION CABINET

Budget Units	2020-21	2021-22
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1. FACILITIES AND SUPPORT SERVICES

001. Capitol Campus Upgrade

Bond Funds	22,000,000	-0-
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002. Maintenance Pool - 2020-2022

Bond Funds	5,000,000	5,000,000
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003. Air Handler Replacement and Repair - Central Lab Reauthorization and Reallocation (\$189,700 Bond Funds)

Bond Funds	2,011,300	-0-
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(1) **Reauthorization and Reallocation:** The above project is authorized from a reallocation of the projects set forth in 2014 Ky. Acts ch. 117, Part II, F., 2., 002. and 2012 Ky. Acts ch. 144, Part II, F., 2., 002..

004. Elevator Upgrades Phase 1

Bond Funds	2,000,000	-0-
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005. HVAC Replacement and Repair COT Building

Investment Income	1,200,000	-0-
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006. Guaranteed Energy Savings Performance Contracts

007. Fourth Floor Capitol Renovation

Bond Funds	5,000,000	-0-
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(1) **Renovation Assessment:** The Finance and Administration Cabinet shall assess a fee in an amount equal to the debt service to be paid by the Legislative Research Commission.

2. COMMONWEALTH OFFICE OF TECHNOLOGY

(1) **Transfer of Restricted Funds from Operating Budget:** For the major equipment purchases displayed in this section funded from Restricted Funds, it is anticipated that these funds shall be transferred from the Operating Budget as funds are available and needed.

001. Enterprise Infrastructure 2020-2022

Restricted Funds	4,000,000	4,000,000
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002. Boone County - Lease

3. KENTUCKY LOTTERY CORPORATION

001. Data Processing, Telecommunications, and Related Equipment

Other Funds	500,000	-0-
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G. HEALTH AND FAMILY SERVICES CABINET

Budget Units	2020-21	2021-22
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1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT

001. Maintenance Pool - 2020-2022

Bond Funds	5,000,000	5,000,000
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002. KASPER

Federal Funds	1,820,000	-0-
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Investment Income	180,000	-0-
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	TOTAL	2,000,000	-0-
2.	OFFICE FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS		
	001. Jefferson County - Lease		
3.	BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES		
	001. Oakwood Renovate/Replace Cottages - Phase II		
	Bond Funds	8,000,000	-0-
	002. Western State Hospital-Electrical Upgrade - Phase III		
	Bond Funds	3,493,000	-0-
	003. Oakwood Replace, Upgrade, and Enhance Generators		
	Bond Funds	1,825,000	-0-
4.	PUBLIC HEALTH		
	001. WIC Modernization		
	Federal Funds	10,756,000	-0-
5.	INCOME SUPPORT		
	001. Franklin County - Lease		
6.	COMMUNITY BASED SERVICES		
	001. Boone County - Lease		
	002. Boyd County - Lease		
	003. Campbell County - Lease		
	004. Daviess County - Lease		
	005. Greenup County - Lease		
	006. Fayette County - Lease		
	007. Franklin County - Lease		
	008. Hardin County - Lease		
	009. Johnson County - Lease		
	010. Kenton County - Lease		
	011. Madison County - Lease		
	012. Shelby County - Lease		
	013. Warren County - Lease		
	014. Perry County - Lease		
	015. Muhlenberg County - Lease		

H. JUSTICE AND PUBLIC SAFETY CABINET

Budget Units	2020-21	2021-22
1. JUSTICE ADMINISTRATION		
001. Franklin County - Lease		
2. CRIMINAL JUSTICE TRAINING		
001. Maintenance Pool - 2020-2022		
Restricted Funds	1,500,000	1,500,000

3. JUVENILE JUSTICE

001. Maintenance Pool - 2020-2022

Investment Income 1,500,000 1,500,000

002. Franklin County - Lease

4. STATE POLICE

001. Emergency Radio System Replacement, Phase II

Bond Funds 52,450,000 -0-

002. Maintenance Pool - 2020-2022

Investment Income 1,000,000 1,000,000

003. Two Mass Spectrometry Instruments

General Fund 700,000 -0-

004. Genetic Analyzer

General Fund -0- 230,000

005. Trace Analysis Equipment

General Fund -0- 440,000

5. CORRECTIONS

a. Adult Correctional Institutions

001. Maintenance Pool - 2020-2022

Bond Funds 5,000,000 5,000,000

002. Design of the Expansion of Little Sandy Correctional Complex

Bond Funds 8,000,000 -0-

003. Repair/Replace Roofs - Eastern Kentucky Correctional Complex

Bond Funds 6,531,000 -0-

004. Install Emergency Generators - Luther Luckett and Green River

Bond Funds 5,700,000 -0-

005. Design Relocation of Corrections Medical Facility Reauthorization and Reallocation (\$7,000,000 Bond Funds)

Bond Funds 3,100,000 -0-

(1) **Reauthorization and Reallocation:** The above project is authorized from a reallocation of the projects set forth in 2018 Ky. Acts ch. 169, Part II, H., 4., 002. and 003..

006. Kentucky Correctional Psychiatric Center - Maintenance and Repair Pool

Investment Income -0- 3,000,000

007. Floyd County - Lease

b. Community Services and Local Facilities

001. Fayette County - Lease

002. Campbell County - Lease

003. Jefferson County - Lease

6. PUBLIC ADVOCACY

001. Franklin County - Lease

002. Fayette County - Lease

I. LABOR CABINET

Budget Units	2020-21	2021-22
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1. EMPLOYMENT SERVICES

001. Replace Unemployment Insurance System – Additional Reauthorization (\$10,440,000 Restricted Funds) and Reauthorization and Reallocation (Bond Funds \$10,000,000)

General Fund	-0-	7,500,000
Restricted Funds	19,560,000	-0-
TOTAL	19,560,000	7,500,000

(1) **Reauthorization and Reallocation:** The above bond funds are authorized from a reauthorization and reallocation of the project set forth in 2018 Ky. Acts ch. 169, Part II, F., 2., 001..

002. Hardin County – Lease

003. Kenton County – Lease

J. POSTSECONDARY EDUCATION

Budget Units	2019-20	2020-21	2021-22
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1. COUNCIL ON POSTSECONDARY EDUCATION

001. Franklin County - Lease

2. KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION

001. Jefferson County – Lease

3. EASTERN KENTUCKY UNIVERSITY

001. Replace and Renovate Student Housing

Other Funds	-0-	50,000,000	-0-
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(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

002. Demolish Building Pool

Restricted Funds	-0-	20,000,000	-0-
Other Funds	-0-	20,000,000	-0-
TOTAL	-0-	40,000,000	-0-

003. Upgrade/Approve Athletics Facilities/Fields Pool

Agency Bonds	-0-	25,000,000	-0-
Other Funds	-0-	12,000,000	-0-
TOTAL	-0-	37,000,000	-0-

(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

004. Campus Infrastructure Upgrade

Other Funds	-0-	35,000,000	-0-
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(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

005. Miscellaneous Maintenance Pool - 2020-2022

Restricted Funds	-0-	20,000,000	-0-
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006. Repair/Replace Infrastructure/Building System Pool

Restricted Funds	-0-	20,000,000	-0-
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007. Construct Regional Health Facility

Federal Funds	-0-	15,000,000	-0-
008. Campus Data Network Pool			
Restricted Funds	-0-	13,000,000	-0-
009. Construct Alumni and Welcome Center			
Other Funds	-0-	13,000,000	-0-
010. Innovation and Commercialization Pool			
Other Funds	-0-	10,000,000	-0-
011. Renovate Mechanical Systems Pool			
Restricted Funds	-0-	10,000,000	-0-
012. Steam Line Upgrades			
Other Funds	-0-	10,000,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
013. Upgrade and Improve Residence Halls			
Restricted Funds	-0-	10,000,000	-0-
014. Academic Computing Pool			
Restricted Funds	-0-	8,000,000	-0-
015. Scientific and Research Equipment Pool			
Restricted Funds	-0-	3,000,000	-0-
Federal Funds	-0-	2,200,000	-0-
Other Funds	-0-	2,200,000	-0-
TOTAL	-0-	7,400,000	-0-
016. Administrative Computing Pool			
Restricted Funds	-0-	6,500,000	-0-
017. Commonwealth Hall Partial Repurposing and Renovation			
Restricted Funds	-0-	6,000,000	-0-
018. Property Acquisitions Pools			
Restricted Funds	-0-	3,000,000	-0-
Other Funds	-0-	3,000,000	-0-
TOTAL	-0-	6,000,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
019. Aviation Acquisition Pool			
Restricted Funds	-0-	5,000,000	-0-
020. Construct Student Health Center			
Other Funds	-0-	2,705,000	-0-
021. University Services Space			
Restricted Funds	-0-	2,000,000	-0-
Other Funds	-0-	500,000	-0-
TOTAL	-0-	2,500,000	-0-

022.	Chemistry and Translational Research Pool			
	Restricted Funds	-0-	675,000	-0-
	Other Funds	-0-	350,000	-0-
	TOTAL	-0-	1,025,000	-0-
023.	Natural Areas Improvement Pool			
	Restricted Funds	-0-	825,000	-0-
024.	Improve Campus Pedestrian, Parking and Transport Reauthorization (\$15,000,000 Agency Bonds, \$12,000,000 Restricted Funds, \$3,000,000 Other Funds)			
025.	Guaranteed Energy Savings Performance Contracts			
026.	Aviation - Lease			
027.	New Housing Space - Lease			
028.	Madison County - Student Housing - Lease			
029.	Madison County - Land - Lease			
030.	Multi-Property-Multi-Use - Lease 1			
031.	Multi-Property-Multi-Use - Lease 2			
032.	Construct Aviation/Aerospace Instructional Facility			
	Bond Funds	-0-	3,016,000	-0-
033.	Purchase Aviation Maintenance Technician/Pilot Training Equipment			
	Bond Funds	-0-	5,000,000	-0-
034.	Residence Hall Renovation Pool			
	Agency Bonds	-0-	24,800,000	-0-
4.	KENTUCKY STATE UNIVERSITY			
001.	Construct New Residence Hall			
	Other Funds	-0-	55,562,000	-0-
	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
002.	Roof Repair and Replacement Pool			
	Bond Funds	-0-	-0-	5,000,000
003.	Acquire Land/Master Plan - 2020-2022			
	Restricted Funds	-0-	1,044,000	-0-
	Federal Funds	-0-	1,044,000	-0-
	TOTAL	-0-	2,088,000	-0-
004.	Guaranteed Energy Savings Performance Contracts			
5.	MOREHEAD STATE UNIVERSITY			
001.	Construct New Residence Hall			
	Agency Bonds	-0-	37,956,000	-0-
002.	Capital Renewal and Maintenance Pool - Auxiliary			
	Agency Bonds	-0-	4,539,000	-0-
003.	Renovate Alumni Tower Ground Floor			
	Agency Bonds	-0-	3,812,000	-0-

004. Replace Exterior Precast Panels - Nunn Hall			
Agency Bonds	-0-	3,148,000	-0-
005. Construct New Volleyball Facility - Phase 2			
Agency Bonds	-0-	2,380,000	-0-
006. Comply with ADA - Auxiliary			
Agency Bonds	-0-	2,034,000	-0-
007. Replace Turf on Jacobs Field			
Agency Bonds	-0-	1,102,000	-0-
008. Guaranteed Energy Savings Performance Contracts			
009. Renovate Cartmell Residence Hall Reauthorization (\$15,200,000 Agency Bonds)			

6. MURRAY STATE UNIVERSITY

001. Construct Residential Housing			
Other Funds	-0-	66,000,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
002. Renovate/Replace Residence Hall			
Agency Bonds	-0-	16,740,000	-0-

(1) Authorization: In lieu of agency bonds, Murray State University is authorized to enter into a public-private partnership, built-to-suit, or lease-purchase for the above projects, not to exceed the above authorized amount. This authorization includes the authorization under KRS 45.763 and 45A.077.

003. Construct/Renovate Alternate Dining Facility			
Other Funds	-0-	12,000,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
004. Renovate Winslow Cafeteria			
Restricted Funds	-0-	4,673,000	-0-

005. Renovate Residence Hall Electrical System			
Agency Bonds	-0-	4,180,000	-0-

(1) Authorization: In lieu of agency bonds, Murray State University is authorized to enter into a public-private partnership, built-to-suit, or lease-purchase for the above projects, not to exceed the above authorized amount. This authorization includes the authorization under KRS 45.763 and 45A.077.

006. Acquire Property			
Restricted Funds	-0-	4,000,000	-0-

007. Repairs of Biology Building			
Restricted Funds	4,000,000	-0-	-0-

008. Renovate Residence Hall HVAC System			
Agency Bonds	-0-	3,503,000	-0-

(1) Authorization: In lieu of agency bonds, Murray State University is authorized to enter into a public-private partnership, built-to-suit, or lease-purchase for the above projects, not to exceed the above authorized amount. This authorization includes the authorization under KRS 45.763 and 45A.077.

009. Replace CFSB Center Seating			
Restricted Funds	-0-	3,500,000	-0-

010. Renovate Residence Hall Interior

Agency Bonds	-0-	1,601,000	-0-
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(1) Authorization: In lieu of agency bonds, Murray State University is authorized to enter into a public-private partnership, built-to-suit, or lease-purchase for the above projects, not to exceed the above authorized amount. This authorization includes the authorization under KRS 45.763 and 45A.077.

011. Install CFSB Center Generator

Restricted Funds	-0-	1,541,000	-0-
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012. Acquire Agriculture Research Farm Land

Restricted Funds	-0-	1,200,000	-0-
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013. Replace Residence Hall Domestic Water Piping

Agency Bonds	-0-	1,143,000	-0-
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(1) Authorization: In lieu of agency bonds, Murray State University is authorized to enter into a public-private partnership, built-to-suit, or lease-purchase for the above projects, not to exceed the above authorized amount. This authorization includes the authorization under KRS 45.763 and 45A.077.

014. Agriculture Instructional Laboratory and Technology Equipment

Other Funds	-0-	800,000	-0-
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015. Broadcasting Education Laboratory Equipment

Other Funds	-0-	225,000	-0-
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016. Guaranteed Energy Savings Performance Contracts

017. Renovate Residence Hall or Replace - LTF

Other Funds	-0-	16,740,000	-0-
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018. Renovate Residence Hall Electrical System - LTF

Other Funds	-0-	4,180,000	-0-
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019. Renovate Residence Hall HVAC System - LTF

Other Funds	-0-	3,503,000	-0-
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020. Renovate Residence Hall Interior - LTF

Other Funds	-0-	1,601,000	-0-
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021. Replace Campus Communications Infrastructure (Fiber Ring)

Restricted Funds	-0-	4,640,000	-0-
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022. Historic Building Preservation Pool

Agency Bonds	-0-	-0-	12,200,000
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7. NORTHERN KENTUCKY UNIVERSITY

001. Renew/Renovate Fine Arts Center Phase II

Restricted Funds	-0-	45,000,000	-0-
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Other Funds	-0-	5,000,000	-0-
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TOTAL	-0-	50,000,000	-0-
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002. Renovate/Expand Civic Center Building

Other Funds	-0-	8,000,000	-0-
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003. Renovate/Expand Business Academic Building

Restricted Funds	-0-	33,000,000	-0-
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Other Funds	-0-	8,000,000	-0-
TOTAL	-0-	41,000,000	-0-

004. Replace Event Center Technology

Other Funds	-0-	4,000,000	-0-
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(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

005. Renew/Renovate Nunn Hall

Restricted Funds	-0-	25,000,000	-0-
Other Funds	-0-	5,000,000	-0-
TOTAL	-0-	30,000,000	-0-

006. Expand/Renovate Soccer Stadium

Other Funds	-0-	3,500,000	-0-
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007. Acquire Land/Master Plan 2010-2012 Reauthorization (\$17,500,000 Agency Bonds, \$4,000,000 Restricted Funds, \$4,000,000 Other Funds)

(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

008. Replace Underground Utility Infrastructure

Restricted Funds	-0-	6,700,000	-0-
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009. Renew/Renovate Steely Library

Restricted Funds	-0-	41,000,000	-0-
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010. Renovate Brown Building

Other Funds	-0-	3,000,000	-0-
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011. Renew E&G Building Systems Projects Pool

Restricted Funds	-0-	20,000,000	-0-
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012. Construct Research/Innovation Building Reauthorization (\$30,000,000 Other Funds)

(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

013. Construct/Acquire New Residence Hall Reauthorization (\$4,571,000 Agency Bonds)

014. Reconstruct West Side Parking Reauthorization (\$6,529,000 Agency Bonds)

015. Renovate/Construct Campbell Hall

Restricted Funds	-0-	9,000,000	-0-
Other Funds	-0-	9,000,000	-0-
TOTAL	-0-	18,000,000	-0-

(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

016. Academic Space - Lease

017. Office Space - Lease

018. Guaranteed Energy Savings Performance Contracts

019. Renovate Residence Halls

Agency Bonds	-0-	10,000,000	-0-
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020. Renovate/Expand Baseball Field Additional Reauthorization

Other Funds	-0-	6,700,000	-0-
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021. Upgrade Admin/IT Infrastructure Pool

Restricted Funds	-0-	15,500,000	-0-
Other Funds	-0-	6,000,000	-0-
TOTAL	-0-	21,500,000	-0-

(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

022. KERS Cessation

Agency Bonds	-0-	320,000,000	-0-
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(1) **Authorization:** The Kentucky Asset/Liability Commission is authorized to issue notes to finance the above authorization. Notwithstanding KRS 56.8605(9) and (14), funding notes or project notes issued pursuant to the above authorization may have a final maturity of up to 30 years. The provisions of KRS 164A.608 shall apply to any debt issuance made by the Kentucky Asset/Liability Commission pursuant to the above authorization.

023. Enhance Student Union

Restricted Funds	1,500,000	-0-	-0-
Other Funds	3,000,000	-0-	-0-
TOTAL	4,500,000	-0-	-0-

8. UNIVERSITY OF KENTUCKY

001. Replace UK HealthCare IT Systems 1

Restricted Funds	-0-	320,000,000	-0-
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002. Improve UK HealthCare Facilities - UK Chandler Hospital

Restricted Funds	-0-	310,000,000	-0-
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003. Construct Library/Knowledge Center

Restricted Funds	-0-	237,000,000	-0-
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004. Improve Funkhouser Building

Restricted Funds	-0-	92,000,000	-0-
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005. Construct College of Medicine Building

Restricted Funds	-0-	200,000,000	-0-
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006. Construct Student Housing

Restricted Funds	-0-	50,000,000	-0-
Other Funds	-0-	100,000,000	-0-
TOTAL	-0-	150,000,000	-0-

(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

007. Improve Campus Parking and Transportation System

Restricted Funds	-0-	150,000,000	-0-
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(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

008. Improve Parking/Transportation Systems UK HealthCare

Restricted Funds	-0-	75,000,000	-0-
Other Funds	-0-	75,000,000	-0-
TOTAL	-0-	150,000,000	-0-

(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

009. Construct Digital Village Building 3

Restricted Funds	-0-	70,000,000	-0-
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Other Funds	-0-	70,000,000	-0-
TOTAL	-0-	140,000,000	-0-

(1) Authorization: The above authorization is approved pursuant to KRS 45.763.

010. Facilities Renewal and Modernization

Agency Bonds	-0-	125,000,000	-0-
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011. Acquire/Renovate Housing

Agency Bonds	-0-	40,000,000	-0-
Other Funds	-0-	35,000,000	-0-
TOTAL	-0-	75,000,000	-0-

(1) Authorization: The above authorization is approved pursuant to KRS 45.763.

012. Construct Retail/Parking Facility 1

Other Funds	-0-	75,000,000	-0-
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(1) Authorization: The above authorization is approved pursuant to KRS 45.763.

013. Construct Retail/Parking Facility 2

Other Funds	-0-	75,000,000	-0-
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(1) Authorization: The above authorization is approved pursuant to KRS 45.763.

014. Improve Center for Applied Energy Research Facilities

Restricted Funds	-0-	75,000,000	-0-
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015. Improve Multi-Disciplinary Science Building

Restricted Funds	-0-	10,000,000	-0-
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016. Construct/Improve Greek Housing

Restricted Funds	-0-	36,000,000	-0-
Other Funds	-0-	36,000,000	-0-
TOTAL	-0-	72,000,000	-0-

017. Renovate/Improve King Library

Restricted Funds	-0-	5,000,000	-0-
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018. Construct Office Park at Coldstream

Other Funds	-0-	65,000,000	-0-
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(1) Authorization: The above authorization is approved pursuant to KRS 45.763.

019. Improve Memorial Coliseum

Other Funds	-0-	65,000,000	-0-
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020. Implement Land Use Plan - UK HealthCare

Restricted Funds	-0-	60,000,000	-0-
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021. Acquire Land

Restricted Funds	-0-	50,000,000	-0-
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022. Repair/Upgrade/Expand Central Plants

Restricted Funds	-0-	112,000,000	-0-
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023. Acquire Medical Facility 1

Restricted Funds	-0-	50,000,000	-0-
024. Improve Whalen Building & Bay Facility			
Restricted Funds	-0-	5,000,000	-0-
025. Acquire Medical Facility 2			
Restricted Funds	-0-	50,000,000	-0-
026. Acquire/Renovate Clinical Research Facility			
Restricted Funds	-0-	8,000,000	-0-
027. Acquire/Improve Clinical Administrative Facility 1			
Restricted Funds	-0-	50,000,000	-0-
028. Construct Ambulatory Facility - UK HealthCare			
Restricted Funds	-0-	50,000,000	-0-
029. Improve McVey Hall			
Restricted Funds	-0-	35,000,000	-0-
030. Construct Clinical/Administrative Facility 1			
Restricted Funds	-0-	50,000,000	-0-
031. Improve Building Systems - UK HealthCare			
Restricted Funds	-0-	50,000,000	-0-
032. Improve Campus Core Quadrangle Facilities			
Restricted Funds	-0-	65,000,000	-0-
033. Improve Clinical/Ambulatory Services Facilities UK HealthCare			
Restricted Funds	-0-	50,000,000	-0-
034. Improve Reynolds Building 1			
Restricted Funds	-0-	35,000,000	-0-
035. Improve Coldstream Research Campus			
Restricted Funds	-0-	50,000,000	-0-
036. Improve Scovell Hall			
Restricted Funds	-0-	45,000,000	-0-
037. Improve Pence Hall			
Restricted Funds	-0-	20,000,000	-0-
038. Upgrade/Renovate/Expand Research Labs			
Restricted Funds	-0-	50,000,000	-0-
039. Expand/Improve Kastle Hall			
Restricted Funds	-0-	43,000,000	-0-
040. Expand/Improve Barnhart Building			
Other Funds	-0-	40,000,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
041. Improve Memorial Hall			
Restricted Funds	-0-	13,000,000	-0-
042. Purchase/Construct CO2 Capture Process Plant			

Federal Funds	-0-	40,000,000	-0-
043. Construct New Alumni Center			
Other Funds	-0-	38,000,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
044. Improve Chemistry/Physics Building Phase 3			
Restricted Funds	-0-	65,000,000	-0-
045. Construct Tennis Facility			
Restricted Funds	-0-	17,500,000	-0-
Other Funds	-0-	17,500,000	-0-
TOTAL	-0-	35,000,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
046. Improve Jacobs Science Building			
Restricted Funds	-0-	32,000,000	-0-
047. Construct Clinical/Administrative Facility 2			
Restricted Funds	-0-	30,000,000	-0-
048. Construct/Improve Parking I			
Restricted Funds	-0-	30,000,000	-0-
049. Improve Barnhart Building			
Restricted Funds	-0-	40,000,000	-0-
050. Construct/Improve Parking II			
Restricted Funds	-0-	30,000,000	-0-
051. Decommission Facilities			
Restricted Funds	-0-	30,000,000	-0-
052. Improve Parking Garage 1			
Restricted Funds	-0-	30,000,000	-0-
053. Improve Parking Garage 2			
Restricted Funds	-0-	30,000,000	-0-
054. Improve Sanders-Brown Building			
Restricted Funds	-0-	35,000,000	-0-
055. Research Equipment Replacement			
Restricted Funds	-0-	30,000,000	-0-
056. Construct Teaching Pavilion			
Restricted Funds	-0-	28,000,000	-0-
057. Acquire/Improve Clinical/Administrative Facility 2			
Restricted Funds	-0-	25,000,000	-0-
058. Improve Dentistry Facility			
Restricted Funds	-0-	25,000,000	-0-
059. Improve Good Samaritan Hospital Facilities UK HealthCare			

Restricted Funds	-0-	25,000,000	-0-
060. Improve Taylor Education Building			
Restricted Funds	-0-	40,000,000	-0-
061. Improve Medical Facility 1			
Restricted Funds	-0-	25,000,000	-0-
062. Improve Dickey Hall			
Restricted Funds	-0-	20,000,000	-0-
063. Improve Medical Facility 2			
Restricted Funds	-0-	25,000,000	-0-
064. Improve Anderson Tower			
Restricted Funds	-0-	6,000,000	-0-
065. Renovate/Upgrade UK HealthCare Facilities - Additional Reauthorization (\$75,000,000 Agency Bonds)			
Agency Bonds	-0-	25,000,000	-0-
066. Repair Emergency Infrastructure/Building Systems			
Restricted Funds	-0-	25,000,000	-0-
067. Construct Agriculture Research Facility 1			
Restricted Funds	-0-	20,000,000	-0-
068. Construct Library Depository Facility			
Restricted Funds	-0-	20,000,000	-0-
069. Construct Indoor Track			
Other Funds	-0-	20,000,000	-0-
(1) Authorization:			
The above authorization is approved pursuant to KRS 45.763.			
070. Improve W.T. Young Facility			
Restricted Funds	-0-	5,000,000	-0-
071. Construct Research/Incubator Facility			
Other Funds	-0-	20,000,000	-0-
(1) Authorization:			
The above authorization is approved pursuant to KRS 45.763.			
072. Renovate/Improve Nursing Building			
Restricted Funds	-0-	2,000,000	-0-
073. Construct/Expand/Renovate Ambulatory Care - UK HealthCare			
Restricted Funds	-0-	20,000,000	-0-
074. Renovate/Improve Frazee Hall			
Restricted Funds	-0-	11,000,000	-0-
075. Expand/Improve Johnson Center			
Restricted Funds	-0-	30,000,000	-0-
076. Improve Markey Cancer Center - UK HealthCare			
Restricted Funds	-0-	20,000,000	-0-
077. Improve Library Facility			
Restricted Funds	-0-	20,000,000	-0-

078.	Improve Student Center Space 2			
	Restricted Funds	-0-	20,000,000	-0-
079.	Upgrade Dining Facilities			
	Restricted Funds	-0-	10,000,000	-0-
	Other Funds	-0-	10,000,000	-0-
	TOTAL	-0-	20,000,000	-0-
(1)	Authorization:	The above authorization is approved pursuant to KRS 45.763.		
080.	Acquire Data Center Hardware - UK HealthCare			
	Restricted Funds	-0-	15,000,000	-0-
081.	Expand/Improve Willard Medical Education Building			
	Restricted Funds	-0-	20,000,000	-0-
082.	Acquire/Improve Elevator System - UK HealthCare			
	Restricted Funds	-0-	15,000,000	-0-
083.	Construct Engineering Center Building			
	Restricted Funds	-0-	110,000,000	-0-
084.	Construct/Improve Clinical/Administrative Facilities - UK HealthCare			
	Restricted Funds	-0-	15,000,000	-0-
085.	Construct/Improve Recreation Quad 1			
	Restricted Funds	-0-	15,000,000	-0-
086.	Improve Life Safety			
	Restricted Funds	-0-	15,000,000	-0-
087.	Construct/Fit-Up Retail Space			
	Restricted Funds	-0-	10,000,000	-0-
	Other Funds	-0-	5,000,000	-0-
	TOTAL	-0-	15,000,000	-0-
088.	Renovate/Improve Mineral Industries Building			
	Restricted Funds	-0-	6,000,000	-0-
089.	Improve Lancaster Aquatic Center 1			
	Other Funds	-0-	12,000,000	-0-
090.	Improve Medical Center Library			
	Restricted Funds	-0-	12,000,000	-0-
091.	Improve University Storage Facility			
	Restricted Funds	-0-	12,000,000	-0-
092.	Construct Equine Campus, Phase 2			
	Restricted Funds	-0-	11,000,000	-0-
093.	Improve Peterson Service Building			
	Restricted Funds	-0-	14,000,000	-0-
094.	Acquire Telemedicine/Virtual ICU - UK HealthCare			

Restricted Funds	-0-	10,000,000	-0-
095. Acquire/Renovate Administrative Facility			
Restricted Funds	-0-	10,000,000	-0-
096. Acquire/Upgrade IT System - UK HealthCare			
Restricted Funds	-0-	10,000,000	-0-
097. Construct Agriculture Research Facility 2			
Restricted Funds	-0-	10,000,000	-0-
098. Construct Metal Arts/Digital Media Building			
Restricted Funds	-0-	10,000,000	-0-
099. Construct/Renovate Gymnastic Practice Facility			
Other Funds	-0-	10,000,000	-0-
100. Implement Patient Communication System - UK HealthCare			
Restricted Funds	-0-	10,000,000	-0-
101. Improve Moloney Building			
Restricted Funds	-0-	17,000,000	-0-
102. Improve Athletics Facility 1			
Other Funds	-0-	10,000,000	-0-
103. Improve Athletics Facility 2			
Other Funds	-0-	10,000,000	-0-
104. Improve Spindletop Hall Facilities			
Restricted Funds	-0-	15,000,000	-0-
105. Expand/Renovate/Improve Sturgill Development Building			
Restricted Funds	-0-	4,000,000	-0-
106. Improve DLAR Facilities			
Restricted Funds	-0-	10,000,000	-0-
107. Construct/Improve Office Building			
Restricted Funds	-0-	55,000,000	-0-
108. Improve Wildcat Coal Lodge			
Other Funds	-0-	10,000,000	-0-
109. Construct Facilities Shops & Storage Facility			
Restricted Funds	-0-	27,000,000	-0-
110. Lease-Purchase Campus Infrastructure			
Restricted Funds	-0-	10,000,000	-0-
111. Improve Academic Facility 1			
Restricted Funds	-0-	16,000,000	-0-
112. Lease-Purchase Campus IT Systems			
Restricted Funds	-0-	10,000,000	-0-
113. Expand/Renovate/Improve LTS Facility			
Restricted Funds	-0-	20,000,000	-0-

114.	Improve Lancaster Aquatic Center 2			
	Other Funds	-0-	8,000,000	-0-
115.	Construct Childcare Center Facility			
	Restricted Funds	-0-	10,000,000	-0-
116.	Improve Kroger Field Stadium			
	Other Funds	-0-	7,000,000	-0-
117.	Improve Carnahan House			
	Restricted Funds	-0-	8,000,000	-0-
118.	Lease - Purchase High Performance Computer			
	Restricted Funds	-0-	7,000,000	-0-
119.	Renovate/Improve Nursing Units - UK HealthCare			
	Restricted Funds	-0-	7,000,000	-0-
120.	Acquire/Improve Golf Facility			
	Other Funds	-0-	6,000,000	-0-
121.	Expand Kentucky Geological Survey Well Sample and Core Repository			
	Restricted Funds	-0-	6,000,000	-0-
122.	Improve Academic/Administrative Space 1			
	Restricted Funds	-0-	10,000,000	-0-
123.	Improve Athletics Facility 3			
	Other Funds	-0-	6,000,000	-0-
124.	Improve Academic/Administrative Space 2			
	Restricted Funds	-0-	10,000,000	-0-
125.	Improve Seaton Center			
	Restricted Funds	-0-	6,000,000	-0-
126.	Acquire Equipment/Furnishings Pool			
	Other Funds	-0-	5,000,000	-0-
127.	Improve Academic/Administrative Space 3			
	Restricted Funds	-0-	10,000,000	-0-
128.	ADA Compliance Pool			
	Restricted Funds	-0-	5,000,000	-0-
129.	Improve Academic/Administrative Space 4			
	Restricted Funds	-0-	10,000,000	-0-
130.	Construct Hospice Facility - UK HealthCare			
	Restricted Funds	-0-	5,000,000	-0-
131.	Construct/Improve Athletics Facility			
	Other Funds	-0-	5,000,000	-0-
132.	Construct/Improve Campus Recreation Field 1			
	Restricted Funds	-0-	5,000,000	-0-

133.	Improve Student Center Space 3			
	Restricted Funds	-0-	25,000,000	-0-
134.	Construct/Improve Campus Recreation Field 2			
	Restricted Funds	-0-	5,000,000	-0-
135.	Construct/Improve Campus Recreation Field 3			
	Restricted Funds	-0-	5,000,000	-0-
136.	Improve Patterson Hall			
	Restricted Funds	-0-	12,000,000	-0-
137.	Improve Athletics Facility 4			
	Other Funds	-0-	5,000,000	-0-
138.	Improve Athletics Facility 5			
	Other Funds	-0-	5,000,000	-0-
139.	Improve Baseball Facility Phase II			
	Other Funds	-0-	5,000,000	-0-
140.	Improve Campus Infrastructure			
	Restricted Funds	-0-	5,000,000	-0-
141.	Improve Enterprise Networking 1			
	Restricted Funds	-0-	5,000,000	-0-
142.	Improve Civil/Site Infrastructure			
	Restricted Funds	-0-	50,000,000	-0-
143.	Improve Enterprise Networking 2			
	Restricted Funds	-0-	5,000,000	-0-
144.	Improve Electrical Infrastructure			
	Restricted Funds	-0-	28,000,000	-0-
145.	Improve Joe Craft Center			
	Other Funds	-0-	5,000,000	-0-
146.	Improve Mechanical Infrastructure			
	Restricted Funds	-0-	26,000,000	-0-
147.	Improve Medical Plaza			
	Restricted Funds	-0-	5,000,000	-0-
148.	Improve Building Mechanical Systems			
	Restricted Funds	-0-	35,000,000	-0-
149.	Improve Nutter Training Facility			
	Other Funds	-0-	5,000,000	-0-
150.	Improve Soccer/Softball Facility			
	Other Funds	-0-	5,000,000	-0-
151.	Improve Building Electrical Systems			
	Restricted Funds	-0-	10,000,000	-0-
152.	Lease - Purchase Campus Call Center System			

Restricted Funds	-0-	5,000,000	-0-
153. Acquire/Improve Elevator Systems			
Restricted Funds	-0-	10,000,000	-0-
154. Lease - Purchase Network Security			
Restricted Funds	-0-	5,000,000	-0-
155. Improve Building Shell Systems			
Restricted Funds	-0-	40,000,000	-0-
156. Renovate Space for a Testing Center			
Restricted Funds	-0-	5,000,000	-0-
157. Expand/Improve Cooper House			
Restricted Funds	-0-	4,000,000	-0-
158. Improve Fume Hood Systems			
Restricted Funds	-0-	10,000,000	-0-
159. Repair/Replace Campus Cable Infrastructure			
Restricted Funds	-0-	4,000,000	-0-
160. Acquire Transportation Buses Pool			
Restricted Funds	-0-	3,000,000	-0-
161. Construct Cross Country Trail			
Other Funds	-0-	3,000,000	-0-
162. Construct/Improve Athletics Playing Fields 1			
Other Funds	-0-	3,000,000	-0-
163. Construct/Improve Athletics Playing Fields 2			
Other Funds	-0-	3,000,000	-0-
164. Construct/Relocate Data Center			
Restricted Funds	-0-	50,000,000	-0-
165. Lease - Purchase Voice Infrastructure			
Restricted Funds	-0-	3,000,000	-0-
166. Relocate/Replace Greenhouses			
Restricted Funds	-0-	3,000,000	-0-
167. Acquire Information Technology Systems			
Other Funds	-0-	2,000,000	-0-
168. Construct North Farm Agriculture Research Facility			
Restricted Funds	-0-	2,000,000	-0-
169. Improve Joe Craft Football Practice Facility			
Other Funds	-0-	2,000,000	-0-
170. Improve Nutter Field House			
Other Funds	-0-	2,000,000	-0-
171. Improve Senior Center			

Restricted Funds	-0-	2,000,000	-0-
172. Construct Data Center - UKHC			
Restricted Funds	-0-	45,000,000	-0-
173. Improve Sanders-Brown Center on Aging/Neuroscience Facilities			
Completion			
Bond Funds	-0-	14,000,000	-0-
Other Funds	-0-	14,000,000	-0-
TOTAL	-0-	28,000,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
174. Construct Police Headquarters			
Restricted Funds	-0-	27,000,000	-0-
175. Construct Indoor Track			
Restricted Funds	-0-	20,000,000	-0-
176. Upgrade/Expand Campus Security Platform			
Restricted Funds	-0-	10,000,000	-0-
177. Construct Beam Institute 1			
Restricted Funds	-0-	10,000,000	-0-
178. Construct Beam Institute 2			
Restricted Funds	-0-	10,000,000	-0-
179. Construct/Fit-Up Retail Space			
Other Funds	-0-	5,000,000	-0-
180. Construct Housing Reauthorization (\$50,000,000 Agency Bonds)			
181. Renovate/Modernize Facilities Reauthorization (\$63,000,000 Agency Bonds)			
182. Renovate/Improve Housing Reauthorization (\$50,000,000 Agency Bonds)			
183. Lease - College of Medicine 1			
184. Lease - College of Medicine 2			
185. Lease - College of Medicine 3			
186. Lease - College of Medicine 4			
187. Lease - College of Medicine 5			
188. Lease - Administrative Space			
189. Lease - Good Samaritan - UK HealthCare			
190. Lease - Off Campus Athletics 1			
191. Lease - Off Campus Athletics 2			
192. Lease - Off Campus Housing 1			
193. Lease - Off Campus Housing 2			
194. Lease - Off Campus 2			
195. Lease - Grant Projects 1			
196. Lease - Grant Projects 2			
197. Lease - Grant Projects 3			

198. Lease - Health Affairs Office 1
199. Lease - Health Affairs Office 2
200. Lease - Health Affairs Office 3
201. Lease - Health Affairs Office 4
202. Lease - Health Affairs Office 5
203. Lease - Health Affairs Office 6
204. Lease - Health Affairs Office 7
205. Lease - Health Affairs Office 8
206. Lease - Health Affairs Office 9
207. Lease - Health Affairs Office 10
208. Lease - Health Affairs Office 11
209. Lease - Health Affairs Office 12
210. Lease - Health Affairs Office 13
211. Lease - Health Affairs Office 14
212. Lease - Health Affairs Office 15
213. Lease - Off Campus 1
214. Lease - Off Campus 2
215. Lease - Off Campus 3
216. Lease - Off Campus 4
217. Lease - Off Campus 5
218. Lease - Off Campus 6
219. Lease - Off Campus 7
220. Lease - Off Campus 8
221. Lease - Off Campus 9
222. Lease - Off Campus 10
223. Lease - Off Campus 11
224. Lease - Off Campus 12
225. Lease - Off Campus 13
226. Lease - UK HealthCare Grant Project 1
227. Lease - UK HealthCare Grant Project 2
228. Lease - UK HealthCare Off Campus Facility 1
229. Lease - UK HealthCare Off Campus Facility 2
230. Lease - UK HealthCare Off Campus Facility 3
231. Lease - UK HealthCare Off Campus Facility 4
232. Lease - UK HealthCare Off Campus Facility 5
233. Lease - UK HealthCare Off Campus Facility 6
234. Lease - UK HealthCare Off Campus Facility 7
235. Lease - UK HealthCare Off Campus Facility 8

236.	Lease - UK HealthCare Off Campus Facility 9			
237.	Lease - UK HealthCare Off Campus Facility 10			
238.	Lease - UK HealthCare Off Campus Facility 11			
239.	Lease - UK HealthCare Off Campus Facility 12			
240.	Guaranteed Energy Savings Performance Contracts - UK HealthCare			
241.	Guaranteed Energy Savings Performance Contracts			
242.	Construct Agriculture Federal Research Facility I			
	Federal Funds	-0-	-0-	80,000,000
243.	Construct Agriculture Federal Research Facility II			
	Federal Funds	-0-	-0-	80,000,000

9. UNIVERSITY OF LOUISVILLE

001.	Construct College of Business			
	Agency Bonds	-0-	40,000,000	-0-
	Other Funds	-0-	80,000,000	-0-
	TOTAL	-0-	120,000,000	-0-
002.	Construct Athletics Village			
	Other Funds	-0-	90,000,000	-0-
003.	Purchase Housing Facilities			
	Restricted Funds	-0-	75,000,000	-0-
004.	Renovate Vivarium Facilities			
	Restricted Funds	-0-	75,000,000	-0-
005.	Renovate Ekstrom Library			
	Restricted Funds	-0-	57,200,000	-0-
006.	Public/Private Partnership Residence Hall			
	Other Funds	-0-	51,000,000	-0-
(1) Authorization:	The above authorization is approved pursuant to KRS 45.763.			
007.	Renovation and Adaptation Projects for Various Buildings			
	Restricted Funds	-0-	50,000,000	-0-
008.	Renovate School of Medicine Building 55A			
	Restricted Funds	-0-	42,000,000	-0-
009.	Acquisition of Dormitories			
	Restricted Funds	-0-	41,150,000	-0-
010.	Construct New Natatorium			
	Other Funds	-0-	25,000,000	-0-
011.	Replace HVAC Various Buildings			
	Restricted Funds	-0-	25,000,000	-0-
012.	Construct/Upgrade Utility Infrastructure			
	Restricted Funds	-0-	21,975,000	-0-
013.	Purchase Next Generation/ERP Support System			

Restricted Funds	-0-	20,000,000	-0-
014. Renovate Health Sciences Center Instructional and Student Services Space			
Restricted Funds	-0-	20,000,000	-0-
015. Vivarium Equipment Pool - 2020-2022			
Restricted Funds	-0-	20,000,000	-0-
016. Public/Private Partnership Dormitory Students and Athletes			
Other Funds	-0-	17,202,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
017. Construct Indoor Facility			
Other Funds	-0-	15,000,000	-0-
018. Purchase Land			
Restricted Funds	-0-	15,000,000	-0-
019. Exterior Envelope Replacement School of Medicine Building 55A			
Restricted Funds	-0-	15,000,000	-0-
020. Renovate School of Nursing Building			
Restricted Funds	-0-	11,380,000	-0-
021. Regional Biocontainment Laboratory Pressurization Upgrade			
Restricted Funds	-0-	10,868,800	-0-
022. Basketball/Lacrosse Practice Facility Expansion			
Other Funds	-0-	19,000,000	-0-
023. Improve Housing Facilities Pool - 2020-2022			
Restricted Funds	-0-	10,000,000	-0-
024. Renovate Cardinal Football Stadium			
Other Funds	-0-	10,000,000	-0-
025. Expand Jim Patterson Stadium and Construct Indoor Facility			
Other Funds	-0-	16,000,000	-0-
026. Expand Ulmer Softball Stadium			
Other Funds	-0-	8,000,000	-0-
027. Purchase Networking System			
Restricted Funds	-0-	8,000,000	-0-
028. Capital Renewal for Athletic Venues - 2020-2022			
Other Funds	-0-	7,500,000	-0-
029. Construct Athletics Office Building			
Other Funds	-0-	7,500,000	-0-
030. Purchase Research Computing Infrastructure			
Restricted Funds	-0-	7,000,000	-0-
031. Replace Seats in Athletic Venues			

Other Funds	-0-	7,000,000	-0-
032. Law School HVAC			
Restricted Funds	-0-	6,715,000	-0-
033. Cardinal Stadium WiFi			
Other Funds	-0-	6,000,000	-0-
034. College of Education HVAC Upgrade			
Restricted Funds	-0-	5,456,000	-0-
035. Expand Marshall Center Complex			
Other Funds	-0-	5,000,000	-0-
036. Renovate Office Building			
Restricted Funds	-0-	4,350,000	-0-
037. Construct Practice Bubble			
Other Funds	-0-	4,000,000	-0-
038. Purchase Content Management System			
Restricted Funds	-0-	4,000,000	-0-
039. Renovate Parking Structures			
Restricted Funds	-0-	3,600,000	-0-
040. Purchase Fiber Instructure			
Restricted Funds	-0-	3,500,000	-0-
041. Belknap Brandeis Corridor Improvements			
Restricted Funds	-0-	3,100,000	-0-
042. Renovate Bass Rudd Tennis Center			
Other Funds	-0-	3,000,000	-0-
043. Renovate Cardinal Park			
Other Funds	-0-	8,000,000	-0-
044. Resurface and Repair Parking Lot			
Restricted Funds	-0-	2,500,000	-0-
045. Belknap 3rd Street Improvements			
Restricted Funds	-0-	2,180,000	-0-
046. Athletics Enhancements in New Dormitory			
Other Funds	-0-	2,000,000	-0-
047. Demolish and Construct Golf Maintenance/Chemical Building			
Other Funds	-0-	2,000,000	-0-
048. Football Practice Field Lighting			
Other Funds	-0-	2,000,000	-0-
049. Purchase Identity Management			
Restricted Funds	-0-	2,000,000	-0-
050. Renovate Garvin Brown Boathouse			
Other Funds	-0-	2,000,000	-0-

051. Cardinal Stadium Club Upgrades			
Other Funds	-0-	2,000,000	-0-
052. Replace Electronic Video Boards			
Other Funds	-0-	2,000,000	-0-
053. Construct Athletic Grounds Building			
Other Funds	-0-	1,550,000	-0-
054. Renovate Ville Grill			
Restricted Funds	-0-	2,100,000	-0-
055. Replace Artificial Turf Field III			
Other Funds	-0-	1,250,000	-0-
056. Replace Artificial Turf Field IV			
Other Funds	-0-	1,250,000	-0-
057. Renovate Dental School Administrative Space			
Restricted Funds	-0-	1,000,000	-0-
058. Renovate Marshall Center			
Other Funds	-0-	1,000,000	-0-
059. Renovate Golf Club Shelby County			
Other Funds	-0-	1,000,000	-0-
060. Renovate Lynn Soccer Stadium			
Other Funds	-0-	1,000,000	-0-
061. Renovate Thornton's Academic Center			
Other Funds	-0-	1,000,000	-0-
062. Renovate Trager Football Practice Facility			
Other Funds	-0-	1,000,000	-0-
063. Renovate Patterson Baseball Stadium			
Other Funds	-0-	1,000,000	-0-
064. Construct LARRI Facility			
Other Funds	-0-	-0-	5,500,000

(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

065. Demolish and Construct Residence Halls Reauthorization and Reallocation (\$90,000,000 Agency Bonds)

(1) **Reauthorization and Reallocation:** The above project is authorized from a reallocation of the projects set forth in 2018 Ky. Acts ch. 169, Part II, J., 075. and 077..

066. Steam Plant Modernization

(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

067. Academic Space 1 - Lease

068. Academic Space 2 - Lease

069. Housing 1 - Lease

070. Housing 2 - Lease

- 071. Housing 3 - Lease
- 072. Housing 4 - Lease
- 073. Jefferson County - Clinic Space 1 - Lease
- 074. Jefferson County - Clinic Space 2 - Lease
- 075. Jefferson County - Clinic Space 3 - Lease
- 076. Jefferson County - Clinic Space - State of Kentucky - Lease
- 077. Jefferson County - Office Space 1 - Lease
- 078. Jefferson County - Office Space 2 - Lease
- 079. Jefferson County - Office Space 3 - Lease
- 080. Jefferson County - Office Space 4 - Lease
- 081. Nucleus 1 Building - Lease
- 082. Nucleus 1 Building 2 - Lease
- 083. Medical Center One - Lease
- 084. Medical Center One 2 - Lease
- 085. University Pointe and Cardinal Towne - Lease
- 086. Trager Institute - Lease
- 087. Arthur Street - Lease
- 088. Housing Facilities - Lease
- 089. Support Space 1 - Lease
- 090. Athletic/Student Dormitory - Lease
- 091. Guaranteed Energy Savings Performance Contracts

10. WESTERN KENTUCKY UNIVERSITY

001. Renovate and Expand Innovation Campus			
Other Funds	-0-	80,000,000	-0-
002. Construct Parking Structure IV			
Agency Bonds	-0-	25,000,000	-0-
003. Renovate Grise Hall			
Restricted Funds	-0-	32,200,000	-0-
004. Renovate and Expand Clinical Education Complex			
Other Funds	-0-	8,000,000	-0-
005. Demolish Tate Page Hall/Improve Site			
Restricted Funds	-0-	6,000,000	-0-
006. Renovate Center for Research and Development Phase 1			
Restricted Funds	-0-	6,000,000	-0-
007. Replace Underground Infrastructure			
Restricted Funds	-0-	25,000,000	-0-
008. Renovate South Campus			
Restricted Funds	-0-	5,000,000	-0-
009. Demolish Garrett Conference Center/Improve Site			

Restricted Funds	-0-	7,000,000	-0-
010. Construct South Plaza			
Other Funds	-0-	3,600,000	-0-
011. Renovate Raymond Cravens Library			
Restricted Funds	-0-	40,300,000	-0-
012. Acquire Fixtures, Furnishings, and Equipment Pool - 2020-2022			
Restricted Funds	-0-	3,000,000	-0-
013. Renovate Ogden College of Science & Engineering Facility			
Restricted Funds	-0-	75,800,000	-0-
014. Renovate Potter College Arts & Letters Facilities			
Restricted Funds	-0-	96,400,000	-0-
015. Renovate Academic Complex			
Restricted Funds	-0-	27,500,000	-0-
016. Demolish Foundation Building/Improve Site			
Other Funds	-0-	3,000,000	-0-
017. Purchase Property for Campus Expansion 2020-2022			
Restricted Funds	-0-	3,000,000	-0-
018. Improve Life Safety Pool/Academic Buildings			
Restricted Funds	-0-	27,500,000	-0-
019. Purchase Property/Parking and Street Improvements 2020-2022			
Restricted Funds	-0-	3,000,000	-0-
020. Repair/Replace Roof at Center for Research and Development			
Restricted Funds	-0-	5,100,000	-0-
021. Renovate Police Department			
Restricted Funds	-0-	2,000,000	-0-
022. Remove and Replace Student Housing at Farm			
Other Funds	-0-	1,500,000	-0-
023. Renovate Kentucky Building			
Restricted Funds	-0-	17,500,000	-0-
024. Renovate State and Normal Street Properties			
Restricted Funds	-0-	1,500,000	-0-
025. Renovate Tate Page Hall			
Restricted Funds	-0-	1,200,000	-0-
026. Alumni Center - Lease			
027. Renovate Central Heat Plant			
Restricted Funds	-0-	5,100,000	-0-
028. Nursing and Physical Therapy - Lease			
029. Renovate Jones Jagers Interior			

Restricted Funds	-0-	1,000,000	-0-
030. Parking Garage - Lease			
031. Guaranteed Energy Savings Performance Contracts			
032. Construct, Renovate and Improve Athletic Facilities			
Agency Bonds	-0-	50,000,000	-0-
033. Capital Renewal Pool - 2020-2022			
Restricted Funds	-0-	10,000,000	-0-
034. Renovate Health Sciences Complex Classroom			
Restricted Funds	-0-	1,500,000	-0-
11. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM			
001. Renovate Instructional Space - Gateway CTC			
Restricted Funds	-0-	7,000,000	-0-
002. Construct Fire Commission NRPC Classroom Building			
Restricted Funds	-0-	5,200,000	-0-
003. Acquire and Improve Parking Lots - Jefferson CTC			
Restricted Funds	-0-	5,000,000	-0-
004. Construct/Procure Transportation Center - Elizabethtown CTC			
Restricted Funds	-0-	5,000,000	-0-
005. KCTCS Equipment Pool - 2020-2022			
Restricted Funds	-0-	5,000,000	-0-
006. KCTCS Property Acquisition Pool - 2020-2022			
Restricted Funds	-0-	5,000,000	-0-
007. Renovate Newtown Campus North Buildings - Bluegrass CTC			
Restricted Funds	-0-	4,900,000	-0-
008. Renovate Advanced Manufacturing and Construction Center - Hazard CTC			
Restricted Funds	-0-	1,000,000	-0-
Federal Funds	-0-	3,900,000	-0-
TOTAL	-0-	4,900,000	-0-
009. Renovate Industrial Education Building - Hazard CTC			
Federal Funds	-0-	2,500,000	-0-
010. Renovate Parking Lot and Sidewalks - West Ky CTC			
Restricted Funds	-0-	2,100,000	-0-
011. Upgrade IT Infrastructure - Gateway CTC			
Restricted Funds	-0-	1,500,000	-0-
012. Construct Fire Commission Five Story Training Drill Tower			
Restricted Funds	-0-	1,200,000	-0-
013. Renovate Dental Hygiene Clinic - Big Sandy CTC - Mayo Campus Reauthorization (\$3,000,000 Restricted Funds)			

- 014. Upgrade Welding Shop - Big Sandy CTC - Mayo Campus Reauthorization (\$1,500,000 Restricted Funds)
- 015. Jefferson CTC - Bullitt County Campus - Lease
- 016. Jefferson CTC - Jefferson Education Center - Lease
- 017. KCTCS System Office - Lease
- 018. Maysville CTC - Rowan Campus - Lease
- 019. Elizabethtown CTC - Hardin County - Lease
- 020. Guaranteed Energy Savings Performance Contracts

K. TOURISM, ARTS AND HERITAGE CABINET

Budget Units	2019-20	2020-21	2021-22
1. PARKS			
001. Maintenance Pool - 2020-2022			
Bond Funds	-0-	5,000,000	5,000,000
002. Wastewater Treatment Upgrades Pool - 2020-2022			
Bond Funds	-0-	5,000,000	5,000,000
2. HORSE PARK COMMISSION			
001. Maintenance Pool - 2020-2022			
Investment Income	-0-	900,000	900,000
3. STATE FAIR BOARD			
001. Prestonia Grounds and Infrastructure Improvements			
Bond Funds	3,000,000	1,000,000	-0-
002. Maintenance Pool - 2020-2022			
Bond Funds	-0-	1,500,000	1,500,000
4. FISH AND WILDLIFE RESOURCES			
001. Fees-in-Lieu-of Stream Mitigation Projects Pool - Reauthorization (\$40,000,000 Restricted Funds)			
Restricted Funds	-0-	11,000,000	65,000,000
5. HERITAGE COUNCIL			
001. Records Digitization Reauthorization and Reallocation (\$1,000,000 Bond Funds)			
(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the project set forth in 2014 Ky. Acts ch. 117 Part II, L., 5, 001..			
6. KENTUCKY CENTER FOR THE ARTS			
001. Maintenance Pool - 2020-2022			
Investment Income	-0-	240,000	240,000

PART III

GENERAL PROVISIONS

1. Funds Designations: Restricted Funds designated in the biennial budget bills are classified in the state financial records and reports as the Agency Revenue Fund, State Enterprise Funds (State Parks, State Fair Board, Insurance Administration, and Kentucky Horse Park), Internal Services Funds (Fleet Management, Computer Services, Correctional Industries, Central Printing, Risk Management, and Property Management), and selected Fiduciary Funds (Other Expendable Trust Funds). Separate fund records and reports shall be maintained in a manner consistent with the branch budget bills.

The sources of Restricted Funds appropriations in this Act shall include all fees (which includes fees for room and board, athletics, and student activities) and rentals, admittances, sales, bond proceeds, licenses collected by law, gifts, subventions, contributions, income from investments, and other miscellaneous receipts produced or received by a budget unit, except as otherwise specifically provided, for the purposes, use, and benefit of the budget unit as authorized by law. Restricted Funds receipts shall be credited and allotted to the respective fund or account out of which a specified appropriation is made in this Act. All receipts of Restricted Funds shall be deposited in the State Treasury and credited to the proper account as provided in KRS Chapters 12, 42, 45, and 48.

The sources of Federal Funds appropriations in this Act shall include federal subventions, grants, contracts, or other Federal Funds received, income from investments, other miscellaneous federal receipts received by a budget unit, and the Unemployment Compensation Fund, except as otherwise provided, for the purposes, use, and benefit of the budget unit as authorized by law. Federal Funds receipts shall be credited and allotted to the respective fund account out of which a specified appropriation is made in this Act. All Federal Funds receipts shall be deposited in the State Treasury and credited to the proper account as provided in KRS Chapters 12, 42, 45, and 48.

2. Expenditure of Excess Federal Funds Receipts: If receipts received or credited to the Federal Funds accounts of a budget unit during fiscal year 2020-2021 or fiscal year 2021-2022, and any balance forwarded to the credit of these same accounts from the previous fiscal year, exceed the appropriation made by a specific sum for these accounts of the budget unit as provided in Part I, Operating Budget, of this Act, for the fiscal year in which the excess occurs, the excess funds in the accounts of the budget unit shall become available for expenditure for the purpose of the account during the fiscal year only upon compliance with the conditions and procedures specified in KRS 48.400, 48.500, 48.600, 48.605, 48.610, 48.620, 48.630, 48.730, and 48.800, and with the authorization of the State Budget Director and approval of the Secretary of the Finance and Administration Cabinet.

Any request made by a budget unit pursuant to KRS 48.630 that relates to Federal Funds shall include documentation showing a comparative statement of revised estimated receipts by fund source and the proposed expenditures by proposed use, with the appropriated sums specified in the Budget of the Commonwealth, and statements which explain the cause, source, and use for any variances which may exist.

Each budget unit shall submit its reports in print and electronic format consistent with the Federal Funds records contained in the fiscal biennium 2020-2022 Branch Budget Request Manual and according to the following schedule in each fiscal year: (a) on or before the beginning of each fiscal year; (b) on or before October 1; (c) on or before January 1; and (d) on or before April 1.

Notwithstanding KRS 48.630, no unbudgeted Restricted Funds shall be allotted or expended without the express authority of the General Assembly, with the exceptions of the Public Service Commission and institutions of higher education.

3. Interim Appropriation Increases: No appropriation from any fund source shall exceed the sum specified in this Act until the agency has documented the necessity, purpose, use, and source, and the documentation has been submitted to the Interim Joint Committee on Appropriations and Revenue for its review and action in accordance with KRS 48.630 and Part III, 2. of this Act. Proposed revisions to an appropriation contained in the enacted Executive Budget or allotment of an unbudgeted appropriation shall conform to the conditions and procedures of KRS 48.630 and this Act.

Notwithstanding KRS 48.630(3), (4), and (5), any proposed and recommended actions to increase appropriations for funds specified in Section 2. of this Part shall be scheduled consistent with the timetable contained in that section in order to provide continuous and timely budget information.

4. Revision of Appropriation Allotments: Allotments within appropriated sums for the activities and purposes contained in the enacted Executive Budget shall conform to KRS 48.610 and may be revised pursuant to KRS 48.605 and this Act.

5. Permitted Appropriation Obligations: No state agency, cabinet, department, office, or program shall incur any obligation against the General Fund or Road Fund appropriations contained in this Act unless the obligation may be reasonably determined to have been contemplated in the enacted budget and is based upon supporting documentation considered by the General Assembly and legislative and executive records.

6. Lapse of General Fund or Road Fund Appropriations Supplanted by Federal Funds: Any General Fund or Road Fund appropriation made in anticipation of a lack, loss, or reduction of Federal Funds shall lapse to the General Fund or Road Fund Surplus Account, respectively, to the extent the Federal Funds otherwise become available.

7. Federally Funded Agencies: A state agency entitled to Federal Funds, which would represent 100 percent of the cost of a program, shall conform to KRS 48.730.

8. Lapse of General Fund or Road Fund Excess Debt Service Appropriations: Pursuant to KRS 48.720, any excess General Fund or Road Fund debt service shall lapse to the respective surplus account unless otherwise directed in this Act.

9. Statutes in Conflict: All statutes and portions of statutes in conflict with any of the provisions of this Act, to the extent of the conflict, are suspended unless otherwise provided by this Act.

10. Interpretation of Appropriations: Notwithstanding KRS 48.500, all questions that arise in interpreting this Act and the Transportation Cabinet budget shall be decided by the Attorney General, and the decision of the Attorney General shall be final and conclusive.

11. Publication of the Budget of the Commonwealth: The State Budget Director shall cause the Governor's Office for Policy and Management, within 60 days of adjournment of the 2020 and 2021 Regular Sessions of the General Assembly, to publish a final enacted budget document, styled the Budget of the Commonwealth, based upon the Legislative Budget, Executive Budget, Transportation Cabinet Budget, and Judicial Budget as enacted by the 2020 and 2021 Regular Sessions, as well as other Acts which contain appropriation provisions for the 2020-2022 fiscal biennium, and based upon supporting documentation and legislative records as considered by the 2020 and 2021 Regular Sessions. This document shall include, for each agency and budget unit, a consolidated budget summary statement of available regular and continuing appropriated revenue by fund source, corresponding appropriation allocations by program or subprogram as appropriate, budget expenditures by principal budget class, and any other fiscal data and commentary considered necessary for budget execution by the Governor's Office for Policy and Management and oversight by the Interim Joint Committee on Appropriations and Revenue. The enacted Executive Budget and Transportation Cabinet Budget shall be revised or adjusted only upon approval by the Governor's Office for Policy and Management as provided in each Part of this Act and by KRS 48.400 to 48.810, and upon review and approval by the Interim Joint Committee on Appropriations and Revenue.

12. State Financial Condition: Pursuant to KRS 48.400, the State Budget Director shall monitor and report on the financial condition of the Commonwealth.

13. Prorating Administrative Costs: The Secretary of the Finance and Administration Cabinet is authorized to establish a system or formula or a combination of both for prorating the administrative costs of the Finance and Administration Cabinet, the Department of the Treasury, and the Office of the Attorney General relative to the administration of programs in which there is joint participation by the state and federal governments for the purpose of receiving the maximum amount of participation permitted under the appropriate federal laws and regulations governing the programs. The receipts and allotments under this section shall be reported to the Interim Joint Committee on Appropriations and Revenue prior to any transfer of funds.

14. Construction of Budget Provisions Regarding Executive Reorganization Orders: Nothing in this Act shall be construed to confirm or ratify, under KRS 12.027 or 12.028, any executive reorganization order unless the executive order was confirmed or ratified by appropriate amendment to the Kentucky Revised Statutes in another Act of the 2020 or 2021 Regular Sessions of the General Assembly.

15. Budget Planning Report: By August 15, 2021, the State Budget Director, in conjunction with the Consensus Forecasting Group, shall provide to each branch of government, pursuant to KRS 48.120, a budget planning report.

16. Tax Expenditure Revenue Loss Estimates: By October 15, 2021, the Office of State Budget Director shall provide to each branch of government detailed estimates for the General Fund and Road Fund for the current and next two fiscal years of the revenue loss resulting from tax expenditures. The Department of Revenue shall provide assistance and furnish data, which is not restricted by KRS 131.190. "Tax expenditure" as used in this section means an exemption, exclusion, or deduction from the base of a tax, a credit against the tax, a deferral of a tax, or a preferential tax rate. The estimates shall include for each tax expenditure the amount of revenue loss, a citation of the legal authority for the tax expenditure, the year in which it was enacted, and the tax year in which it became effective.

17. Duplicate Appropriations: Any appropriation item and sum in Parts I to X of this Act and in an appropriation provision in any Act of the 2020 or 2021 Regular Sessions which constitutes a duplicate appropriation shall be governed by KRS 48.312.

18. Priority of Individual Appropriations: KRS 48.313 shall control when a total or subtotal figure in this Act conflicts with the sum of the appropriations of which it consists.

19. Severability of Budget Provisions: Appropriation items and sums in Parts I to X of this Act shall conform to KRS 48.311. If any section, any subsection, or any provision is found by a court of competent jurisdiction in a final, unappealable order to be invalid or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions.

20. Unclaimed Lottery Prize Money: For fiscal year 2020-2021 and fiscal year 2021-2022, all unclaimed lottery prize money under KRS 154A.110(3) shall be credited to the Kentucky Educational Excellence Scholarship Reserve Account to be held as a subsidiary account within the Finance and Administration Cabinet for the purpose of funding the KEES Program as appropriated in this Act. If the Kentucky Higher Education Assistance Authority certifies to the State Budget Director that the appropriations in this Act for the KEES Program under the existing award schedule are insufficient to meet funds required for eligible applicants, then the State Budget Director shall provide the necessary allotment of funds in the balance of the KEES Reserve Account to fund the KEES Program. Actions taken under this section shall be reported to the Interim Joint Committee on Appropriations and Revenue on a timely basis.

21. Workers' Compensation: Notwithstanding KRS 342.340(1) and 803 KAR 25:021, Section 5, the Personnel Cabinet shall be exempt from procuring excess risk insurance in fiscal year 2020-2021 and fiscal year 2021-2022 for the Workers' Compensation Benefits and Reserve Program administered by the Cabinet.

22. Carry Forward and Undesignated General Fund and Road Fund Carry Forward: Notwithstanding KRS 48.700 and 48.705, and other Parts of this Act, the Secretary of the Finance and Administration Cabinet shall determine and certify, within 30 days of the close of fiscal year 2019-2020 and fiscal year 2020-2021, the actual amount of undesignated balance of the General Fund and the Road Fund for the year just ended. The amounts from the undesignated fiscal year 2019-2020 and fiscal year 2020-2021 General Fund and Road Fund balances that are designated and carried forward for budgeted purposes in the 2020-2022 fiscal biennium shall be determined by the State Budget Director during the close of the respective fiscal year and shall be reported to the Interim Joint Committee on Appropriations and Revenue within 30 days of the close of the fiscal year. Any General Fund undesignated balance in excess of the amount designated for budgeted purposes under this section shall be made available for the General Fund Surplus Expenditure Plan contained in Part VII of this Act unless otherwise provided in this Act. The Road Fund undesignated balance in excess of the amount designated for budgeted purposes under this section shall be made available for the Road Fund Surplus Expenditure Plan contained in Part IX of this Act unless otherwise provided in this Act.

23. Reallocation of Appropriations Among Budget Units: Notwithstanding any statute to the contrary, or provisions of this Act, the Secretary of a Cabinet, the Commissioner of the Department of Education, and other agency heads may request a reallocation among budget units under his or her administrative authority up to ten percent of General Fund appropriations contained in Part I, Operating Budget, of this Act for fiscal years 2019-2020, 2020-2021, and 2021-2022 for approval by the State Budget Director. A request shall explain the need and use for the transfer authority under this section. The amount of transfer of General Fund appropriations shall be separately recorded and reported in the system of financial accounts and reports provided in KRS Chapter 45. The State Budget Director shall report a transfer made under this section, in writing, to the Interim Joint Committee on Appropriations and Revenue.

24. Local School District Expenditure Flexibility: Notwithstanding KRS 160.470(6) or any statute to the contrary, during fiscal year 2020-2021 and fiscal year 2021-2022, local school districts may adopt and the Kentucky Board of Education may approve a working budget that includes a minimum reserve of less than two percent of the total budget. The Kentucky Department of Education shall monitor the financial position of any district that receives approval for a working budget with a reserve of less than two percent and shall provide a financial report for those districts at each meeting of the Kentucky Board of Education.

25. Appropriations Expenditure Purpose and Transfer Restrictions: Funds appropriated in this Act shall not be expended for any purpose not specifically authorized by the General Assembly in this Act nor shall funds appropriated in this Act be transferred to or between any cabinet, department, board, commission, institution, agency, or budget unit of state government unless specifically authorized by the General Assembly in this Act and KRS 48.400 to 48.810. Compliance with the provisions of this section shall be reviewed and determined by the Interim Joint Committee on Appropriations and Revenue.

26. Budget Implementation: The General Assembly directs that the Executive Branch shall carry out all appropriations and budgetary language provisions as contained in the State/Executive Budget. The Legislative Research Commission shall review quarterly expenditure data to determine if an agency is out of compliance with this directive. If the Legislative Research Commission suspects that any entity has acted in non-conformity with this section, the Legislative Research Commission may order an audit or review at the agency's expense. Such audit findings, reviews, and reports shall be subject to the Kentucky Open Records Law.

27. Information Technology: All authorized computer information technology projects shall submit a semiannual progress report to the Capital Projects and Bond Oversight Committee. The reporting process shall begin six months after the project is authorized and shall continue through completion of the project. The initial report shall establish a timeline for completion and cash disbursement schedule. Each subsequent report shall update the timeline and budgetary status of the project and explain in detail any issues with completion date and funding.

28. Equipment Service Contracts and Energy Efficiency Measures: The General Assembly mandates that the Finance and Administration Cabinet review all equipment service contracts to maximize savings to the Commonwealth to strictly adhere to the provisions of KRS 56.772, 56.782, and 56.784 in maximizing the use of energy efficiency measures.

29. Debt Restructuring: Notwithstanding any other provision of the Kentucky Revised Statutes, no General Fund or Road Fund debt restructuring transactions shall be undertaken during the 2020-2022 fiscal biennium.

30. Effects of Subsequent Legislation: If any measure enacted during the 2020 or 2021 Regular Session of the General Assembly subsequent to this Act contains an appropriation or is projected to increase or decrease General Fund revenues, the amount in the Budget Reserve Trust Fund shall be revised to accommodate the appropriation or the reduction or increase in projected revenues. Notwithstanding any provision of KRS 48.120(4) and (5) to the contrary, the official enacted revenue estimates of the Commonwealth described in KRS 48.120(5) shall be adjusted at the conclusion of the 2020 and 2021 Regular Sessions of the General Assembly, respectively, to incorporate any projected revenue increases or decreases that will occur as a result of actions taken by the General Assembly subsequent to the passage of this Act by both chambers.

31. Permitted Use of Water and Sewer Bond Funds: Notwithstanding Part II, (3) of this Act and any statute to the contrary, any balances remaining for either closed or open project grant agreements authorized pursuant to bond pools set forth in 2003 Ky. Acts ch. 156, Part II, A., 3., d. Water and Sewer Resources Development Fund for Tobacco Counties and e. Water and Sewer Resources Development Fund For Coal Producing Counties; 2005 Ky. Acts ch. 173, Part II, A., 3., 003. Infrastructure for Economic Development Fund for Coal-Producing Counties and 004. Infrastructure for Economic Development Fund for Tobacco Counties; 2006 Ky. Acts ch. 252, Part II, A., 2., 003. Infrastructure for Economic Development Fund for Non-Coal Producing Counties and 004. Infrastructure for Economic Development Fund for Coal-Producing Counties; 2008 Ky. Acts ch. 123, Section 3., 004. Infrastructure for Economic Development Fund for Coal-Producing Counties and 005. Infrastructure for Economic Development Fund for Non-Coal Producing Counties; and 2008 Ky. Acts ch. 174, Section 2.; and 2009 Ky. Acts ch. 87, Section 2. shall not lapse and shall remain to the credit of projects previously authorized by the General Assembly unless expressly reauthorized and reallocated by action of the General Assembly.

32. Jailer Canteen Accounts: Notwithstanding KRS 67.0802(6)(a), any compensation resulting from the disposal of real or personal property that was purchased from a canteen account under KRS 441.135 shall be returned to the canteen account from which the real or personal property was originally purchased. All proceeds resulting from the disposal of real or personal property purchased from a canteen account shall be reported to the Interim Joint Committee on Appropriations and Revenue by December 1 of each fiscal year.

33. COVID-19 Federal Funds: No Federal Funds received from the Coronavirus, Aid, Relief and Economic Security (CARES) Act or any other Federal Funds related to the COVID-19 emergency response shall be used to establish any new programs unless those new programs can be fully supported from existing appropriation amounts once all of the Federal Funds have been expended. No new positions shall be established unless those new positions are established as federally funded time-limited positions. The Office of State Budget Director shall submit a report to the Interim Joint Committee on Appropriations and Revenue by December 1 of each fiscal year on the expenditure of all Federal Funds and associated matching funds related to the COVID-19 emergency response.

34. Approval of State Aircraft Travel: Notwithstanding KRS 44.060, 45.101, 174.508, and any other statute or administrative regulation to the contrary, the use of state aircraft by any secretary of any Executive Branch cabinet for out-of-state travel shall be approved by the State Treasurer. The State Treasurer shall only approve requests which document that the use of state aircraft is the lowest cost option as measured by both travel costs and travel time. The State Treasurer shall not designate approval authority for out-of-state travel on state aircraft by Executive Branch cabinet secretaries to any other person. Any requests and documentation regarding the use of state aircraft collected by the State Treasurer shall be subject to the Kentucky Open Records Act, KRS 61.872 to 61.884.

35. Employee Layoffs, Furloughs, and Reduced Hours: Notwithstanding any statute to the contrary, the following process and procedure is established for July 1, 2020, through June 30, 2022, in the event that the Commonwealth or any agency determines that it is desirable for the Executive Branch to layoff, furlough, or reduce hours of employees:

(1) For the purposes of this section:

(a) "Appointing authority" means the agency head or any person whom he or she has authorized by law to designate to act on behalf of the agency with respect to employee appointments, position establishments, payroll documents, register requests, waiver requests, requests for certification, or other position actions;

(b) "Secretary" means the Secretary of the Personnel Cabinet as provided for in KRS 18A.015;

(c) "Furlough" or "reduction in hours" means the temporary reduction of hours an employee is scheduled to work by the appointing authority within a pay period;

(d) "Layoff" means discharge of employment subject to the rights contained in this section; and

(e) "Employees" includes all persons employed by the Executive Branch, including but not limited to employees of KRS Chapter 18A, KRS Chapter 16, KRS Chapter 156, the Kentucky Teachers' Retirement System, the Kentucky Higher Education Student Loan Corporation, the Kentucky Housing Corporation, and the Kentucky Lottery Corporation;

(2) An appointing authority has the authority to layoff or furlough employees or reduce hours of employment for any of the following reasons:

(a) Lack of funds or budgetary constraints;

(b) A reduction in the agency's spending authorization;

(c) Lack of work;

(d) Abolishment of a position; or

(e) Other material change in duties or organization;

(3) The appointing authority shall determine the job classifications affected and the number of employees laid-off in each classification and each county to which a layoff applies. In the same department or office, county, and job classification, interim and probationary employees shall be laid-off before any full-time or part-time employees with status are laid-off. For purposes of layoff, "probationary employee" does not include an employee with status serving a promotional probation;

(4) The Secretary shall approve all actions taken under subsection (2) of this section and no such layoff, furlough, or reduction of hours may begin until such approval has been granted. The appointing authority with the approval of the Secretary has the authority to determine the extent, effective dates, and length of any action taken under subsection (2) of this section;

(5) In determining the employees to be laid-off, the appointing authority shall consider all employees under the same appointing authority, within the job classification affected, and within the county affected. Consideration shall be given to the following relevant factors:

(a) Job performance evaluations;

(b) Seniority;

(c) Education, training, and experience; and

(d) Disciplinary record;

(6) Any employee whose position is subject to layoff, furlough, or reduction of hours shall be provided written notice containing the reason for the action as set forth in subsection (2) of this section at least 15 days in advance of the effective date of the action;

(7) Any employee with status who is laid-off shall be eligible to apply as a reemployment applicant for positions with the same job classification from which he or she was laid-off, in the cabinet from which he or she was laid-off. For a period of two years, a reemployment applicant shall be hired before any applicant except another reemployment applicant with greater seniority who is on the same register. A reemployment applicant shall not be removed from any register except as provided by KRS 18A.032. When a reemployment applicant is removed from a register, he or she shall be notified in writing. A reemployment applicant who accepts any classified position, or who retires through the Kentucky Retirement Systems or Kentucky Teachers' Retirement System, shall cease to have eligibility rights as a reemployment applicant;

(8) With the approval of the Secretary, the Personnel Cabinet may place employees subject to a reduction in force;

(9) Furloughs or reduction of hours during a pay period shall not result in the loss of eligibility for any benefit otherwise due the employee;

(10) The Secretary shall have the authority to promulgate comprehensive administrative regulations governing this section; and

(11) A layoff, furlough, or reduction of hours implemented in accordance with this section shall not be considered a penalization of the employee for the purposes of KRS Chapters 16, 18A, and 156, and shall be appealable to the State Personnel Board, the Kentucky Technical Education Personnel Board, the Department of Kentucky State Police Personnel Board, or other applicable administrative body.

36. Lapse of General Fund or Road Fund Appropriations Supplanted by Pandemic Relief Funds: Notwithstanding KRS 45.229, any General Fund appropriations that become available due to supplantation of Federal Funds related to COVID-19 emergency response or pandemic relief shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Any Road Fund appropriations that become available due to supplantation of Federal Funds related to the COVID-19 emergency response or pandemic relief shall lapse to the Emergency Disaster Relief Account.

37. Executive Orders: Notwithstanding any statute or common law to the contrary, and except as provided in this Act, no state funds or state employee time shall be expended by any person or agency to implement or enforce any executive order issued other than as authorized by KRS Chapter 39A through 39F, as amended by 2021 Regular Session SB 1 and further amended by subsequent acts of the 2021 General Assembly, or other than as may be implemented or enforced for a total sum not exceeding \$10,000, inclusive of all state employee time and costs, or other than as may relate to an emergency order issued relative to a natural disaster, or other than as may be approved by the General Assembly. Further, for the purpose of ensuring transparent government, each and every executive order issued, whether or not subject to the aforesaid restrictions, shall provide simultaneously to the Legislative Research Commission the following items in a comprehensive report as a condition precedent for the expenditure of any state funds or use of any state employee time:

- (1) A complete statement of each essential fact upon which the order is based;
- (2) A complete statement of each goal sought through issuance of the order;
- (3) A comprehensive analysis explaining how the executive order achieves each stated goal with the least burden placed upon the constitutional rights of the citizens of the Commonwealth of Kentucky and how each stated goal is accomplished with the most efficient use of tax payer money;
- (4) A detailed estimate of the anticipated expenditures of all state funds and all state employee time required for implementation or enforcement itemized in the smallest categories reasonably identifiable and stated in weekly increments; and
- (5) A detailed statement of all state funds and all state employee time actually expended for implementation or enforcement of each and every prior executive order upon the same issue or event, or substantially similar issue or event itemized in the smallest categories reasonably identifiable and stated in weekly increments.

Each comprehensive report shall be updated every 30 days subsequent to issuance of an executive order and provided to the Legislative Research Commission.

38. American Rescue Plan Act: Notwithstanding KRS 48.630, Part III, 2. of this Act, and any statute to the contrary, the state portion of the Coronavirus State and Local Fiscal Recovery Fund and the Coronavirus Capital Projects Fund of the American Rescue Plan Act of 2021 shall not be expended or appropriated without the express authority of the General Assembly.

39. Pandemic Relief Funds: No Federal Funds received related to COVID-19 emergency response or pandemic relief shall be used to establish any new programs unless those new programs can be fully supported from existing appropriation amounts once all of the Federal Funds have been expended. No new positions shall be established unless those new positions are established as federally funded time-limited positions. The Office of State Budget Director shall prepare a monthly report for all federal pandemic relief funds. The report shall include, at a minimum, the federal grant program name, the recipient, the purpose of the funding, the total award amount, monthly detail of actual expenditures by object code, and the fund source and amounts of any state funds that have been supplanted. The report shall be submitted to the Legislative Research Commission, Office of Budget Review, by the 15th of each month during the 2020-2022 fiscal biennium.

PART IV

STATE SALARY/COMPENSATION, BENEFIT, AND EMPLOYMENT POLICY

1. Authorized Personnel Complement: On July 1, 2020, and July 1, 2021, the Personnel Cabinet and the Office of State Budget Director shall establish a record for each budget unit of authorized permanent full-time and other positions based upon the enacted Executive Budget of the Commonwealth and any adjustments authorized by provisions in this Act. The total number of filled permanent full-time and all other positions shall not exceed the authorized complements pursuant to this section. An agency head may request an increase in the number of authorized positions to the State Budget Director. Upon approval of the State Budget Director, the Secretary of the Personnel Cabinet may authorize the employment of individuals in addition to the authorized complement. A report of the actions authorized in this section shall be provided to the Legislative Research Commission on a monthly basis.

2. Salary Increment: Notwithstanding KRS 18A.355 and 156.808(6)(e) and (12), no increment is provided in fiscal year 2020-2021 and fiscal year 2021-2022 on the base salary or wages of each eligible state employee on their anniversary date.

3. Employee Cross-Reference: The Personnel Cabinet may permit married couples who are both eligible to participate in the state health insurance plan to be covered under one family health benefit plan.

4. Full-Time Positions: Notwithstanding KRS 18A.005(18)(a), full-time positions in the state parks, where the work assigned is dependent upon fluctuation in tourism, may be assigned work hours from 25 hours per week and remain in full-time positions.

5. Employer Retirement Contribution Rates: (1) Notwithstanding KRS 61.565 and 61.702, the employer contribution rates for Kentucky Employees Retirement System from July 1, 2020, through June 30, 2021, and except as otherwise provided in this Act, shall be 84.43 percent, consisting of 73.28 percent for pension and 11.15 percent for health insurance for nonhazardous duty employees and 36.00 percent, consisting of 36.00 percent for pension for hazardous duty employees; for the same period, the employer contribution for employees of the State Police Retirement System shall be 143.48 percent, consisting of 123.79 percent for pension and 19.69 percent for health insurance. Notwithstanding any other provision of this Act or KRS 61.565 or 61.702 to the contrary, the employer contribution rate from July 1, 2020, through June 30, 2021, shall be 49.47 percent, consisting of 41.06 percent for pension and 8.41 percent for health insurance for nonhazardous duty employees participating in the Kentucky Employees Retirement System who are employed by Mental Health/Mental Retardation Boards, Local and District Health Departments, domestic violence shelters, rape crisis centers, child advocacy centers, state-supported universities and community colleges, and any other agency eligible to voluntarily cease participating in the Kentucky Employees Retirement System pursuant to KRS 61.522.

(2) Notwithstanding KRS 61.565 and 61.702, the employer contribution rates for Kentucky Employees Retirement System from July 1, 2021, through June 30, 2022, and except as otherwise provided in this Act, shall be 33.43 percent, consisting of 33.43 percent for pension for hazardous duty employees; for the same period, the employer contribution for employees of the State Police Retirement System shall be 146.06 percent, consisting of 127.99 percent for pension and 18.07 percent for health insurance. Notwithstanding any other provision of this Act or KRS 61.565 or 61.702 to the contrary, the initial actuarially accrued liability employer contribution rate from July 1, 2021, through June 30, 2022, for nonhazardous employees in the Executive Branch departments shall be determined by the State Budget Director by May 1, 2021. The employer contribution rate shall include the normal cost contribution of 10.10 percent and be sufficient to adhere to the prorated amount of the actuarially accrued liability to each individual nonhazardous employer as determined by the Kentucky Employees Retirement System. The rates in subsections (1) and (2) of this section apply to wages and salaries earned for work performed during the described period regardless of when the employee is paid for the time worked.

6. Issuance of Paychecks to State Employees: Notwithstanding 101 KAR 2:095, Section 10, the state payroll that would normally be scheduled to be paid on June 30, 2020, and June 30, 2021, shall not be issued prior to July 1, 2020, and July 1, 2021, respectively.

7. Health Care Spending Account: Notwithstanding KRS 18A.2254(2)(a) and (b), if a public employee waives coverage provided by his or her employer under the Public Employee Health Insurance Program, the employer shall forward a monthly amount to be determined by the Secretary of the Personnel Cabinet for that employee as an employer contribution to a health reimbursement account or a health flexible spending account, but not less than \$175 per month, subject to any conditions or limitations imposed by the Secretary of the Personnel Cabinet to comply with applicable federal law. The administrative fees associated with a health reimbursement account or health flexible spending account shall be an authorized expense to be charged to the Public Employee Health Insurance Trust Fund.

8. State Group Health Insurance Plan - Transfer Between Plan Years: Notwithstanding KRS 18A.2254, the Secretary of the Finance and Administration Cabinet and the Secretary of the Personnel Cabinet are authorized to use the excess funds from Plan Year 2016, Plan Year 2017, Plan Year 2018, Plan Year 2019, and Plan Year 2020 or any combination thereof to satisfy claims or expenses in Plan Year 2021 and Plan Year 2022.

9. Full-Time Work Schedules: It is the intent of the General Assembly that, in effort to attract, develop, motivate, and retain a talented, diverse workforce, while achieving government efficiency and quality services to the public, any full-time Executive Branch employees who currently work 37.5 hour work weeks shall be required to work 40 hours per week in the 2022-2024 fiscal biennium.

PART V

FUNDS TRANSFER

The General Assembly finds that the financial condition of state government requires the following action.

Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2020-2021 and fiscal year 2021-2022:

	2020-21	2021-22
A. GENERAL GOVERNMENT		
1. Office of State Budget Director		
Special Revenue Fund	43,947,400	-0-
These fund transfers represent federal Coronavirus Relief Fund Reimbursements from fiscal year 2019-2020 that were reimbursed in fiscal year 2020-2021.		
2. Department for Local Government		
Local Government Economic		
Development Fund Investment Pool	1,500,000	582,000
(KRS 42.4582 and 42.4592)		
3. Department for Local Government		
Agency Revenue Fund	1,000,000	-0-
(KRS 65A.020(5))		
4. Secretary of State		
Agency Revenue Fund	2,000,000	2,000,000
5. Attorney General		
Agency Revenue Fund	500,000	-0-
(KRS 48.005(4))		
6. School Facilities Construction Commission		
Agency Revenue Fund	2,900,000	8,275,600
(KRS 157.618)		
B. ECONOMIC DEVELOPMENT CABINET		
1. Economic Development		
Other Special Revenue Fund	-0-	114,700
C. DEPARTMENT OF EDUCATION		
1. Operations and Support Services		
Agency Revenue Fund	200,000	-0-
2. Learning and Results Services		

Agency Revenue Fund	-0-	4,000,000
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D. ENERGY AND ENVIRONMENT CABINET

1. Secretary

Kentucky Pride Trust Fund (KRS 224.43-505(2)(a)3.)	2,006,300	2,006,300
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Notwithstanding KRS 224.43-505(2)(a)3., these funds transfers to the General Fund support the General Fund debt service on the bonds sold as appropriated by 2003 Ky. Acts ch. 156, Part II, A., 3., c..

2. Environmental Protection

Waste Tire Trust Fund (KRS 224.50-880)	1,500,000	2,000,000
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3. Environmental Protection

Insurance Administration Fund (KRS 224.60-130, 224.60-140, 224.60-145, and 224.60-150)	30,000,000	13,000,000
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4. Public Service Commission

Agency Revenue Fund (KRS 278.5499)	200,000	200,000
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E. FINANCE AND ADMINISTRATION CABINET

1. General Administration

Agency Revenue Fund	250,000	250,000
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2. General Administration

Other Expendable Trust Fund (KRS 42.205)	4,900,000	-0-
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3. Controller

Agency Revenue Fund	2,000,000	-0-
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4. Controller

Revenue Fund	-0-	66,000
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5. Controller

Unredeemed Check Fund	-0-	4,373,000
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6. Controller

Tobacco Fund Interest (KRS 194A.055, 200.151, 248.654, and 248.655)	1,663,700	-0-
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7. Facilities and Support Services

Agency Revenue Fund	700,000	-0-
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8. Facilities and Support Services

Capital Construction Investment Income Account	10,000,000	-0-
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9. Commonwealth Office of Technology

Computer Services Fund (KRS 45.253)	14,044,400	-0-
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F. HEALTH AND FAMILY SERVICES CABINET

1. General Administration and Program Support

Malt Beverage Education Fund 500,000 500,000

2. Public Health

Agency Revenue Fund 4,000,000 -0-

G. JUSTICE AND PUBLIC SAFETY CABINET

1. Juvenile Justice

Agency Revenue Fund -0- 2,452,100

H. PERSONNEL CABINET

1. General Operations

Agency Revenue Fund 2,690,700 -0-

These funds transfers to the General Fund support General Fund debt service on bonds for the new Personnel/Payroll system.

2. Workers' Compensation Benefits and Reserve

State Employees Workers'

Compensation Reserve 2,500,000 2,500,000

(KRS 18A.375(3))

I. POSTSECONDARY EDUCATION

1. Council on Postsecondary Education

Other Special Revenue Fund -0- 451,500

2. Kentucky Higher Education Assistance Authority

Other Special Revenue 1,000,000 1,000,000

(KRS 164.7891(11))

3. Kentucky Higher Education Assistance Authority

Agency Revenue Fund -0- 1,300,000

(KRS 199.990(3))

J. PUBLIC PROTECTION CABINET

1. Financial Institutions

Agency Revenue Fund 4,000,000 4,000,000

(KRS 286.1-485)

2. Housing, Buildings and Construction

Agency Revenue Fund 600,000 600,000

(KRS 198B.090(10), 198B.095(4), and 198B.4037)

3. Insurance

Agency Revenue Fund 31,000,000 31,000,000

(KRS 304.2-300 and 304.2-400)

K. TOURISM, ARTS AND HERITAGE CABINET

1. Secretary

Agency Revenue Fund 1,000,000 -0-

(KRS 142.406(2) and (3))

TOTAL - FUNDS TRANSFER

166,602,500

80,671,200

PART VI

GENERAL FUND BUDGET REDUCTION PLAN

Pursuant to KRS 48.130 and 48.600, a General Fund Budget Reduction Plan is enacted for state government in the event of an actual or projected revenue shortfall in General Fund revenue receipts, excluding Tobacco Settlement – Phase I receipts, of \$11,448,237,100 in fiscal year 2019-2020, \$11,729,000,000 in fiscal year 2020-2021, and \$12,011,300,000 in fiscal year 2021-2022, as modified pursuant to Part III, 30. of this Act and by related Acts and actions of the General Assembly in an extraordinary or regular session. Notwithstanding KRS 48.130, direct services, obligations essential to the minimum level of constitutional functions, and other items that may be specified in this Act, are exempt from the requirements of this Plan. Each branch head shall prepare a specific plan to address the proportionate share of the General Fund revenue shortfall applicable to the respective branch. No budget revision action shall be taken by a branch head in excess of the actual or projected revenue shortfall.

The Governor, the Secretary of State, the Attorney General, the Treasurer, the Commissioner of Agriculture, the Auditor of Public Accounts, the Chief Justice, and the Legislative Research Commission shall direct and implement reductions in allotments and appropriations only for their respective branch budget units as may be necessary, as well as take other measures which shall be consistent with the provisions of this Part and biennial branch budget bills.

Pursuant to KRS 48.130(4), in the event of a revenue shortfall of five percent or less, the following General Fund budget reduction actions shall be implemented:

(1) The Local Government Economic Assistance and the Local Government Economic Development Funds shall be adjusted by the Secretary of the Finance and Administration Cabinet to equal revised estimates of receipts pursuant to KRS 42.4582 as modified by the provisions of this Act;

(2) Transfers of excess unappropriated Restricted Funds, notwithstanding any statutes to the contrary, other than fiduciary funds, to the General Fund shall be applied as determined by the head of each branch for its respective budget units. No transfers to the General Fund shall be made from the following:

(a) Local Government Economic Assistance and Local Government Economic Development Funds;

(b) Unexpended debt service from the Tobacco-Settlement Phase I Funds, including but not limited to unexpended debt service and the Tobacco Unbudgeted Interest Income-Rural Development Trust Fund, in either fiscal year; and

(c) The Kentucky Permanent Pension Fund;

(3) Unexpended debt service;

(4) Any unanticipated Phase I Master Settlement Agreement revenues in both fiscal years shall be appropriated according to Part X of this Act and shall not be transferred to the General Fund;

(5) Use of the unappropriated balance of the General Fund surplus shall be applied;

(6) Any language provision that expresses legislative intent regarding a specific appropriation shall not be reduced by a greater percentage than the reduction to the General Fund appropriation for that budget unit;

(7) Contributions appropriated to pensions in excess of statutory requirements;

(8) Contributions appropriated to pension insurance in excess of actuarially required contributions;

(9) Reduce General Fund appropriations in Executive Branch agencies' operating budget units by a sufficient amount to balance either fiscal year. No reductions of General Fund appropriations shall be made from the Local Government Economic Assistance Fund or the Local Government Economic Development Fund;

(10) Notwithstanding subsection (9) of this Part, no reductions shall be made to the Secretary of State, the Attorney General, the Treasurer, the Commissioner of Agriculture, or the Auditor of Public Accounts, or their offices, Commonwealth's Attorneys or their offices, or County Attorneys or their offices. The Governor may request their participation in a budget reduction; however, the level of participation shall be at the discretion of the Constitutional Officer or the Prosecutors Advisory Council, and shall not exceed the actual percentage of revenue shortfall;

(11) Excess General Fund appropriations which accrue as a result of personnel vacancies and turnover, and reduced requirements for operating expenses, grants, and capital outlay shall be determined and applied by the heads of the executive, judicial, and legislative departments of state government for their respective branches. The branch heads shall certify the available amounts which shall be applied to budget units within the respective branches and shall promptly transmit the certification to the Secretary of the Finance and Administration Cabinet and the Legislative Research Commission. The Secretary of the Finance and Administration Cabinet shall execute the certified actions as transmitted by the branch heads.

Branch heads shall take care, by their respective actions, to protect, preserve, and advance the fundamental health, safety, legal and social welfare, and educational well-being of the citizens of the Commonwealth;

(12) Funds available in the Budget Reserve Trust Fund shall be applied in an amount not to exceed 50 percent of the Trust Fund balance in fiscal year 2019-2020, 25 percent in fiscal year 2020-2021, and 25 percent in fiscal year 2021-2022; and

(13) Pursuant to KRS 48.130 and 48.600, if the actions contained in subsections (1) to (12) of this Part are insufficient to eliminate an actual or projected General Fund revenue shortfall, then the Governor is empowered and directed to take necessary actions with respect to the Executive Branch budget units to balance the budget by such actions conforming with the criteria expressed in this Part.

PART VII

GENERAL FUND SURPLUS EXPENDITURE PLAN

(1) Notwithstanding KRS 48.130(7), 48.140(3), 48.700, and 48.705, there is established a plan for the expenditure of General Fund surplus moneys pursuant to a General Fund Surplus Expenditure Plan contained in this Part for fiscal years 2020-2021 and 2021-2022. Pursuant to the enactment of the Surplus Expenditure Plan, General Fund moneys made available for the General Fund Surplus Expenditure Plan pursuant to Part III, General Provisions, Section 22. of this Act are appropriated to the following:

For the surplus moneys from fiscal year 2019-2020:

(a) Authorized expenditures without a sum-specific appropriation amount, known as Necessary Government Expenses, including but not limited to Emergency Orders formally declared by the Governor in an Executive Order; and

(b) The remaining amount to the Budget Reserve Trust Fund; and

(2) The Secretary of the Finance and Administration Cabinet shall determine, within 30 days after the close of fiscal year 2019-2020, based on the official financial records of the Commonwealth, the amount of actual General Fund undesignated fund balance for the General Fund Surplus Account that may be available for expenditure pursuant to the Plan in fiscal year 2020-2021. The Secretary of the Finance and Administration Cabinet shall certify the amount of actual General Fund undesignated fund balance available for expenditure to the Legislative Research Commission.

PART VIII

ROAD FUND BUDGET REDUCTION PLAN

There is established a Road Fund Budget Reduction Plan for fiscal years 2019-2020, 2020-2021, and 2021-2022. Notwithstanding KRS 48.130(1) and (3) relating to statutory appropriation adjustments related to the revenue sharing of motor fuels taxes, in the event of an actual or projected revenue shortfall in Road Fund revenue receipts of \$1,551,800,000 in fiscal year 2019-2020, \$1,577,700,000 in fiscal year 2020-2021, and \$1,609,200,000 in fiscal year 2021-2022, as modified by related Acts and actions of the General Assembly in an extraordinary or regular session, the Governor shall implement sufficient reductions as may be required to protect the highest possible level of service.

PART IX

ROAD FUND SURPLUS EXPENDITURE PLAN

Notwithstanding KRS 48.110, 48.140, and 48.710, there is established a plan for the expenditure of the Road Fund Surplus Account. All moneys in the Road Fund Surplus Account shall be appropriated to the State Construction Account within the Highways budget unit and utilized to support projects in the 2020-2022 Biennial Highway Construction Program.

PART X

PHASE I TOBACCO SETTLEMENT

(1) **General Purpose:** This Part prescribes the policy implementing aspects of the national settlement agreement between the tobacco industry and the collective states as described in KRS 248.701 to 248.727. In furtherance of that agreement, the General Assembly recognizes that the Commonwealth of Kentucky is a party to the Phase I Master Settlement Agreement (MSA) between the Participating Tobacco Manufacturers and 46 Settling States which provides reimbursement to states for smoking-related expenditures made over time.

(2) **State's MSA Share:** The Commonwealth's share of the MSA is equal to 1.7611586 percent of the total settlement amount. Payments under the MSA are made to the states annually in April of each year.

(3) **MSA Payment Amount Variables:** The total settlement amount to be distributed on each payment date is subject to change pursuant to several variables provided in the MSA, including inflation adjustments, volume adjustments, previously settled states adjustments, and the nonparticipating manufacturers adjustment.

(4) **Distinct Identity of MSA Payment Deposits:** The General Assembly has determined that it shall be the policy of the Commonwealth that all Phase I Tobacco Settlement payments shall be deposited to the credit of the General Fund and shall maintain a distinct identity as Phase I Tobacco Settlement payments that shall not lapse to the credit of the General Fund surplus but shall continue forward from each fiscal year to the next fiscal year to the extent that any balance is unexpended.

(5) **MSA Payment Estimates and Adjustments:** Based on the official estimates of the Consensus Forecasting Group, the amount of MSA payments expected to be received in fiscal year 2020-2021 is \$106,300,000 and in fiscal year 2021-2022 is \$103,000,000. It is recognized that payments to be received by the Commonwealth are estimated and are subject to change. If MSA payments received are less than the official estimates, appropriation reductions shall be applied as follows: after exempting appropriations for debt service, the Attorney General, and the Department of Revenue, 50 percent to the Agricultural Development Fund, 30 percent to the Early Childhood Development Fund, and 20 percent to the Health Care Improvement Fund. If MSA payments received exceed the official estimates, appropriation increases shall be applied as follows: after exempting appropriations for debt service, the Attorney General, and the Department of Revenue, 50 percent to the Agricultural Development Fund, 30 percent to the Early Childhood Development Fund, and 20 percent to the Health Care Improvement Fund.

a. **State Enforcement:** Notwithstanding KRS 248.654 and 248.703(4), a total of \$150,000 of the MSA payments in each fiscal year of the 2020-2022 biennium is appropriated to the Attorney General for the state's diligent enforcement of noncompliant nonparticipating manufacturers.

b. **State Enforcement:** Notwithstanding KRS 248.654 and 248.703(4), a total of \$250,000 of the MSA payments in each fiscal year of the 2020-2022 biennium is appropriated to the Finance and Administration Cabinet, Department of Revenue for the state's diligent enforcement of noncompliant nonparticipating manufacturers.

c. **Debt Service:** Notwithstanding KRS 248.654 and 248.703(4), \$30,863,200 in MSA payments in fiscal year 2020-2021 and \$26,601,200 in MSA payments in fiscal year 2021-2022 are appropriated to the Finance and Administration Cabinet, Debt Service budget unit.

d. **Agricultural Development Initiatives:** Notwithstanding KRS 248.654 and 248.703(4), \$38,481,600 in MSA payments in fiscal year 2020-2021 and \$38,892,200 in MSA payments in fiscal year 2021-2022 are appropriated to the Kentucky Agricultural Development Fund to be used for agricultural development initiatives as specified in this Part.

e. **Early Childhood Development Initiatives:** Notwithstanding KRS 248.654, \$25,439,100 in MSA payments in fiscal year 2020-2021 and \$25,604,700 in MSA payments in fiscal year 2021-2022 are appropriated to the Early Childhood Development Initiatives as specified in this Part.

f. **Health Care Initiatives:** Notwithstanding KRS 164.476, 248.654, and 304.17B-003(5), \$13,042,700 in MSA payments in fiscal year 2020-2021 and \$13,287,600 in MSA payments in fiscal year 2021-2022 are appropriated to the Health Care Improvement Fund for health care initiatives as specified in this Part.

A. STATE ENFORCEMENT

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

Notwithstanding KRS 248.654 and 248.703(4), appropriations for state enforcement shall be as follows:

1. GENERAL GOVERNMENT

Budget Unit	2020-21	2021-22
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a.	Attorney General	150,000	150,000
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2. FINANCE AND ADMINISTRATION CABINET

Budget Unit	2020-21	2021-22
a. Revenue	250,000	250,000

B. DEBT SERVICE

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

Notwithstanding KRS 248.654 and 248.703(4), appropriations for debt service shall be as follows:

1. FINANCE AND ADMINISTRATION CABINET

Budget Unit	2020-21	2021-22
a. Debt Service	30,863,200	26,601,200

(1) **Debt Service:** To the extent that revenues sufficient to support the required debt service appropriations are received from the Tobacco Settlement Program, those revenues shall be made available from those accounts to the appropriate account of the General Fund. All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there is a sufficient amount available to be transferred from tobacco-supported funding program accounts to other accounts of the General Fund.

(2) **General Fund (Tobacco) Debt Service Lapse:** Notwithstanding Part X, (4) of this Act, \$1,926,600 in fiscal year 2020-2021 and \$1,785,700 in fiscal year 2021-2022 shall lapse to the General Fund.

(3) **Appropriation of Unexpended Tobacco Debt Service:** Any unexpended balance from the fiscal year 2020-2021 or fiscal year 2021-2022 General Fund (Tobacco) debt service appropriation in the Finance and Administration Cabinet, Debt Service budget unit, shall continue and be appropriated to the Governor’s Office of Agricultural Policy.

C. AGRICULTURAL DEVELOPMENT APPROPRIATIONS

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

Notwithstanding KRS 248.654 and 248.703(4), appropriations for Agricultural Development shall be as follows:

1. GENERAL GOVERNMENT

Budget Unit	2020-21	2021-22
a. Governor's Office of Agricultural Policy	34,594,800	-0-

(1) **Tobacco Settlement Funds - Allocations:** Notwithstanding KRS 248.711(2), and from the allocation provided therein, counties that are allocated in excess of \$20,000 in fiscal year 2020-2021 may provide up to four percent of the individual county allocation, not to exceed \$15,000 in fiscal year 2020-2021, to the county council in that county for administrative costs.

(2) **Counties Account:** Notwithstanding KRS 248.703(1), included in the above General Fund (Tobacco) appropriation is \$14,279,200 in fiscal year 2020-2021 for the counties account as specified in KRS 248.703(1)(a).

(3) **State Account:** Notwithstanding KRS 248.703(1), included in the above General Fund (Tobacco) appropriation is \$20,315,600 for the state account as specified in KRS 248.703(1)(b).

2. DEPARTMENT OF AGRICULTURE

Budget Unit	2020-21	2021-22
a. Agriculture	500,000	35,468,800

(1) **Farms to Food Banks:** Included in the above General Fund (Tobacco) appropriation is \$500,000 in each fiscal year to support the Farms to Food Banks Program. The use of the moneys provided by this appropriation shall be restricted to purchases of Kentucky-grown produce from Kentucky farmers who participate in the Farms to Food Banks Program.

(2) **Tobacco Settlement Funds - Allocations:** Notwithstanding KRS 248.711(2), and from the allocation provided therein, counties that are allocated in excess of \$20,000 in fiscal year 2021-2022 may provide up to four percent of the individual county allocation, not to exceed \$15,000 in fiscal year 2021-2022, to the county council in that county for administrative costs.

(3) **Counties Account:** Notwithstanding KRS 248.703(1), included in the above General Fund (Tobacco) appropriation is \$14,443,600 in fiscal year 2021-2022 for the counties account as specified in KRS 248.703(1)(a).

(4) **State Account:** Notwithstanding KRS 248.703(1), included in the above General Fund (Tobacco) appropriation is \$20,525,200 for the state account as specified in KRS 248.703(1)(b).

3. ENERGY AND ENVIRONMENT CABINET

Budget Unit	2020-21	2021-22
a. Natural Resources	3,386,800	3,423,400

(1) **Environmental Stewardship Program:** Included in the above General Fund (Tobacco) appropriation is \$2,479,500 in fiscal year 2020-2021 and \$2,516,100 in fiscal year 2021-2022 for the Environmental Stewardship Program.

(2) **Conservation District Local Aid:** Included in the above General Fund (Tobacco) appropriation is \$907,300 in each fiscal year for the Division of Conservation to provide direct aid to local conservation districts.

TOTAL - AGRICULTURAL	38,481,600	38,892,200
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APPROPRIATIONS

D. EARLY CHILDHOOD DEVELOPMENT

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

Notwithstanding KRS 248.654, appropriations for Early Childhood Development shall be as follows:

1. EDUCATION AND WORKFORCE DEVELOPMENT CABINET

Budget Unit	2020-21	2021-22
a. General Administration and Program Support	1,400,000	1,400,000

(1) **Early Childhood Development:** Included in the above General Fund (Tobacco) appropriation is \$1,400,000 in each fiscal year for the Early Childhood Advisory Council.

2. CABINET FOR HEALTH AND FAMILY SERVICES

Budget Units	2020-21	2021-22
a. Community Based Services	12,250,000	12,311,000

(1) **Early Childhood Development Program:** Included in the above General Fund (Tobacco) appropriation is \$9,750,000 in each fiscal year for the Early Childhood Development Program.

(2) **Early Childhood Adoption and Foster Care Supports:** Included in the above General Fund (Tobacco) appropriation is \$2,500,000 in fiscal year 2020-2021 and \$2,561,000 in fiscal year 2021-2022 for the Early Childhood Adoption and Foster Care Supports Program.

b. Public Health	9,873,100	9,943,200
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(1) **HANDS Program, Healthy Start, Early Childhood Mental Health, and Early Childhood Oral Health:** Included in the above General Fund (Tobacco) appropriation is \$7,000,000 in each fiscal year for the Health Access Nurturing Development Services (HANDS) Program, \$942,000 in fiscal year 2020-2021 and \$965,000 in fiscal year 2021-2022 for Healthy Start initiatives, \$942,000 in fiscal year 2020-2021 and \$965,000 in fiscal year 2021-2022 for Early Childhood Mental Health, and \$989,100 in fiscal year 2020-2021 and \$1,013,200 in fiscal year 2021-2022 for Early Childhood Oral Health.

(2) **Folic Acid Program:** General Fund (Tobacco) continuing appropriation reserves allotted to the Folic Acid Program shall be utilized by the Department for Public Health in each fiscal year to continue the Folic Acid Program.

c. Behavioral Health, Developmental and	2020-21	2021-22
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Intellectual Disabilities Services	1,916,000	1,950,500
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(1) **Substance Abuse Prevention and Treatment:** Included in the above General Fund (Tobacco) appropriation is \$1,416,000 in fiscal year 2020-2021 and \$1,450,500 in fiscal year 2021-2022 for substance abuse prevention and treatment for pregnant women with a history of substance abuse problems.

(2) **Kentucky Rural Mental Health and Suicide Prevention Pilot Program:** Included in the above General Fund (Tobacco) appropriation is \$500,000 in each fiscal year to support the Kentucky Rural Mental Health and Suicide Prevention pilot program. The Department for Behavioral Health, Developmental and Intellectual Disabilities shall coordinate with the Kentucky Department of Agriculture, the University of Kentucky Southeast Center for Agricultural Health and Injury Prevention, and other entities to enhance awareness of the National Suicide Prevention Lifeline (988) in rural communities in Kentucky and to improve access to information on mental health issues and available treatment services. The Department for Behavioral Health, Developmental and Intellectual Disabilities shall provide cultural competency training to staff to address the unique mental health challenges affecting the state’s rural communities. The Department for Behavioral Health, Developmental and Intellectual Disabilities shall also provide outreach, treatment, and other necessary services to improve the mental health outcomes for rural communities in Kentucky. The Department for Behavioral Health, Developmental and Intellectual Disabilities, in conjunction with the Kentucky Department of Agriculture and the University of Kentucky Southeast Center for Agricultural Health and Injury Prevention, shall apply for federal funds as provided by the Agriculture Improvement Act of 2018, 7 U.S.C. sec. 5936, to supplement the General Fund (Tobacco) appropriation provided above. The Cabinet for Health and Family Services shall submit a report on the results of the pilot program, including but not limited to the number of participants, the mental health issues addressed, and the funding used to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Agriculture by June 30, 2022.

TOTAL - EARLY CHILDHOOD	25,439,100	25,604,700
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APPROPRIATIONS

E. HEALTH CARE IMPROVEMENT APPROPRIATIONS

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

Notwithstanding KRS 164.476, 248.654 and 304.17B-003(5), appropriations for health care improvement shall be as follows:

1. CABINET FOR HEALTH AND FAMILY SERVICES

Budget Unit	2020-21	2021-22
a. Public Health	2,000,000	2,000,000

(1) **Smoking Cessation Program:** Included in the above General Fund (Tobacco) appropriation is \$2,000,000 in each fiscal year for Smoking Cessation.

2. JUSTICE AND PUBLIC SAFETY CABINET

Budget Unit	2020-21	2021-22
a. Justice Administration	3,516,600	3,593,800

(1) **Office of Drug Control Policy:** Included in the above General Fund (Tobacco) appropriation is \$3,166,600 in fiscal year 2020-2021 and \$3,243,800 in fiscal year 2021-2022 for the Office of Drug Control Policy.

(2) **Restorative Justice:** Included in the above General Fund (Tobacco) appropriation is \$350,000 in each fiscal year to support the Restorative Justice Program administered by the Volunteers of America.

3. POSTSECONDARY EDUCATION

Budget Unit	2020-21	2021-22
a. Council on Postsecondary Education	7,526,100	7,693,800

(1) **Cancer Research and Screening:** Included in the above General Fund (Tobacco) appropriation is \$6,876,100 in fiscal year 2020-2021 and \$7,043,800 in fiscal year 2021-2022 for cancer research and screening. The appropriation in each fiscal year shall be equally shared between the University of Kentucky and the University of Louisville.

(2) **Spinal Cord and Head Injury Research:** Included in the above General Fund (Tobacco) appropriation is \$650,000 in each fiscal year for spinal cord and head injury research. In accordance with KRS 211.500 to 211.504, the appropriation in each fiscal year shall be shared between the University of Kentucky and the University of Louisville.

TOTAL - HEALTH CARE	13,042,700	13,287,600
TOTAL - PHASE I TOBACCO SETTLEMENT		
FUNDING PROGRAM	108,226,600	104,785,700

PART XI

STATE/EXECUTIVE BRANCH BUDGET SUMMARY

OPERATING BUDGET

	2019-20	2020-21	2021-22
General Fund (Tobacco)	-0-	108,226,600	104,785,700
General Fund	45,749,300	11,135,245,000	11,933,464,800
Restricted Funds	-0-	9,274,610,800	10,421,326,300
Federal Funds	-0-	18,044,279,500	15,772,115,100
Road Fund	-0-	83,613,900	56,980,300
SUBTOTAL	45,749,300	38,645,975,800	38,288,672,200

CAPITAL PROJECTS BUDGET

	2019-20	2020-21	2021-22
General Fund	-0-	700,000	8,170,000
Restricted Funds	10,000,000	5,888,416,200	73,627,600
Federal Funds	-0-	135,451,000	198,731,000
Bond Funds	3,000,000	329,772,300	57,747,000
Agency Bonds	-0-	766,938,000	12,200,000
Investment Income	-0-	9,536,000	11,156,000
Other Funds	3,000,000	1,774,918,000	5,500,000
SUBTOTAL	16,000,000	8,905,731,500	367,131,600

TOTAL - STATE/EXECUTIVE BUDGET

	2019-20	2020-21	2021-22
General Fund (Tobacco)	-0-	108,226,600	104,785,700
General Fund	45,749,300	11,135,945,000	11,941,634,800
Restricted Funds	10,000,000	15,163,027,000	10,494,953,900
Federal Funds	-0-	18,179,730,500	15,970,846,100
Road Fund	-0-	83,613,900	56,980,300
Bond Funds	3,000,000	329,772,300	57,747,000
Agency Bonds	-0-	766,938,000	12,200,000
Investment Income	-0-	9,536,000	11,156,000
Other Funds	3,000,000	1,774,918,000	5,500,000
TOTAL FUNDS	61,749,300	47,551,707,300	38,655,803,800

Vetoed overridden in part March 29, 2021.



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

Andy Beshear
GOVERNOR

Capitol Building, Suite 100
700 Capitol Avenue
Frankfort, KY 40601
(502) 564-2611
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VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 193 OF THE
2021 REGULAR SESSION

Biennial Highway Construction Program

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 4, line 15, after "Program." delete the rest of the line.
Page 4, lines 16 through 19, in their entirety.

I am vetoing this part because this first-time provision identifies certain amounts dedicated to two of the 16 categories of projects in the Biennial Highway Construction Program. This reduces the flexibility of the Secretary of the Transportation Cabinet to implement the legislatively-adopted Biennial Highway Construction Program.

Highway Construction Contingency Account

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 4, line 23, after "Account." delete the rest of the line.
Page 4, lines 24 through 26, in their entirety.
Page 4, line 27, delete "total federal obligations".

I am vetoing this part because in addition to cutting the biennial amount of the contingency account by thirty percent (30%), its first reduction in 12 years, this part suspends the longstanding statute governing the use of the account by eliminating five of the eight statutorily permitted uses, including for economic or industrial development purposes and matching higher than expected federal funds.

General Fund Surplus Expenditure Plan

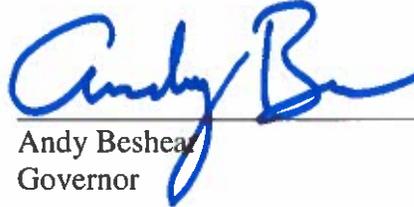
I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 15, line 27, after "The" delete "entire remaining amount to the".

Page 16, line 1, after "(c)" delete "No surplus moneys in any fiscal year shall be reserved for".

I am vetoing this part because every year there are authorized expenditures without a sum-specific appropriation known as Necessary Government Expenses that must be paid. With this veto, those expenditures are paid from the General Fund Surplus account rather than the Budget Reserve Trust Fund. It is good fiscal policy to maintain the discipline of withdrawing funds from the Budget Reserve Trust Fund, the Commonwealth's "rainy day fund", only in the instance of a revenue shortfall or a significant emergency beyond the means of the General Fund Surplus account.

This the 7th day of April, 2021.



Andy Beshear
Governor

CHAPTER 198

(HB 193)

Provisions of this bill that are to be deleted due to vetoes of the Governor that were not overridden by the General Assembly are displayed as bracketed and struck-through text enclosed in double asterisks, e.g., ****[text]****.

AN ACT relating to appropriations providing financing and conditions for the operations, maintenance, support, and functioning of the government of the Commonwealth of Kentucky.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

→Section 1. The Transportation Cabinet Budget is as follows:

**PART I
OPERATING BUDGET**

(1) **Funds Appropriations:** There is appropriated out of the General Fund, Road Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for the fiscal year beginning July 1, 2019, and ending June 30, 2020, for the fiscal year beginning July 1, 2020, and ending June 30, 2021, and for the fiscal year beginning July 1, 2021, and ending June 30, 2022, the following discrete sums, or so much thereof as may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each appropriation is made by source of respective fund or funds accounts. Appropriations for the budget units of the Transportation Cabinet are subject to the provisions of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions and procedures set forth in this Act.

A. TRANSPORTATION CABINET

Budget Units

1. GENERAL ADMINISTRATION AND SUPPORT

	2020-21	2021-22
General Fund	500,000	500,000
Restricted Funds	2,672,100	2,676,600
Road Fund	85,112,100	85,493,100
TOTAL	88,284,200	88,669,700

(1) **Biennial Highway Construction Plan:** The Secretary of the Transportation Cabinet shall produce a single document that contains two separately identified sections, as follows:

Section 1 shall detail the enacted fiscal biennium 2020-2022 Biennial Highway Construction Program and Section 2 shall detail the 2020-2022 Highway Preconstruction Program Plan for fiscal year 2020-2021 through fiscal year 2025-2026 as identified by the 2020 General Assembly. This document shall mirror in data type and format the fiscal year 2020-2026 Recommended Six-Year Road Plan as submitted to the 2020 General Assembly. The document shall be published and distributed to members of the General Assembly and the public within 60 days of adjournment of the 2020 Regular Session of the General Assembly.

(2) **Debt Service:** Included in the above Road Fund appropriation is \$7,110,100 in fiscal year 2020-2021 and \$7,105,900 in fiscal year 2021-2022 for debt service on previously authorized bonds.

(3) **Adopt-A-Highway Litter Program:** The Transportation Cabinet and the Energy and Environment Cabinet may receive, accept, and solicit grants, contributions of money, property, labor, or other things of value from any governmental agency, individual, nonprofit organization, or private business to be used for the Adopt-a-Highway Litter Program or other statewide litter programs. Any contribution of this nature shall be deemed to be a contribution to a state agency for a public purpose and shall be treated as Restricted Funds under KRS Chapter 45 and reported according to KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter 11A.

(4) **Riverport Improvements:** Included in the above General Fund appropriation is \$500,000 in each fiscal year to improve public riverports within Kentucky. The Secretary of the Transportation Cabinet, in conjunction with the Kentucky Water Transportation Advisory Board, shall determine how the funds are distributed.

2. AVIATION

	2020-21	2021-22
Restricted Funds	21,221,400	16,224,900
Federal Funds	672,000	500,000
Road Fund	2,797,700	1,805,600
TOTAL	24,691,100	18,530,500

(1) **Operational Costs:** Notwithstanding KRS 183.525(5), the above Restricted Funds appropriation includes operational costs of the program in each fiscal year.

(2) **Debt Service:** Included in the above Road Fund appropriation is \$1,831,100 in fiscal year 2020-2021 and \$837,400 in fiscal year 2021-2022 for debt service on previously authorized bonds. Notwithstanding KRS 183.525, \$1,831,100 in fiscal year 2020-2021 and \$837,400 in fiscal year 2021-2022 is transferred to the Road Fund from the Kentucky Aviation Economic Development Fund to support debt service on those bonds.

3. DEBT SERVICE

	2020-21	2021-22
Road Fund	147,991,400	139,139,600

(1) **Economic Development Road Lease-Rental Payments:** Included in the above Road Fund appropriation is \$147,891,400 in fiscal year 2020-2021 and \$139,039,600 in fiscal year 2021-2022 for Economic Development Road lease-rental payments relating to projects financed by Economic Development Road Revenue Bonds previously authorized by the General Assembly and issued by the Kentucky Turnpike Authority.

(2) **Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505, no portion of the revenues to the state Road Fund provided by the adjustments in KRS 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment Acceleration Fund account during the 2020-2022 fiscal biennium.

4. HIGHWAYS

	2020-21	2021-22
Restricted Funds	123,458,100	150,238,300
Federal Funds	955,999,900	962,500,500
Road Fund	905,271,800	935,647,200
TOTAL	1,984,729,800	2,048,386,000

(1) **Debt Service:** Included in the above Federal Funds appropriation is \$79,468,700 in fiscal year 2020-2021 and \$79,388,200 in fiscal year 2021-2022 for debt service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds previously appropriated by the General Assembly.

(2) **State Supported Construction Program:** Included in the above Road Fund appropriation is \$321,391,800 in fiscal year 2020-2021 and \$350,671,500 in fiscal year 2021-2022 for the State Supported Construction Program.

(3) **Biennial Highway Construction Program:** Included in the State Supported Construction Program is \$184,016,300 in fiscal year 2020-2021 and \$209,071,500 in fiscal year 2021-2022 from the Road Fund for state construction projects in the 2020-2022 Biennial Highway Construction Program. ~~**[The fiscal year 2020-2021 appropriation includes \$68,806,900 for projects in the 2020-2022 Biennial Highway Construction Program with a fund designation of "PM." The fiscal year 2021-2022 appropriation includes \$108,133,000 for projects in the 2020-2022 Biennial Highway Construction Program with a fund designation of "FED."]**~~

(4) **Highway Construction Contingency Account:** Included in the State Supported Construction Program is \$26,600,000 in fiscal year 2020-2021 and \$16,600,000 in fiscal year 2021-2022 for the Highway Construction Contingency Account. ~~**[Notwithstanding KRS 45.247(2), (4), (6), (7), and (8), the Secretary shall only expend Highway Construction Contingency moneys for projects of an emergency nature, for projects that relieve a hazardous condition, or to provide the state match for unanticipated Federal Funds made available as a result of other states not utilizing their total federal obligations.]**~~ Notwithstanding KRS 224.43-505(2)(d), included in the Highway Construction Contingency Account is \$5,000,000 in each fiscal year for the Kentucky Pride Fund created in KRS 224.43-505. Also included in the Highway Construction Contingency Account for Railroads is \$1,600,000 in each

fiscal year for public safety and service improvements which shall not be expended unless matched with non-state funds equaling at least 20 percent of the total amount for any individual project. Additionally, in each fiscal year, up to \$350,000 of the \$1,600,000 appropriation may be used to research the merits and responsibilities of the Kentucky Rail Office in the Kentucky Transportation Cabinet and establish and administer the Kentucky Rail Office.

(5) 2018-2020 Biennial Highway Construction Plan: Projects in the enacted 2018-2020 Biennial Highway Construction Plan are authorized to continue their current authorization into the 2020-2022 fiscal biennium. If projects in previously enacted highway construction plans conflict with the 2020-2022 Biennial Highway Construction Plan, the projects in the 2020-2022 Biennial Highway Construction Plan shall control. The Secretary shall make every effort to maintain highway program delivery by adhering to the timeframes included in the 2020-2022 Biennial Highway Construction Plan for those projects.

(6) Kentucky Transportation Center: Notwithstanding KRS 177.320(4), included in the above Road Fund appropriation is \$290,000 in each fiscal year for the Kentucky Transportation Center.

(7) State Match Provisions: The Transportation Cabinet is authorized to utilize state construction moneys or Toll Credits to match federal highway moneys.

(8) Federal Aid Highway Funds: If additional federal highway moneys are made available to Kentucky by the United States Congress, the funds shall be used according to the following priority: (a) Any demonstration-specific or project-specific moneys shall be used on the project identified; and (b) All other funds shall be used to ensure that projects in the fiscal biennium 2020-2022 Biennial Highway Construction Plan are funded. If additional federal moneys remain after these priorities are met, the Transportation Cabinet may select projects from the Highway Preconstruction Program.

(9) Road Fund Cash Management: The Secretary of the Transportation Cabinet may continue the Cash Management Plan to address the policy of the General Assembly to expeditiously initiate and complete projects in the fiscal biennium 2020-2022 Biennial Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial Highway Construction Plan by employing management techniques that maximize the Cabinet's ability to contract for and effectively administer the project work. Under the approved Cash Management Plan, the Secretary shall continuously ensure that the unspent project and Road Fund balances available to the Transportation Cabinet are sufficient to meet expenditures consistent with appropriations provided. The Transportation Cabinet shall provide quarterly reports to the Interim Joint Committee on Appropriations and Revenue when the General Assembly is not in session and the Standing Committees on Appropriations and Revenue when the General Assembly is in session beginning July 1, 2020.

(10) Carry Forward of Appropriation Balances: Notwithstanding KRS 45.229, unexpended Road Fund appropriations in the Highways budget unit for the Construction program, the Maintenance program, and the Research program in fiscal year 2019-2020 and in fiscal year 2020-2021 shall not lapse but shall carry forward. Unexpended Federal Funds and Restricted Funds appropriations in the Highways budget unit for the Construction program, the Maintenance program, the Equipment Services program, and the Research program in fiscal year 2019-2020 and in fiscal year 2020-2021, up to the amount of ending cash balances and unissued Highway and GARVEE Bond Funds, to include any interest income earned on those bond funds, and grant balances shall not lapse but shall carry forward.

(11) Federally Supported Construction Program: Included in the above Federal Funds appropriation is \$852,506,400 in fiscal year 2020-2021 and \$856,313,300 in fiscal year 2021-2022 for federal construction projects.

(12) Highways Maintenance: Included in the above Highways Road Fund appropriation is \$399,379,300 in fiscal year 2020-2021 and \$393,769,000 in fiscal year 2021-2022 for Highways Maintenance. Highways Maintenance positions may be filled to the extent the above funding level and the Highways Maintenance continuing appropriation are sufficient to support those positions.

(13) Delayed Projects Status Report: The Secretary of the Transportation Cabinet shall report by September 30 of each fiscal year to the Interim Joint Committee on Transportation any project included in the enacted Biennial Highway Construction Plan which has been delayed beyond the fiscal year for which the project was authorized. The report shall include:

- (a) The county name;
- (b) The Transportation Cabinet project identification number;
- (c) The route where the project is located;

- (d) The length of the project;
- (e) A description of the project and the scope of improvement;
- (f) The type of local, state, or federal funds to be used on the project;
- (g) The stage of development for the design, right-of-way, utility, and construction phases;
- (h) The fiscal year in which each phase of the project was scheduled to commence;
- (i) The estimated cost for each phase of the project;
- (j) A detailed description of the circumstances leading to the delay; and
- (k) The same information required in paragraphs (a) to (i) of this subsection for the project or projects advanced with funds initially scheduled for the delayed project.

(14) Maintenance Reentry Employment Program: Included in the above Road Fund appropriation is \$250,000 in each fiscal year to support contracting with a 501(c)(3) nonprofit organization that employs individuals on probation or parole supervision to perform crew-based maintenance services. These individuals will be selected with input from the Department of Corrections and shall provide assistance with litter abatement, graffiti removal, and vegetation control.

5. JUDGMENTS

(1) Payment of Judgments: Road Fund resources required to pay judgments shall be transferred from the State Construction Account at the time when actual payments must be disbursed from the State Treasury.

6. PUBLIC TRANSPORTATION

	2020-21	2021-22
General Fund	5,589,000	13,989,000
Restricted Funds	9,203,600	685,300
Federal Funds	66,287,400	25,800,200
TOTAL	81,080,000	40,474,500

(1) Toll Credits: The Transportation Cabinet is authorized to maximize, to the extent necessary, the use of Toll Credits to match Federal Funds for transit systems capital grants.

(2) Nonpublic School Transportation: Included in the above General Fund appropriation is \$3,500,000 in each fiscal year for nonpublic school transportation.

7. REVENUE SHARING

	2020-21	2021-22
Road Fund	335,267,500	341,480,300

(1) County Road Aid Program: Included in the above Road Fund appropriation is \$126,675,800 in fiscal year 2020-2021 and \$129,053,900 in fiscal year 2021-2022 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2) and (4), the above amount has been reduced by \$38,000 in each year, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(2) Rural Secondary Program: Included in the above Road Fund appropriation is \$153,672,400 in fiscal year 2020-2021 and \$156,557,200 in fiscal year 2021-2022 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1) and (4), the above amount has been reduced by \$46,000 in each year, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(3) Municipal Road Aid Program: Included in the above Road Fund appropriation is \$53,300,700 in fiscal year 2020-2021 and \$54,301,300 in fiscal year 2021-2022 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.320(4) and 177.365(1), the above amount has been reduced by \$16,000 in each year, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(4) **Energy Recovery Road Fund:** Included in the above Road Fund appropriation is \$165,000 in fiscal year 2020-2021 and \$142,000 in fiscal year 2021-2022 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771, 177.978, 177.979, and 177.981.

(5) **County Judge/Executive Expense Allowance:** Notwithstanding KRS 67.722, each County Judge/Executive not serving in a consolidated local government shall receive an annual expense allowance of \$2,400 during the 2020-2022 fiscal biennium. Payment shall be made quarterly from the Rural Secondary Program.

(6) **Continuation of the Flex Funds and the 80/20 Bridge Replacement Programs:** The Transportation Cabinet shall continue the Flex Funds and the 80/20 Bridge Replacement Programs within the Rural Secondary Program.

8. VEHICLE REGULATION

	2019-20	2020-21	2021-22
Restricted Funds	-0-	14,640,500	15,685,800
Federal Funds	-0-	2,640,100	3,127,100
Road Fund	4,265,500	46,232,900	45,483,500
TOTAL	4,265,500	63,513,500	64,296,400

(1) **Debt Service:** Included in the above Road Fund appropriation is \$800,000 in fiscal year 2020-2021 and \$1,541,000 in fiscal year 2021-2022 for debt service on previously authorized bonds.

(2) **Regional Driver License Office:** Included in the above Road Fund appropriation in fiscal year 2021-2022 is sufficient funding to operate a regional driver license issuing office in the city of London. If established, the office shall not replace any current or proposed office.

TOTAL - TRANSPORTATION CABINET

	2019-20	2020-21	2021-22
General Fund	-0-	6,089,000	14,489,000
Restricted Funds	-0-	171,195,700	185,510,900
Federal Funds	-0-	1,025,599,400	991,927,800
Road Fund	4,265,500	1,522,673,400	1,549,049,300
TOTAL	4,265,500	2,725,557,500	2,740,977,000

PART II

CAPITAL PROJECTS BUDGET

(1) **Capital Construction Fund Appropriations and Reauthorizations:** Moneys in the Capital Construction Fund are appropriated for the following capital projects subject to the conditions and procedures in this Act. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 2020-2022 fiscal biennium. Unless otherwise specified, reauthorized projects shall conform to the original authorization enacted by the General Assembly.

(2) **Expiration of Existing Line-Item Capital Construction Projects:** All appropriations to existing line-item capital construction projects expire on June 30, 2020, unless reauthorized in this Act with the following exceptions: (a) A construction contract for the project shall have been awarded by June 30, 2020; (b) Permanent financing or a short-term line of credit sufficient to cover the total authorized project scope shall have been obtained in the case of projects authorized for bonds, if the authorized project completes an initial draw on the line of credit within the biennium immediately subsequent to the original authorization; and (c) Grant or loan agreements, if applicable, shall have been finalized and properly signed by all necessary parties. Notwithstanding the criteria set forth in this subsection, the disposition of 2018-2020 fiscal biennium nonstatutory appropriated maintenance pools funded from Capital Construction Investment Income shall remain subject to the provisions of KRS 45.770(5)(c).

(3) **Bond Proceeds Investment Income:** Investment income earned from bond proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage rebates and penalties and excess bond proceeds upon

the completion of a bond-financed capital project shall be used to pay debt service according to the Internal Revenue Service Code and accompanying regulations.

(4) Appropriations for Projects Not Line-Itemized: Inasmuch as the identification of specific projects cannot be ascertained with absolute certainty at this time, amounts are appropriated for specific purposes to projects which are not individually identified in this Act in the following area: Aircraft Maintenance Pool. Notwithstanding any statute to the contrary, projects estimated to cost \$1,000,000 and over and equipment estimated to cost \$200,000 and over shall be reported to the Capital Projects and Bond Oversight Committee.

A. TRANSPORTATION CABINET

Budget Units	2019-20	2020-21	2021-22
1. GENERAL ADMINISTRATION AND SUPPORT			
001. Maintenance Pool 2020-2022			
Road Fund	-0-	2,950,000	2,950,000
002. Construct Whitley County Maintenance Facility and Salt Structure			
Road Fund	-0-	1,050,000	-0-
003. Construct Nicholas County Maintenance Facility and Salt Storage			
Road Fund	-0-	2,000,000	-0-
004. Construct Ballard County Maintenance Facility and Salt Storage Additional Reauthorization (\$1,584,000 Road Fund)			
Road Fund	-0-	700,000	-0-
005. Construct Hopkins County Maintenance Facility and Salt Storage Reauthorization (\$1,800,000 Road Fund)			
006. Construct Clay County District Office Reauthorization (\$7,445,000 Road Fund)			
007. AASHTOWare			
Road Fund	-0-	1,000,000	1,000,000
008. Construct Casey County Maintenance Facility			
Restricted Funds	660,000	-0-	-0-
Road Fund	800,000	-0-	-0-
TOTAL	1,460,000	-0-	-0-
009. District 6 District Office and Materials Lab			
Road Fund	-0-	1,500,000	-0-
010. Replace Automated Vehicle Information System (AVIS) - Additional Reauthorization (\$25,000,000 Bond Funds)			
Restricted Funds	-0-	-0-	4,000,000
2. AVIATION			
001. Aircraft Maintenance Pool - 2020-2022			
Restricted Funds	-0-	-0-	300,000
Investment Income	-0-	700,000	700,000
TOTAL	-0-	700,000	1,000,000

(1) Restricted Funds: Notwithstanding KRS 186.240(2) and 186.240(3), the above Restricted Funds shall be transferred to the Aircraft Maintenance Pool - 2020-2022.

3. HIGHWAYS

001. Repair Loadometer and Rest Areas - 2020-2022

Road Fund	-0-	1,500,000	1,500,000
002. Road Maintenance Parks - 2020-2022			
Road Fund	-0-	1,250,000	1,250,000
003. Various Environmental Compliance - 2020-2022			
Road Fund	-0-	490,000	490,000
004. Transportation Warehouse Facility Renovation or Replacement			
Road Fund	-0-	1,500,000	-0-
005. Jefferson County - Lease			

**PART III
FUNDS TRANSFER**

The General Assembly finds that the financial condition of state government requires the following action.

Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2020-2021 and fiscal year 2021-2022:

	2020-21	2021-22
A. TRANSPORTATION CABINET		
1. Aviation		
Agency Revenue Fund (KRS 183.525(4) and (5))	438,400	428,800
2. Aviation		
Special Revenue Fund	-0-	899,300
3. Vehicle Regulation		
Agency Revenue Fund (KRS 186.040(6)(a))	4,400,000	400,000
4. Vehicle Regulation		
Agency Revenue Fund (KRS 186.040(6)(b))	-0-	2,000,000
5. Vehicle Regulation		
Agency Revenue Fund (KRS 186.240(2) and (3))	-0-	700,000
6. Vehicle Regulation		
Agency Revenue Fund (KRS 235.080, 235.085, and 235.130)	-0-	300,000
TOTAL - FUNDS TRANSFER	4,838,400	4,728,100

**PART IV
TRANSPORTATION CABINET BUDGET SUMMARY
OPERATING BUDGET**

	2019-20	2020-21	2021-22
General Fund	-0-	6,089,000	14,489,000
Restricted Funds	-0-	171,195,700	185,510,900

Federal Funds	-0-	1,025,599,400	991,927,800
Road Fund	4,265,500	1,522,673,400	1,549,049,300
SUBTOTAL	4,265,500	2,725,557,500	2,740,977,000

CAPITAL PROJECTS BUDGET

	2019-20	2020-21	2021-22
Restricted Funds	660,000	-0-	4,300,000
Road Fund	800,000	13,940,000	7,190,000
Investment Income	-0-	700,000	700,000
SUBTOTAL	1,460,000	14,640,000	12,190,000

TOTAL - TRANSPORTATION CABINET BUDGET

	2019-20	2020-21	2021-22
General Fund	-0-	6,089,000	14,489,000
Restricted Funds	660,000	171,195,700	189,810,900
Federal Funds	-0-	1,025,599,400	991,927,800
Road Fund	5,065,500	1,536,613,400	1,556,239,300
Investment Income	-0-	700,000	700,000
TOTAL FUNDS	5,725,500	2,740,197,500	2,753,167,000

➔Section 2. The provisions of the State/Executive Branch Budget, 2021 Regular Session HB 192/EN, are amended to read as follows:

Beginning on page 185, line 25, through page 186, line 17, delete language in its entirety and insert in lieu thereof the following:

"PART VII

GENERAL FUND SURPLUS EXPENDITURE PLAN

(1) Notwithstanding KRS 48.130(7), 48.140(3), 48.700, and 48.705, there is established a plan for the expenditure of General Fund surplus moneys pursuant to a General Fund Surplus Expenditure Plan contained in this Part for fiscal years 2019-2020, 2020-2021, and 2021-2022. Pursuant to the enactment of the Surplus Expenditure Plan, General Fund moneys made available for the General Fund Surplus Expenditure Plan pursuant to Part III, General Provisions, Section 22. of this Act are appropriated to the following:

(a) Authorized expenditures without a sum-specific appropriation amount, known as Necessary Government Expenses, including but not limited to Emergency Orders formally declared by the Governor in an Executive Order;

(b) The entire remaining amount to the Budget Reserve Trust Fund; and

(c) No surplus moneys in any fiscal year shall be reserved for Necessary Government Expenses in a subsequent fiscal year; and

(2) The Secretary of the Finance and Administration Cabinet shall determine, within 30 days after the close of each fiscal year, based on the official financial records of the Commonwealth, the amount of actual General Fund undesignated fund balance for the General Fund Surplus Account that may be available for expenditure pursuant to the Plan in fiscal year 2020-2021 and fiscal year 2021-2022. The Secretary of the Finance and Administration Cabinet shall certify the amount of actual General Fund undesignated fund balance available for expenditure to the Legislative Research Commission."

Line items vetoed and became law without Governor's signature April 7, 2021.

Legislative Branch

Legislative Branch

	Revised FY 2021	Enacted FY 2022
SOURCE OF FUNDS		
General Fund		
Regular Appropriation	71,986,400	79,653,300
Continuing Approp-General Fund	13,971,500	13,792,800
Total General Fund	85,957,900	93,446,100
Restricted Funds		
Balance Forward	1,235,094	1,235,094
Current Receipts	75,000	175,000
Total Restricted Funds	1,310,094	1,410,094
TOTAL SOURCE OF FUNDS	87,267,994	94,856,194
EXPENDITURES BY CLASS		
Personnel Costs	59,245,400	66,135,300
Operating Expenses	12,776,000	13,653,000
Capital Outlay	40,000	40,000
TOTAL EXPENDITURES	72,061,400	79,828,300
EXPENDITURES BY FUND SOURCE		
General Fund	71,986,400	79,653,300
Restricted Funds	75,000	175,000
TOTAL EXPENDITURES	72,061,400	79,828,300
EXPENDITURES BY UNIT		
Legislative Branch	72,061,400	79,828,300
TOTAL EXPENDITURES	72,061,400	79,828,300

Legislative Branch Appropriation Bills

CHAPTER 118

(HB 194)

AN ACT making appropriations for the operations, maintenance, and support of the Legislative Branch of the Commonwealth of Kentucky.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. The Legislative Branch Budget is as follows:

PART I

OPERATING BUDGET

Funds Appropriations: Funds are appropriated to the Legislative Research Commission for the Legislative Branch of government out of the General Fund and Restricted Funds accounts for the fiscal year beginning July 1, 2020, and ending June 30, 2021, and for the fiscal year beginning July 1, 2021, and ending June 30, 2022, in the following discrete sums, or so much thereof as may be necessary. Each appropriation is made by the source of respective fund or funds accounts to be used for the purposes of the Legislative Branch of government of the Commonwealth of Kentucky.

	2020-21	2021-22
1. General Assembly		
General Fund	19,020,700	21,677,100
Restricted Funds	75,000	175,000
TOTAL	19,095,700	21,852,100

(1) **Legislators Compensation:** Notwithstanding KRS 6.190 and 6.213, the daily compensation provided by KRS 6.190 and the interim expense allowance provided by KRS 6.213 for members of the General Assembly shall remain at the January 1, 2020, level.

(2) **Kentucky Legislative Ethics Commission:** Included in the above General Fund appropriation is \$567,700 in each fiscal year for the Kentucky Legislative Ethics Commission. Included in the above Restricted Funds appropriation is \$75,000 in each fiscal year for the Kentucky Legislative Ethics Commission.

(3) **Kentucky Long-Term Policy Research Center:** Notwithstanding KRS 7B.010 to 7B.090, operation of the Kentucky Long-Term Policy Research Center and its governing board shall continue to be suspended effective July 1, 2020, and shall remain suspended for the 2020-2022 fiscal biennium or until funding is restored. No funds are appropriated for the Kentucky Long-Term Policy Research Center for fiscal year 2020-2021 and fiscal year 2021-2022.

(4) **Pension Benefit Increase:** Notwithstanding KRS 6.521(3), no pension benefit increase shall be granted to recipients of a retirement allowance under KRS 6.500 to 6.577 on July 1, 2020.

	2020-21	2021-22
2. Legislative Research Commission		
General Fund	52,965,700	57,976,200

(1) **Permanent Full-time Employees:** The total number of permanent full-time employees hired by the Legislative Research Commission with the above appropriation, and not assigned specifically to the House and Senate members of the Legislative Research Commission, shall not exceed 232 in fiscal year 2020-2021 and 232 in fiscal year 2021-2022. In addition to this number, the total number of permanent full-time employees assigned specifically to the House members of the Legislative Research Commission shall not exceed 19 and the permanent full-time employees assigned specifically to the Senate members of the Legislative Research Commission shall not exceed 10.

(2) **Legislative Record:** Notwithstanding KRS 7.105, distribution of the final issue of the Legislative Record and the interim Legislative Record shall be suspended effective July 1, 2020.

(3) **Renovation Assessment:** Included in the above General Fund appropriation is \$182,000 in fiscal year 2020-2021 and \$364,000 in fiscal year 2021-2022 to be transferred to the Finance and Administration Cabinet to support debt service on bonds authorized in 2021 Regular Session HB 192, Part II, F., 1., 007. for the Fourth Floor Capitol Renovation project.

(4) **Full-time Work Schedule:** Included in the above General Fund appropriation is \$2,900,000 in fiscal year 2021-2022 to implement a 40-hour work week for the employees of the Legislative Research Commission beginning July 1, 2021.

TOTAL - OPERATING BUDGET

	2020-21	2021-22
General Fund	71,986,400	79,653,300
Restricted Funds	75,000	175,000
TOTAL	72,061,400	79,828,300

Unexpended Balance: Notwithstanding KRS 45.229, any unexpended balance remaining at the close of fiscal year 2019-2020 shall not lapse but shall continue into fiscal year 2020-2021, and any unexpended balance in any succeeding fiscal year shall not lapse but shall continue into the following fiscal year.

TOTAL - LEGISLATIVE BRANCH BUDGET

	2020-21	2021-22
General Fund	71,986,400	79,653,300
Restricted Funds	75,000	175,000
TOTAL	72,061,400	79,828,300

PART II

GENERAL PROVISIONS

1. Expenditure Authority: The Director of the Legislative Research Commission, under the supervision of the Legislative Research Commission, may expend any of the funds appropriated for legislative operation and administration in any lawful manner and for any legal purpose consistent with the policies and practices of the Commission. No executive agency or statute governing the executive agencies of state government shall have the power to restrict or limit the actions of, or the expenditure of funds appropriated to, the Legislative Research Commission for the Legislative Branch of government.

2. Capitol and Capitol Annex Capital Construction Expenditures: Any expenditure authorized by the Director of the Legislative Research Commission, under the supervision of the Legislative Research Commission, relating to implementation of KRS 56.463(4)(b), or relating to the Capitol Building, and funded by previous or current appropriations to the Legislative Research Commission for the Legislative Branch of government shall not be governed by KRS 7A.010, 7A.120, 45.750 to 45.810, 48.010(16), 48.020, and 48.110.

3. Severability of Budget Provisions: Appropriation items and sums in this Act conform to KRS 48.311. If any section, any subsection, or any provision thereof shall be invalid or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions.

4. Duplicate Appropriation: Any appropriation item and sum in this Act and in an appropriation provision in another Act of the 2020 Regular Session and 2021 Regular Session of the General Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312.

5. Priority of Individual Appropriations: KRS 48.313 shall control when a total or subtotal figure in this Act conflicts with the sum of the appropriations of which it consists.

6. Appropriations Revisions: Notwithstanding KRS 48.630(10), no revisions for unbudgeted Restricted Funds appropriations for expenditure shall be allotted or expended that have not been appropriated in any enacted branch budget bill or without the express authority of the General Assembly.

7. Allowance in Lieu of Stationery: Notwithstanding KRS 6.220, in lieu of stationery, there shall be allowed to each member of the House of Representatives the sum of \$250 and to each member of the Senate the sum of \$500. This allowance shall be paid out of the State Treasury at the beginning of each legislative session.

8. Issuance of Employee Paychecks: Notwithstanding 101 KAR 2:095, Section 10, the state payroll that would normally be scheduled to be paid on June 30, 2020, and June 30, 2021, shall not be issued prior to July 1, 2020, and July 1, 2021, respectively.

9. Salary Adjustments: In each fiscal year, employees of the Legislative Research Commission shall receive a salary adjustment in accordance with the salary adjustment provided to state employees in the state/executive branch budget.

10. Administrative Expenses: Pursuant to KRS 21.540, administrative expenses shall be paid out of an administrative account which shall be funded by transfers of the necessary moneys, in appropriate ratio, from the funds provided for in KRS 21.550 and 21.560.

11. Employee Layoffs, Furloughs, and Reduced Hours: Notwithstanding any statute to the contrary, the following process and procedure is established for July 1, 2020, through June 30, 2022, in the event that the Legislative Research Commission (LRC) determines that it is desirable for the Director of the LRC to layoff, furlough, or reduce hours of employees:

(1) For the purposes of this section:

(a) "Appointing authority" means the Director of the LRC, in his or her capacity as provided in KRS 27A.010, or any agent whom he or she has delegated to act on his or her behalf with respect to employee appointments, position establishments, payroll documents, reemployment requests, waiver requests, requests for certification, or other position actions for the LRC;

(b) "Furlough" or "reduction in hours" means the temporary reduction of hours an employee is scheduled to work by the appointing authority within a pay period;

(c) "Layoff" means discharge of employment subject to the rights contained in this section; and

(d) "Employees" includes all persons employed by the LRC;

(2) Upon an order by the LRC, the appointing authority has the authority to layoff or furlough employees or reduce hours of employment for any of the following reasons:

(a) Lack of funds or budgetary constraints;

(b) A reduction in the agency's spending authorization;

(c) Lack of work;

(d) Abolishment of a position; or

(e) Other material change in duties or organization;

(3) The appointing authority shall determine the job classifications affected and the number of employees laid-off in each classification to which a layoff applies. In the same department or office and job classification, interim and probationary employees shall be laid-off before any full-time or part-time employees are laid-off. For purposes of layoff, "probationary employee" does not include an employee serving a promotional probation;

(4) The Director of the LRC shall approve and implement all actions taken under subsection (2) of this section and no such layoff, furlough, or reduction of hours may begin until such approval has been granted. The Director of the LRC has the authority to determine the extent, effective dates, and length of any action taken under subsection (2) of this section;

(5) In determining the employees to be laid-off, the appointing authority shall consider all employees under the same appointing authority and within the job classification affected. Consideration shall be given to the following relevant factors:

(a) Job performance evaluations;

(b) Seniority;

(c) Education, training, and experience; and

(d) Disciplinary record;

(6) Any employee whose position is subject to layoff, furlough, or reduction of hours shall be provided written notice containing the reason for the action as set forth in subsection (2) of this section at least 15 days in advance of the effective date of the action;

(7) Any employee who is laid-off shall be eligible to apply as a reemployment applicant for positions with the same job classification in the LRC. For a period of two years, a reemployment applicant shall be hired before any applicant except another reemployment applicant with greater seniority who is on the same reemployment list. When a reemployment applicant is removed from a reemployment list, he or she shall be notified in writing. A reemployment applicant who accepts another LRC position, or who retires, shall cease to have eligibility rights as a reemployment applicant;

(8) The appointing authority may place employees subject to a reduction in force;

(9) Furloughs or reduction of hours during a pay period shall not result in the loss of eligibility for any benefit otherwise due the employee;

(10) The appointing authority shall have the authority to promulgate comprehensive administrative regulations governing this section; and

(11) A layoff, furlough, or reduction of hours implemented in accordance with this section shall not be considered a penalization of the employee.

12. Employer Retirement Contributions: Notwithstanding any provisions of KRS 61.565 or 61.702 to the contrary, the actuarially accrued liability employer contribution rate from July 1, 2021, through June 30, 2022, for nonhazardous employees in the Legislative Branch departments shall be paid in installments as determined by the Director of the Legislative Research Commission. In addition to these installments, the normal cost contribution of 10.10 percent shall be applied to creditable compensation. The installments and rates in this section apply to wages and salaries earned for work performed during the described period regardless of when the employee is paid for the time worked.

PART III

BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN

The Legislative Branch shall participate in any Budget Reduction Plan or Surplus Expenditure Plan in accordance with KRS Chapter 48, except that obligations essential to the constitutional duties of the Legislative Branch shall be exempt from any Budget Reduction Plan. The level of participation in a Budget Reduction Plan shall be at the discretion of the Director and shall not exceed the actual percentage of revenue shortfall.

Signed by Governor March 25, 2021.

Judicial Branch

Judicial Branch

	Revised FY 2021	Enacted FY 2022
SOURCE OF FUNDS		
General Fund		
Regular Appropriation	392,416,700	382,052,600
Special Appropriation		14,700,000
Total General Fund	392,416,700	396,752,600
Restricted Funds		
Balance Forward	37,277,300	32,340,700
Current Receipts	24,838,900	24,838,900
Non-Revenue Receipts	22,568,100	22,568,100
Total Restricted Funds	84,684,300	79,747,700
Federal Fund		
Current Receipts	4,936,300	4,212,100
Total Federal Fund	4,936,300	4,212,100
TOTAL SOURCE OF FUNDS	482,037,300	480,712,400
EXPENDITURES BY CLASS		
Personnel Costs	275,514,800	262,008,100
Operating Expenses	170,881,800	168,568,800
Capital Outlay	3,300,000	17,500,000
TOTAL EXPENDITURES	449,696,600	448,076,900
EXPENDITURES BY FUND SOURCE		
General Fund	392,416,700	386,752,600
Restricted Funds	52,343,600	57,112,200
Federal Fund	4,936,300	4,212,100
TOTAL EXPENDITURES	449,696,600	448,076,900
EXPENDITURES BY UNIT		
Judicial Branch	449,696,600	448,076,900
TOTAL EXPENDITURES	449,696,600	448,076,900

Judicial Branch Appropriation Bills



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR



Andy Beshear
GOVERNOR

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VETO MESSAGES FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 195 OF THE
2021 REGULAR SESSION

Circuit Clerk Expense Allowance

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 2, lines 10 through 12, in their entirety.

I am vetoing this part at the request of the Administrative Office of the Courts because Circuit Clerks are compensated less than other county officials. Because Circuit Clerks also have continuing education needs, this veto will help restore equity for Circuit Clerks.

Salary Increment

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 2, lines 13 through 14, in their entirety.

I am vetoing this part at the request of the Administrative Office of the Courts because it singles out one employee to not receive a salary adjustment. This provision is not necessary as annual salary increments are not provided for any employee in this appropriations act.

Budgetary Restructuring

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 10, lines 18 through 25, in their entirety.

I am vetoing this part at the request of the Administrative Office of the Courts because it requires seven separate budget units for the Court Operations and Administration budget rather than the current one budget unit. This provision could delay the timely ability to cover a shortfall in one area of the budget with available funds from another.

Employee Layoffs, Furloughs, and Reduced Hours

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

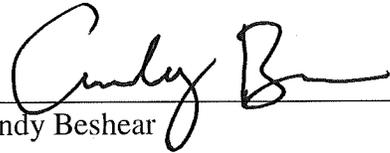
Page 11, lines 5 through 27, in their entirety.

Page 12, lines 1 through 27, in their entirety.

Page 13, lines 1 through 11, in their entirety.

I am vetoing this part at the request of the Administrative Office of the Courts because the Court of Justice has the authority to set its own personnel policies, and therefore this part is unnecessary.

This the 26th day of March, 2021.



Andy Beshear
Governor

CHAPTER 170

(HB 195)

Provisions of this bill that are to be deleted due to vetoes of the Governor that were not overridden by the General Assembly are displayed as bracketed and struck-through text enclosed in double asterisks, e.g., ~~***[text]**~~.

AN ACT making appropriations for the operations, maintenance, support, and functioning of the Judicial Branch of the government of the Commonwealth of Kentucky and its various officers, boards, commissions, subdivisions, and other state-supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. The Judicial Branch Budget is as follows:

PART I

OPERATING BUDGET

(1) **Funds Appropriations:** There is appropriated out of the General Fund, Restricted Funds accounts, or Federal Funds accounts for the fiscal year beginning July 1, 2020, and ending June 30, 2021, and for the fiscal year beginning July 1, 2021, and ending June 30, 2022, the following sums to be used for the purposes of the Judicial Branch of the government of the Commonwealth of Kentucky, including the Supreme Court, Court of Appeals, Circuit Court, Family Court, District Court, the Administrative Office of the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use Allowance Contingency Fund, and for services performed by the Circuit Court Clerks' offices, including both Circuit and District Court support.

A. JUDICIAL BRANCH

Budget Units

1. Court of Justice

a. Court Operations and Administration

	2020-21	2021-22
General Fund	270,755,000	260,286,700
Restricted Funds	52,343,600	57,112,200
Federal Funds	4,936,300	4,212,100
TOTAL	328,034,900	321,611,000

(1) **Civil Filing Fees:** Pursuant to its authority, if the Supreme Court retains the increases in civil filing fees that were effective in 2008 and 2018, the additional income resulting from the fee increases, not to exceed \$15,468,100 in each fiscal year, shall be deposited into a trust and agency account for court operations and salaries for non-elected personnel. Any revenue generated by these increases in excess of the \$15,468,100 in each fiscal year shall be deposited into the General Fund.

(2) **Night Court in Jefferson County:** The Administrative Office of the Courts shall continue the operations and current schedule of night court in Okolona and Middletown in Jefferson County in each fiscal year if the Court of Justice does not incur any costs.

~~***[3] Circuit Clerk Expense Allowance: Notwithstanding KRS 64.058, each Circuit Clerk shall receive an expense allowance of \$2,400 annually, at the rate of \$200 per month, in fiscal year 2021-2022.***~~

(4) **Salary Increment:** Notwithstanding KRS 64.480(2), no salary adjustments are provided on the base salary or wages of the Clerk of the Supreme Court.

(5) **Office of Bar Admissions:** (a) Notwithstanding KRS 61.565, 61.702, and any statute to the contrary, the Office of Bar Admissions shall be an agency of the Judicial Branch for purposes of retirement contributions. Included in the above General Fund appropriation is \$62,000 in fiscal year 2021-2022 to cover the Office of Bar Admissions' anticipated increase in retirement costs over this employer's fiscal year 2019-2020 baseline contribution

as outlined in the fiscal note for 2021 Regular Session House Bill 8, as passed by the General Assembly and located on the Legislative Research Commission's Web site.

(b) The provisions of paragraph (a) of this subsection shall neither be construed to signal future support for the Office of Bar Admissions from the General Assembly, nor express any intent that the Kentucky Retirement Systems grant the Administrative Office of the Courts its request to reclassify the Office of Bar Admissions as an agency of the Judicial Branch.

b. Local Facilities Fund

	2020-21	2021-22
General Fund	114,514,200	114,618,400

(1) **Local Facility Projects:** (a) Included in the above General Fund appropriation is \$2,345,700 in each fiscal year to support use allowance payments for two judicial center projects authorized by the 2018 General Assembly.

(b) Included in the above General Fund appropriation is an additional \$175,000 in fiscal year 2021-2022 to support use allowance payments attributable to a project scope increase for the relocation of the Oldham County facility project authorized by the 2018 General Assembly.

(2) **Maintenance Pool:** Included in the above General Fund appropriation is \$3,000,000 in each fiscal year to create a maintenance pool for planned and unanticipated non-capital projects for local courthouses and judicial centers.

(3) **Local Court Facility Compensation:** Included in the above General Fund appropriation are moneys to compensate local units of government for providing court space and for costs incurred in the development of local court facilities as defined in KRS Chapter 26A and provided in Part II of this Act, and to perform all other acts required or authorized by KRS Chapter 26A.

(4) **Use Allowance Payments to Counties:** Pursuant to KRS 26A.090(2), beginning with court facility construction or renovation projects authorized by the 2000 Regular Session of the General Assembly and all subsequent court facility projects, use allowance payments are restricted to the court's proportional share of the annual principal and interest costs in connection with the construction or renovation of the facility, not to exceed the authorized annual use allowance.

(5) **Court Facility Maintenance Fund:** (a) Notwithstanding KRS 26A.090(2), when there is no debt on court facility construction or renovation projects authorized prior to the 2000 Regular Session of the General Assembly, use allowance is restricted to compensation equal to two percent annually of capital costs to be paid to the county unit of government and two percent annually to be retained by the Administrative Office of the Courts and directed to a separate fund specifically for maintenance of court facilities.

(b) The fund created pursuant to paragraph (a) of this subsection shall be used for routine, ongoing, planned, and unanticipated maintenance for court facilities.

c. Local Facilities Use Allowance Contingency Fund

(1) **Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended balance remaining at the close of fiscal year 2019-2020 shall not lapse and shall continue into fiscal year 2020-2021, and any unexpended balance remaining at the close of fiscal year 2020-2021 shall not lapse and shall continue into fiscal year 2021-2022 to provide for cost overruns in authorized court facilities projects not to exceed 15 percent of the use allowance in accordance with KRS Chapter 26A.

TOTAL - Court of Justice

	2020-21	2021-22
General Fund	385,269,200	374,905,100
Restricted Funds	52,343,600	57,112,200
Federal Funds	4,936,300	4,212,100
TOTAL	442,549,100	436,229,400

2. JUDICIAL RETIREMENT SYSTEM

2020-21	2021-22
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General Fund	7,147,500	7,147,500
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(1) **Judicial Retirement Benefits:** General Fund amounts are included to provide actuarial-assessed judicial retirement benefits pursuant to KRS 21.345 to 21.580.

(2) **Administrative Expenses:** Pursuant to KRS 21.540, administrative expenses shall be paid out of an administrative account which shall be funded by transfers of the necessary moneys, in appropriate ratio, from the funds described in KRS 21.550 and 21.560. Notwithstanding Part III, 8. of this Act, Restricted Funds appropriations may be increased to ensure sufficient funding to support the Judicial Form Retirement System.

(3) **Pension Benefit Increase:** Notwithstanding KRS 21.405(5), no pension benefit increase shall be granted to recipients of a retirement allowance under KRS 21.345 to 21.580 on July 1, 2020, or July 1, 2021.

TOTAL - JUDICIAL BRANCH

	2020-21	2021-22
General Fund	392,416,700	382,052,600
Restricted Funds	52,343,600	57,112,200
Federal Funds	4,936,300	4,212,100
TOTAL	449,696,600	443,376,900

PART II

CAPITAL PROJECTS BUDGET

(1) **Authorization of Capital Projects:** It is the intent of the General Assembly that any capital project proposed by any state government entity, including the agencies and subdivisions of the Court of Justice, shall be authorized by the General Assembly prior to the project’s financing and construction, in accordance with KRS 7A.010, 7A.120, 45.750, 45.760, 45.763, 45.765, and 48.110. Pursuant to KRS 45.760(1), the amount allotted, from all sources, for expenditure on any capital project, including leases as defined by KRS 45.750, shall not exceed the estimated cost as shown in this Act.

(2) **Capital Projects and Bond Oversight Committee:** Capital construction projects and major items of equipment that are not specifically listed in this Act may be authorized only after submission of the project to the Capital Projects and Bond Oversight Committee and in accordance with the other requirements of KRS 45.760(7). Moneys may be transferred to the allotment account of any capital project only after submission of the project to the Capital Projects and Bond Oversight Committee and in accordance with the other requirements of KRS 45.760(6). As required by KRS 45.760, all capital construction items authorized in this Act shall be constructed in accordance with this Act, supporting documentation considered by the General Assembly, and Judicial Branch budget records. Any modifications to the scope of a capital construction project or to a lease shall be reported to the Capital Projects and Bond Oversight Committee before execution.

(3) **Court Facility Planning Process:** The county shall require the Project Development Board to hire a certified architect not otherwise involved with the project to conduct an independent feasibility study to determine whether the needs of the community and the Court of Justice can best be met through the construction of a freestanding building, or through an addition and/or renovation of the existing court facility. The cost for this study shall be an accepted and approved portion of the planning process, and shall be eligible for reimbursement from the bond proceeds.

(4) **Deferred Funding:** (a) General Fund support to provide operating costs totaling \$2,354,800, annualized use allowance payments totaling \$14,491,900, and nonrecurring furniture and equipment costs of \$4,075,000 for Barren, Butler, Clinton, Crittenden, Jessamine, Madison, and Scott Counties is deferred to the 2022-2024 fiscal biennium.

(b) General Fund support to provide operating costs totaling \$680,800 and \$2,000,000 for nonrecurring equipment and furniture costs for two judicial center projects authorized by the 2018 General Assembly is deferred to the 2022-2024 fiscal biennium.

(c) It is the intent of the General Assembly that all projects in paragraphs (a) and (b) of this subsection shall be funded using resources previously appropriated for projects that no longer require use allowance debt payments in the 2022-2024 fiscal biennium.

(5) **Local Facilities Use Allowance Contingency Fund:** For any court facility project which is occupied and use allowance funding is insufficient, the use allowance payments shall be approved from the Local Facilities Use Allowance Contingency Fund. If funds are not available in the Local Facilities Use Allowance Contingency Fund, the Chief Justice may transfer funds from other Judicial Branch accounts in accordance with Part III, General Provisions, Section 7. of this Act to make the necessary payments.

(6) **Edmonson County Courthouse Additional Parking Lot:** (a) General Fund support of \$70,800 in fiscal year 2020-2021 is contained in the Local Facilities Fund for an additional parking lot in Brownsville. This funding shall be contingent upon the local unit of government contributing \$20,000 towards the completion of the additional parking lot.

(b) Notwithstanding any statute to the contrary, any unexpended balance from the appropriation set forth in paragraph (a) of this subsection shall be transferred to the Budget Reserve Trust Fund Account (KRS 48.705).

A. JUDICIAL BRANCH

Budget Units

1. Local Facilities Fund

Project	Project Scope
001. Barren	31,615,000
002. Butler	11,860,000
003. Clinton	17,435,000
004. Crittenden	11,965,000
005. Jessamine	28,440,000
006. Madison	12,490,000
007. Scott	37,330,000

2. Lease Authorizations

- 001. Franklin County - Lease - Court of Appeals
- 002. Jefferson County - Lease - Parking

PART III

GENERAL PROVISIONS

1. **Expenditure Authority:** The Director of the Administrative Office of the Courts, with the approval of the Chief Justice, may expend any of the funds appropriated for court operations and administration in any lawful manner and for any legal purpose that the Chief Justice shall authorize or direct. No executive agency of state government shall have the power to restrict or limit the expenditure of funds appropriated to the Judicial Branch of government.

2. **Severability of Budget Provisions:** Appropriation items and sums in this Act conform to KRS 48.311. If any section, any subsection, or any provision thereof shall be invalid or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions.

3. **Duplicate Appropriations:** Any appropriation item and sum in this Act and in an appropriation provision in another Act of the 2020 and 2021 Regular Sessions of the General Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312.

4. **Priority of Individual Appropriations:** KRS 48.313 shall control when a total or subtotal figure in this Act conflicts with the sum of the appropriations of which it consists.

5. **Carry Forward of Funds:** Notwithstanding KRS 45.229, any unexpended balance remaining at the close of the fiscal years ending June 30, 2020, June 30, 2021, and June 30, 2022, shall not lapse and shall continue into the next fiscal year.

6. **Final Budget Document:** The Director of the Administrative Office of the Courts shall prepare a final budget document reflecting the 2020-2022 biennial budget of the Court of Justice. A copy shall be provided to the Legislative Research Commission, and an informational copy shall be furnished to the Finance and Administration

Cabinet, within 60 days of the adjournment of the 2020 Regular Session of the General Assembly and the 2021 Regular Session of the General Assembly.

7. Transferability of Funds: The Chief Justice of the Commonwealth of Kentucky shall have the ability to transfer funds to other programs and budget units within the Judicial Branch. Any funds transferred to other budget units within the Judicial Branch may be used to support any activity, program, or operation of the budget unit or program receiving the respective funds.

8. Appropriations Revisions: Notwithstanding KRS 48.630(10), no revisions for unbudgeted Restricted Funds appropriations for expenditure shall be allotted or expended that have not been appropriated in any enacted branch budget bill or without the express authority of the General Assembly. Proposed revisions to unbudgeted Federal Funds appropriations for expenditure in this Act shall be made and reported to the Interim Joint Committee on Appropriations and Revenue. The Director of the Administrative Office of the Courts shall notify, on a timely basis, the Legislative Research Commission of the most current estimates of anticipated receipts for the affected fiscal year and an accompanying statement which explains variations from the anticipated amount.

9. Issuance of Paychecks to Employees: Notwithstanding 101 KAR 2:095, Section 10, the state payroll that would normally be scheduled to be paid on June 30, 2020, and June 30, 2021, shall not be issued prior to July 1, 2020, and July 1, 2021, respectively.

10. Maximum Salary of Trial Commissioners: Pursuant to KRS 24A.100(3), no trial commissioner shall be compensated at a rate greater than \$7,200. No funding is provided for trial commissioners commissioned in counties with a residing District Judge.

11. Authorized Personnel Complement: On July 1, 2020, the Administrative Office of the Courts shall establish a record for each budget unit of authorized permanent full-time and other positions based upon the enacted Judicial Budget of the Commonwealth and any adjustments authorized by provisions in this Act. The total number of filled permanent full-time and all other positions shall not exceed the authorized complements pursuant to this section. The Director of the Administrative Office of the Courts may request an increase in the number of authorized positions to the Chief Justice. Upon approval, the Administrative Office of the Courts may authorize the employment of individuals in addition to the authorized complement. A report of the actions authorized in this section shall be provided to the Interim Joint Committee on Appropriations and Revenue on a monthly basis.

12. Debt Restructuring: Notwithstanding any other provision of the Kentucky Revised Statutes, use allowance payments shall not be amended to reflect debt restructuring transactions undertaken by a county during the 2020-2022 fiscal biennium.

13. Court Facility Maintenance Fund Report: For each of the periods ending June 30, 2020, June 30, 2021, and June 30, 2022, the Director of the Administrative Office of the Courts shall prepare a court facility maintenance report. This report shall detail all court facility maintenance undertaken by the Court of Justice, to include any cost-sharing with counties, as well as detail regarding future maintenance needs. This report shall include a statewide expenditure summary followed by individual county expenditures detailing the state's and county's respective share of expenditures. The Administrative Office of the Courts shall provide this report to the Interim Joint Committee on Appropriations and Revenue by September 15 of each fiscal year.

14. Biennial Audits: The Auditor of Public Accounts shall have the right to review, upon request, the accountant's work papers.

15. Budgetary Restructuring: The Court of Justice is hereby notified that it is the intent of the General Assembly that, beginning with the 2022-2024 biennium, the Court of Justice shall establish new appropriation units specific to the Supreme Court, Court of Appeals, Circuit Court, Family Court, District Court, Administrative Office of the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use Allowance Contingency Fund, and for services performed by the Circuit Court Clerks' offices. The Court of Justice shall also begin tracking expenditures by location for each of the new appropriation units identified herein.

16. Unexpended Use Allowance: Notwithstanding any provision of the Kentucky Revised Statutes, any General Fund moneys appropriated for project-related expenses or use allowance payments in fiscal years 2020-2021 and 2021-2022 that are not expended specifically for project-related expenses or use allowance payments in the fiscal year in which appropriated shall be transferred to the Budget Reserve Trust Fund Account (KRS 48.705).

17. Employee Layoffs, Furloughs, and Reduced Hours: Notwithstanding any statute to the contrary, the following process and procedure is established for July 1, 2020, through June 30, 2022, in the event that the Chief Justice determines that it is desirable for the Court of Justice to layoff, furlough, or reduce hours of employees:

(1) For the purposes of this section:

(a) "Appointing authority" means the Chief Justice, in his or her capacity as provided in KRS 27A.010, or any agent whom he or she has delegated to act on his or her behalf with respect to employee appointments, position establishments, payroll documents, reemployment requests, waiver requests, requests for certification, or other position actions for the Court of Justice;

(b) "Furlough" or "reduction in hours" means the temporary reduction of hours an employee is scheduled to work by the appointing authority within a pay period;

(c) "Layoff" means discharge of employment subject to the rights contained in this section; and

(d) "Employees" includes all persons employed by the Court of Justice;

(2) Upon an order by the Chief Justice, an appointing authority has the authority to layoff or furlough employees or reduce hours of employment for any of the following reasons:

(a) Lack of funds or budgetary constraints;

(b) A reduction in the agency's spending authorization;

(c) Lack of work;

(d) Abolishment of a position; or

(e) Other material change in duties or organization;

(3) The appointing authority shall determine the job classifications affected and the number of employees laid-off in each classification and each county to which a layoff applies. In the same department or office, county, and job classification, interim and probationary employees shall be laid-off before any full-time or part-time employees with status are laid-off. For purposes of layoff, "probationary employee" does not include an employee with status serving a promotional probation;

(4) The Chief Justice shall approve and implement all actions taken under subsection (2) of this section and no such layoff, furlough, or reduction of hours may begin until such approval has been granted. The Chief Justice has the authority to determine the extent, effective dates, and length of any action taken under subsection (2) of this section;

(5) In determining the employees to be laid-off, the appointing authority shall consider all employees under the same appointing authority, within the job classification affected, and within the county affected. Consideration shall be given to the following relevant factors:

(a) Job performance evaluations;

(b) Seniority;

(c) Education, training, and experience; and

(d) Disciplinary record;

(6) Any employee whose position is subject to layoff, furlough, or reduction of hours shall be provided written notice containing the reason for the action as set forth in subsection (2) of this section at least 15 days in advance of the effective date of the action;

(7) Any tenured employee who is laid-off shall be eligible to apply as a reemployment applicant for positions with the same job classification in the Court of Justice. For a period of two years, a reemployment applicant shall be hired before any applicant except another reemployment applicant with greater seniority who is on the same reemployment list. When a reemployment applicant is removed from a reemployment list, he or she shall be notified in writing. A reemployment applicant who accepts another Court of Justice position, tenured or non-tenured, or who retires, shall cease to have eligibility rights as a reemployment applicant;

(8) The appointing authority may place employees subject to a reduction in force;

(9) Furloughs or reduction of hours during a pay period shall not result in the loss of eligibility for any benefit otherwise due the employee;

(10) The appointing authority shall have the authority to promulgate comprehensive administrative regulations governing this section; and

(11) A layoff, furlough, or reduction of hours implemented in accordance with this section shall not be considered a penalization of the employee.

18. Employer Retirement Contributions: Notwithstanding KRS 61.565 or 61.702 to the contrary, the initial actuarially accrued liability employer contribution rate from July 1, 2021, through June 30, 2022, for nonhazardous employees in the judicial branch departments shall be determined by the Director of the Administrative Office of the Courts by May 1, 2021. The employer contribution rate shall include the normal cost contribution of 10.10 percent and be sufficient to adhere to the prorated amount of the actuarially accrued liability to each individual nonhazardous employer as determined by the Kentucky Employees Retirement System. The rates in this subsection apply to wages and salaries earned for work performed during the described period regardless of when the employee is paid for the time worked.

PART IV

FUNDS TRANSFER

The Judicial Branch shall transfer \$10,000,000 in fiscal year 2021-2022 to the General Fund.

PART V

BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN

The Judicial Branch shall participate in any Budget Reduction Plan or Surplus Expenditure Plan in accordance with KRS Chapter 48, except that obligations essential to the constitutional duties and use allowance of the Judicial Branch shall be exempt from any Budget Reduction Plan. The level of participation in a Budget Reduction Plan shall be at the discretion of the Chief Justice and shall not exceed the actual percentage of revenue shortfall.

Veto overridden in part March 29, 2021.

Special Appropriation Bills

CHAPTER 195

(SB 36)

AN ACT providing financing and conditions for the operations, maintenance, support, and functioning of the government of the Commonwealth of Kentucky, making an appropriation therefor, and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. There is hereby appropriated \$250,000,000 in Federal Funds in fiscal year 2021-2022 from the American Rescue Plan Act of 2021 Coronavirus State Fiscal Recovery Fund to the Kentucky Infrastructure Authority for the Drinking Water and Wastewater Grant Program. The \$250,000,000 appropriation shall be allocated in the following manner:

(1) \$75,000 shall be available to the Kentucky Infrastructure Authority for administering the grant program;

(2) \$150,000,000 shall be allocated to each county based on population. The county allocations shall be determined by each county's proportion of the state's population from the 2019 census data, with the exception of Jefferson County's share, which is discounted by 50 percent based on its high per capita allocation from the federal Coronavirus Local Fiscal Recovery Fund from the American Rescue Plan Act of 2021. The allocations by county shall serve as a funding cap for projects within that county. No county's proportionate share shall be reallocated unless by the express authority of the General Assembly;

(3) \$50,000,000 shall be available to the Kentucky Infrastructure Authority for grants to counties to provide drinking water services to unserved rural customers or to counties under a federal consent decree. The Kentucky Infrastructure Authority shall consider the social, economic, and environmental benefits in determining grant allocations;

(4) \$49,925,000 shall be available to the Kentucky Infrastructure Authority to supplement a project grant for a project whose cost is in excess of a county's allocation amount and other available grant sources. The Kentucky Infrastructure Authority shall consider the social, economic, and environmental benefits in determining project allocations; and

(5) Project allocations for projects that include multiple counties are eligible to access allocations from affected counties.

The Kentucky Infrastructure Authority shall promulgate administrative regulations to ensure that project approvals are based on rational criteria and include a project's readiness to proceed and the project's social, economic, and environmental benefits.

➔Section 2. **Substance Abuse, Mental Health, and Reentry Service Centers:** (1) Notwithstanding any statute to the contrary, beginning in fiscal year 2021-2022, the Department of Corrections shall pay each contracted provider of substance abuse, mental health, and reentry centers a minimum of 65 percent of the contracted beds monthly. Any contracted, but unfilled contracted beds as of the effective date of this Act may, at the discretion of the provider, be terminated.

(2) Each contracted provider, as provided for in subsection (1) of this section, shall report 100 percent of their occupancy to the Department of Corrections. The report shall detail the total number of beds, the number of beds available, the type of individual occupying bed space, and shall be submitted in a method and at a frequency established by the Department's discretion.

(3) Notwithstanding any statute to the contrary, the Department of Corrections shall be permitted to negotiate an inflationary price increase for contracted providers of substance abuse, mental health, and reentry centers during the COVID-19 state of emergency.

➔Section 3. Whereas the provisions of this Act provide financing and conditions for the operations, maintenance, support, and functioning of the government of the Commonwealth of Kentucky, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming law.

Signed by Governor April 7, 2021.

CHAPTER 204

(SB 270)

AN ACT relating to postsecondary education and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 161.028 is amended to read as follows:

- (1) The Education Professional Standards Board is recognized to be a public body corporate and politic and an agency and instrumentality of the Commonwealth, in the performance of essential governmental functions. The Education Professional Standards Board has the authority and responsibility to:
 - (a) Establish standards and requirements for obtaining and maintaining a teaching certificate;
 - (b) Set standards for, approve, and evaluate college, university, and school district programs for the preparation of teachers and other professional school personnel. *College or university programs may be approved by the board for a college or university with regional institutional level accreditation or national institutional level accreditation that is recognized by the United States Department of Education and is eligible to receive federal funding under 20 U.S.C. secs. 1061 to 1063.* Program standards shall reflect national standards and shall address, at a minimum, the following:
 1. The alignment of programs with the state's core content for assessment as defined in KRS 158.6457;
 2. Research-based classroom practices, including effective classroom management techniques;
 3. Emphasis on subject matter competency of teacher education students;
 4. Methodologies to meet diverse educational needs of all students;
 5. The consistency and quality of classroom and field experiences, including early practicums and student teaching experiences;
 6. The amount of college-wide or university-wide involvement and support during the preparation as well as the induction of new teachers;
 7. The diversity of faculty;
 8. The effectiveness of partnerships with local school districts; and
 9. The performance of graduates on various measures as determined by the board;
 - (c) Conduct an annual review of diversity in teacher preparation programs;
 - (d) Provide assistance to universities and colleges in addressing diversity, which may include researching successful strategies and disseminating the information, encouraging the development of nontraditional avenues of recruitment and providing incentives, waiving administrative regulations when needed, and other assistance as deemed necessary;
 - (e) Discontinue approval of programs that do not meet standards or whose graduates do not perform according to criteria set by the board;
 - (f) Issue, renew, revoke, suspend, or refuse to issue or renew; impose probationary or supervisory conditions upon; issue a written reprimand or admonishment; or any combination of actions regarding any certificate;
 - (g) Develop specific guidelines to follow upon receipt of an allegation of sexual misconduct by an employee certified by the Education Professional Standards Board. The guidelines shall include investigation, inquiry, and hearing procedures which ensure the process does not revictimize the alleged victim or cause harm if an employee is falsely accused;
 - (h) Receive, along with investigators hired by the Education Professional Standards Board, training on the dynamics of sexual misconduct of professionals, including the nature of this abuse of authority, characteristics of the offender, the impact on the victim, the possibility and the impact of false

- accusations, investigative procedures in sex offense cases, and effective intervention with victims and offenders;
- (i) Recommend to the Kentucky Board of Education the essential data elements relating to teacher preparation and certification, teacher supply and demand, teacher attrition, teacher diversity, and employment trends to be included in a state comprehensive data and information system and periodically report data to the Interim Joint Committee on Education;
 - (j) Submit reports to the Governor and the Legislative Research Commission and inform the public on the status of teaching in Kentucky;
 - (k) Devise a credentialing system that provides alternative routes to gaining certification and greater flexibility in staffing local schools while maintaining standards for teacher competence;
 - (l) Develop a professional code of ethics;
 - (m) Set the qualifications and salary for the positions of executive director and deputy executive director to the board, notwithstanding the provisions of KRS 64.640;
 - (n) Recruit, select, employ and evaluate the executive director to the board;
 - (o) Approve employment procedures for the employment of policy level staff, subject to the provisions of KRS 12.050;
 - (p) Approve the biennial budget request;
 - (q) Charge reasonable fees for the issuance, reissuance, and renewal of certificates that are established by administrative regulation. The proceeds shall be used to meet a portion of the costs of the issuance, reissuance, and renewal of certificates, and the costs associated with disciplinary action against a certificate holder under KRS 161.120;
 - (r) Waive a requirement that may be established in an administrative regulation promulgated by the board. A request for a waiver shall be submitted to the board, in writing, by an applicant for certification, a postsecondary institution, or a superintendent of a local school district, with appropriate justification for the waiver. The board may approve the request if the person or institution seeking the waiver has demonstrated extraordinary circumstances justifying the waiver. Any waiver granted under this subsection shall be subject to revocation if the person or institution falsifies information or subsequently fails to meet the intent of the waiver;
 - (s) Promote the development of one (1) or more innovative, nontraditional or alternative administrator or teacher preparation programs through public or private colleges or universities, private contractors, the Department of Education, or the Kentucky Commonwealth Virtual University and waive administrative regulations if needed in order to implement the program;
 - (t) Grant approval, if appropriate, of a university's request for an alternative program that enrolls an administrator candidate in a postbaccalaureate administrator preparation program concurrently with employment as an assistant principal, principal, assistant superintendent, or superintendent in a local school district. An administrator candidate in the alternative program shall be granted a temporary provisional certificate and shall be a candidate in the Kentucky Principal Internship Program, notwithstanding provisions of KRS 161.030, or the Superintendent's Assessment process, notwithstanding provisions of KRS 156.111, as appropriate. The temporary certificate shall be valid for a maximum of two (2) years, and shall be contingent upon the candidate's continued enrollment in the preparation program and compliance with all requirements established by the board. A professional certificate shall be issued upon the candidate's successful completion of the program, internship requirements, and assessments as required by the board;
 - (u) Employ consultants as needed;
 - (v) Enter into contracts. Disbursements to professional educators who receive less than one thousand dollars (\$1,000) in compensation per fiscal year from the board for serving on an assessment validation panel or as a test scorer or proctor shall not be subject to KRS 45A.690 to 45A.725;
 - (w) Sponsor studies, conduct research, conduct conferences, and publish information as appropriate; and
 - (x) Issue orders as necessary in any administrative action before the board.

- (2) (a) The board shall be composed of seventeen (17) members. The commissioner of education and the president of the Council on Postsecondary Education, or their designees, shall serve as ex officio voting members. The Governor shall make the following fifteen (15) appointments:
 1. Nine (9) members who shall be teachers representative of elementary, middle or junior high, secondary, special education, and secondary vocational classrooms;
 2. Two (2) members who shall be school administrators, one (1) of whom shall be a school principal;
 3. One (1) member representative of local boards of education; and
 4. Three (3) members representative of postsecondary institutions, two (2) of whom shall be deans of colleges of education at public universities and one (1) of whom shall be the chief academic officer of an independent not-for-profit college or university.
- (b) The members appointed by the Governor after June 21, 2001, shall be confirmed by the Senate and the House of Representatives under KRS 11.160. If the General Assembly is not in session at the time of the appointment, persons appointed shall serve prior to confirmation, but the Governor shall seek the consent of the General Assembly at the next regular session or at an intervening extraordinary session if the matter is included in the call of the General Assembly.
- (c) A vacancy on the board shall be filled in the same manner as the original appointment within sixty (60) days after it occurs. A member shall continue to serve until his successor is named. Any member who, through change of employment status or residence, or for other reasons, no longer meets the criteria for the position to which he was appointed shall no longer be eligible to serve in that position.
- (d) Members of the board shall serve without compensation but shall be permitted to attend board meetings and perform other board business without loss of income or other benefits.
- (e) A state agency or any political subdivision of the state, including a school district, required to hire a substitute for a member of the board who is absent from the member's place of employment while performing board business shall be reimbursed by the board for the actual amount of any costs incurred.
- (f) A chairman shall be elected by and from the membership. A member shall be eligible to serve no more than three (3) one (1) year terms in succession as chairman. The executive director shall keep records of proceedings. Regular meetings shall be held at least semiannually on call of the chairman.
- (g) To carry out the functions relating to its duties and responsibilities, the board is empowered to receive donations and grants of funds; to appoint consultants as needed; and to sponsor studies, conduct conferences, and publish information.

➔Section 2. KRS 164.785 is amended to read as follows:

- (1) The State of Kentucky shall grant an amount as provided in KRS 164.780 and this section to any applicant who meets the following qualifications:
 - (a) Is a Kentucky resident as defined by the Kentucky Council on Postsecondary Education; and
 - (b)
 1. Has been accepted by or is enrolled as a full-time student in a program of study leading to a postsecondary degree at a Kentucky independent college or university which is accredited by a regional accrediting association recognized by the United States Department of Education and whose institutional programs are not composed solely of sectarian instruction;
 2. Has been accepted by or is enrolled as a full-time student in a program of study leading to a postsecondary degree at an out-of-state postsecondary education institution licensed by the Council on Postsecondary Education to operate in Kentucky which is accredited by a regional accrediting association recognized by the United States Department of Education and whose institutional programs are not composed solely of sectarian instruction; or
 3. Has been accepted or is enrolled as a student in a comprehensive transition and postsecondary program at an institution described in subparagraph 1. of this paragraph. For purposes of this section, a student enrolled in a comprehensive transition and postsecondary program shall be considered a part-time student, and the grant amount shall be adjusted accordingly by the Kentucky Higher Education Assistance Authority.

An otherwise eligible student having a disability defined by Title II of the Americans with Disabilities Act (42 U.S.C. secs. 12131 et seq.), certified by a licensed physician to be unable to attend the eligible program of study full-time because of the disability may also qualify under this paragraph; and

- (c) Has not previously attended college or university more than the maximum number of academic terms established by the authority in administrative regulations.
- (2) The amount of the tuition grant to be paid to a student each semester, or appropriate academic term, shall be determined by the Kentucky Higher Education Assistance Authority.
- (3) The maximum amount shall not exceed fifty percent (50%) of the average state appropriation per full-time equivalent student enrolled in all public institutions of higher education. Such tuition grants are to be calculated annually by the Kentucky Higher Education Assistance Authority.
- (4) The need of each applicant shall be determined by acceptable need analysis such as use of the free application for federal student aid in conjunction with Part E of the federal act, 20 U.S.C. secs. 1087kk through 1087vv, and such other analyses as the authority may determine, subject to the approval by the United States Secretary of Education.
- (5) An adjustment shall be made in the tuition grant of any student awarded a scholarship from any other source provided the combination of grants and awards exceeds the calculated need of the student.
- (6) Accepted or enrolled students qualifying under the provisions of subsection (1)(b) of this section prior to the 2011-2012 academic year shall be under those provisions and continue under those provisions until June 30, 2014.
- (7) Beginning with the 2011-2012 academic year, and each year thereafter:
 - (a) *A student may enroll and receive a Kentucky tuition grant at any Kentucky independent college or university whose institutional programs are not composed solely of sectarian instruction and is*~~shall be~~ accredited by:
 - I. The Southern Association of Colleges and Schools; *or*
 - 2. *a. A national accreditation agency that is recognized by the United States Department of Education; and*
 - b. Is a college or university eligible to receive federal funding under 20 U.S.C. secs. 1061 to 1063*~~[to remain an eligible institution in which a student may enroll and receive a Kentucky tuition grant];~~
 - (b) Programs or campuses of any out-of-state postsecondary education institution that is licensed by the Council on Postsecondary Education to operate in Kentucky and whose institutional programs are not composed solely of sectarian instruction shall be accredited by the Southern Association of Colleges and Schools in order to qualify as an eligible institution in which a student may enroll and receive a Kentucky tuition grant, except as provided in paragraph (c) of this subsection; and
 - (c) Programs or campuses of any out-of-state postsecondary education institution that is licensed by the Council on Postsecondary Education to operate in Kentucky and whose institutional programs are not composed solely of sectarian instruction, but in which accreditation by the Southern Association of Colleges and Schools is not an option, shall be reviewed and approved by the Council on Postsecondary Education based on accreditation criteria that mirrors Southern Association of Colleges and Schools accreditation criteria in order to qualify as an eligible institution in which a student may enroll and receive a Kentucky tuition grant. All costs associated with the institutional reviews shall be the responsibility of the institution seeking approval by the council. The Council on Postsecondary Education shall promulgate administrative regulations in accordance with KRS Chapter 13A to carry out the provisions of this paragraph.

➔Section 3. **West Louisville Historically Black Colleges and Universities Pilot Project:** Kentucky State University shall explore and pursue opportunities to partner with any other historically black college or university in the Commonwealth to offer courses during each fall, spring, and summer academic sessions. These courses shall include, but not be limited to onsite, in-person courses delivered by Kentucky State University at or in conjunction with any other historically black college or university in the Commonwealth. The courses shall include dual credit courses for high school students, undergraduate level courses, graduate level courses, and courses for credit toward certificates and badges. The course credits shall be transferrable in and between Kentucky State University and any other historically black college or university in the Commonwealth, even if the course credits are not expressly

articulated for other colleges or universities in the Commonwealth. Any memorandum of understanding or memorandum of agreement between Kentucky State University and any other historically black college or university in the Commonwealth shall be submitted to the Council on Postsecondary Education for review. Kentucky State University and the Council on Postsecondary Education shall submit a report on the results of the pilot project, including but not limited to the number of students served, to the Interim Joint Committee on Education by September 1, 2022.

→Section 4. **West Louisville Health and Wellness Pilot Project:** The Kentucky State University shall partner with the Cabinet for Health and Family Services and any other historically black college or university (HBCU) in the Commonwealth to design and implement a pilot project to help address issues of health education, wellness, and food insecurity in African-American communities encompassing or adjacent to an HBCU in West Louisville. Kentucky State University shall make referrals for community employment services and shall coordinate with the Cabinet for Health and Family Services to assist with the delivery of public assistance, social support services, and health and nutrition services to anyone eligible for such assistance and services. The Cabinet for Health and Family Services may utilize a service delivery model as used in the Neighborhood Place or a similar model which is deemed effective to implement the pilot project. The Kentucky State University and the Cabinet for Health and Family Services shall submit a report on the results of the West Louisville Health and Wellness Pilot Project, including but not limited to the number of individuals served and the types of services provided to the Interim Joint Committee on Health, Welfare, and Family Services by September 1, 2022.

→Section 5. The pilot programs created in Sections 3 and 4 of this Act are mandated programs.

→Section 6. There is hereby appropriated General Fund moneys in the amount of \$200,000 for fiscal year 2021-2022 to Kentucky State University for the purpose of implementing the pilot programs created in Sections 3 and 4 of this Act.

Signed by Governor April 9, 2021.

CHAPTER 171

(HB 320)

AN ACT relating to the provision of broadband services, and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

(1) *The General Assembly recognizes and declares:*

- (a) *The provision of broadband service to residential, commercial, and industrial customers is critical to securing a sound economy and promoting the general welfare of the Commonwealth; and*
- (b) *Distribution cooperatives are able to access and leverage federal funding to extend and enhance the availability of broadband service to Kentucky residents who are currently unserved or underserved.*

(2) *As used in this section:*

- (a) *"Broadband" means any wireline, fixed wireless, or fixed terrestrial technology having a capacity to transmit data from or to the Internet with a minimum speed of twenty-five (25) megabits per second downstream and three (3) megabits per second upstream as defined by the Federal Communications Commission or the United States Department of Agriculture and any amendments to those definitions. If the agencies use different speed definitions, the faster speed definition shall apply;*
- (b) *"Underserved area" means any project area where broadband service with a minimum twenty-five (25) megabits per second downstream and three (3) megabits per second upstream is not available; and*
- (c) *"Unserved area" means any project area where broadband service with a minimum ten (10) megabits per second downstream and one (1) megabit per second upstream is not available.*

(3) *Notwithstanding any other statute to the contrary:*

- (a) *A distribution cooperative may facilitate the operation of an affiliate engaged exclusively in the provision of broadband service to unserved or underserved households and businesses by:*
 - 1. *Leasing excess capacity on any fiber optic cable used to support the distribution cooperative's distribution system;*
 - 2. *Issuing securities or evidences of indebtedness in an amount not to exceed twenty-five percent (25%) of the net book value of its assets, the proceeds of which shall be used for the exclusive purpose of capitalizing the affiliate; or*
 - 3. *Pledging up to twenty-five percent (25%) of the net book value of its assets as collateral for a loan entered into by the affiliate for the purpose of providing broadband services; and*
- (b) *The commission shall grant approval of the leasing of excess capacity, the issuing of securities or evidences of indebtedness, or the pledging of assets.*

(4) *The commission shall take into consideration the policy of encouraging the provision of broadband service to unserved or underserved households and businesses throughout the Commonwealth when determining whether:*

- (a) *The proposed investment will result in wasteful duplication of investment in the case of any distribution cooperative's application for a certificate of public convenience and necessity under KRS 278.020 that includes the construction of a fiber optic cable system with capacity in excess of that which is necessary to support the distribution cooperative's system under subsection (3)(a)1. of this section; and*
- (b) *The issuance or assumption of securities or evidence of indebtedness satisfies the criteria of KRS 278.300(3) in the case of any distribution cooperative's application for approval of an issuance of securities or evidence of indebtedness or pledge of assets under subsection (3)(a)2. and 3. of this section.*

(5) *A distribution cooperative shall comply with the cost allocation requirements of:*

- (a) **KRS 278.2201, 278.2203, 278.2205, 278.2207, 278.2209, and 278.2211; and**
 - (b) **Only KRS 278.2213(1) and (3) with regard to any costs associated with its facilitation of an affiliate's provision of broadband services.**
- (6) **Prior to December 31, 2021, the commission shall promulgate administrative regulations regarding pole attachments under the commission's jurisdiction, including those necessary for the provision of broadband service.**

➔Section 2. KRS 278.5462 is amended to read as follows:

- (1) The provision of broadband services shall be market-based and not subject to state administrative regulation, **except as provided in this section and Section 1 of this Act.** Notwithstanding any other provision of law to the contrary except as provided in subsections (3) and (4) of this section, no agency of the state shall impose or implement any requirement upon a broadband service provider with respect to the following:
 - (a) The availability of facilities or equipment used to provide broadband services; or
 - (b) The rates, terms or conditions for, or entry into, the provision of broadband service.
- (2) Any requirement imposed upon broadband service in existence as of July 15, 2004, is hereby voided upon enactment of KRS 278.546 to 278.5462. The provisions of this section do not limit or modify the duties of a local exchange carrier or an affiliate of a local exchange carrier to provide unbundled access to network elements or the commission's authority to arbitrate and enforce interconnection agreements, including provisions related to remote terminals and central office facilities, to the extent required under 47 U.S.C. secs. 251 and 252, and any regulations issued by the Federal Communications Commission at rates determined in accordance with the standards established by the Federal Communications Commission pursuant to 47 C.F.R. secs. 51.503 to 51.513, inclusive of any successor regulations. Nothing contained in KRS 278.546 to 278.5462 shall be construed to preclude the application of access or other lawful rates and charges to broadband providers. Nothing contained in KRS 278.546 to 278.5462 shall preclude, with respect to broadband services, access for those service providers that use or make use of the publicly switched network.
- (3) (a) **A broadband service provider shall ensure that adequate broadband services are provided in a manner to prevent seasonal outages or any outage that is more than intermittent in nature.**
 (b) **In addition to all other powers conferred to it under this chapter, the commission shall have jurisdiction to resolve** ~~may assist in the resolution of consumer service~~ **complaints relating to service outages.**
- (4) No telephone utility shall refuse to provide wholesale digital subscriber line service to competing local exchange carriers on the same terms and conditions, filed in tariff with the Federal Communications Commission, that it provides to Internet service providers.

➔Section 3. (1) There is hereby appropriated federal funds in the amount of \$250,000,000 in fiscal year 2021-2022 to the broadband deployment fund, with no more than \$50,000,000 of which to be awarded before April 1, 2022.

(2) The agency administering the broadband deployment fund shall promulgate administrative regulations to ensure that:

- (a) The moneys are awarded based on the following criteria in the order as listed:
 - 1. Projects in underserved areas or unserved areas where local, state, or federal funds are not currently available;
 - 2. Projects within underserved areas or unserved areas where local, state, or federal broadband funds are inadequate; and
 - 3. Projects that reach the customers that are the least economical to serve;
- (b) A request for proposal shall be issued for projects;
- (c) Projects will require:
 - 1. A private match of moneys of not less than 50 percent of the total project cost; or
 - 2. Matching funds from a city, county, urban county government, or consolidated local government of not less than 50 percent of the total project cost; and

- (d) Project scope should be for the smallest feasible geographical area.
- (3) The agency may provide incentive for timely completion and disincentive for not meeting agreed upon timeframes.

Veto overridden March 29, 2021.

CHAPTER 196

(HB 382)

AN ACT relating to fiscal matters, making an appropriation therefor, and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 96.895 is amended to read as follows:

- (1) As used in this section, unless the context requires otherwise:
 - (a) "Book value" means original cost unadjusted for depreciation as reflected in the TVA's books of account;
 - (b) "Fund" means the regional development agency assistance fund established in subsection (4) of this section;
 - (c) "Fund-eligible county" means one (1) of Adair, Allen, Ballard, Barren, Bell, Butler, Caldwell, Calloway, Carlisle, Christian, Clinton, Cumberland, Edmonson, Fulton, Graves, Grayson, Harlan, Hart, Henderson, Hickman, Livingston, Logan, Lyon, Marshall, McCracken, McCreary, Metcalfe, Monroe, Muhlenberg, Ohio, Russell, Simpson, Todd, Trigg, Union, Warren, Wayne, Webster, or Whitley Counties;
 - (d) "Regional development agency" or "agency" means a *special purpose governmental entity as defined in KRS 65A.010(9)* ~~local industrial development authority established under KRS 154.50-301 to 154.50-346~~ that is designated by a fiscal court to receive a payment pursuant to this section;
 - (e) "TVA" means the Tennessee Valley Authority; and
 - (f) "TVA property" means land owned by the United States and in the custody of the TVA, together with improvements that have a fixed situs on the land, including work in progress but excluding temporary construction facilities, if these improvements either:
 1. Were in existence when title to the land on which they are situated was acquired by the United States; or
 2. Are allocated by the TVA or determined by it to be allocable to power. However, manufacturing machinery as interpreted by the Department of Revenue for franchise tax determination; ash disposal systems; and coal handling facilities, including railroads, cranes and hoists, and crushing and conveying equipment, shall be excluded.
- (2) Book value shall be determined, for purposes of applying this section, as of the June 30 used by the TVA in computing the annual payment to the Commonwealth that is subject to redistribution by the Commonwealth.
- (3) Except for payments made directly by the TVA to counties, the total fiscal year payment received by the Commonwealth of Kentucky from the TVA, as authorized by Section 13 of the Tennessee Valley Authority Act, as amended, shall be prorated thirty percent (30%) to the general fund of the Commonwealth and seventy percent (70%) among counties, cities, and school districts, as provided in subsections (6) and (7) of this section.
- (4)
 - (a) The regional development agency assistance fund is hereby established in the State Treasury.
 - (b) The fund shall be administered by the Department for Local Government for the purpose of providing funding to agencies that are designated to receive funding in a given fiscal year by the fiscal court of each fund-eligible county through the Regional Development Agency Assistance Program established in KRS 96.905.
 - (c) The fund shall only receive the moneys transferred from the general fund pursuant to subsection (5) of this section.
 - (d) Notwithstanding KRS 45.229, any moneys remaining in the fund at the close of the fiscal year shall not lapse but shall be carried forward into the succeeding fiscal year. Any interest earnings of the fund shall become a part of the fund and shall not lapse.

- (5) (a) For fiscal years beginning on or after July 1, ~~2020~~[2018], a portion of the total fiscal year payment received by the Commonwealth that is allocated to the general fund shall be transferred from the general fund to the regional development agency assistance fund established in subsection (4) of this section.
- (b) This portion shall be equal to~~:-~~
- (a) ~~In fiscal year 2018-2019, two million dollars (\$2,000,000);~~
- (b) ~~In fiscal year 2019-2020, four million dollars (\$4,000,000); and~~
- (c) ~~In each fiscal year, beginning with the 2020-2021 fiscal year,} six million dollars (\$6,000,000).~~
- (c) ***Distribution of these moneys shall be made by dividing the amount in paragraph (b) of this subsection equally among each fund-eligible county.***
- (6) The payment to each county, city, and school district shall be determined by the proportion that the book value of TVA property in such taxing district, multiplied by the current tax rate, bears to the total of the book values of TVA property in all such taxing districts in the Commonwealth, multiplied by their respective tax rates. However, for purposes of this calculation, each public school district shall have its tax rate increased by thirty cents (\$0.30).
- (7) (a) As soon as practicable after the amount of payment to be made to the Commonwealth is finally determined by the TVA, the Department of Revenue shall determine the book value of TVA property in each county, city, and school district and shall prorate the payments allocated to counties, cities, and school districts under subsection (3) of this section among the distributees as provided in subsection (6) of this section.
- (b) The Department of Revenue shall:
1. Certify the payment due each ***county, city, and school district, including the amount distributed to the county under subsection (5) of this section,***~~{taxing district}~~ to the Finance and Administration Cabinet; ***and***
 2. ***Notify the Department for Local Government of that certification.***
- (c) ***Upon certification by the Department of Revenue, the Finance and Administration Cabinet***~~{which}~~ shall make the payment to such district.
- (8) In each fiscal year, after the Department of Revenue has calculated the prorated payment amount that is due to each county, ***city, and school district under subsections (6) and***~~{pursuant to subsection}~~ (7) of this section, the Department for Local Government shall ***notify in writing***~~{then make a written request to}~~ the fiscal court of each fund-eligible county ***regarding the amount that the county, city, and school district shall receive for the fiscal year, including the amount distributed to the county under subsection (5) of this section***~~{for the name and address of the agency the fiscal court designates to receive a payment from the fund pursuant to subsection (5) of this section}~~.
- (9) ~~{Within sixty (60) days of the date of the Department for Local Government's request, each fiscal court shall designate in writing one (1) agency that shall receive a share of the total amount of funds transferred to the fund in that fiscal year pursuant to subsection (5) of this section. Each agency's share shall be calculated as the total amount of funds transferred to the fund in that fiscal year divided by the total number of agencies designated to receive funds by fiscal courts of fund eligible counties. Once the amount is determined by the Department for Local Government, the payment shall be paid by the Finance and Administration Cabinet directly to the designated agency.} No amount shall be taken from the fund to pay administrative expenses by the Department for Local Government.~~
- (10)~~{ If a fiscal court does not respond to the Department for Local Government within sixty (60) days of the date of the Department for Local Government's request, the payment otherwise due to an agency designated by that fiscal court shall be reallocated equally among the agencies that have been designated to receive payments by the other fiscal courts.~~
- (11) All agencies receiving funds under this section shall provide a written report annually, no later than October 1, to the fiscal court that designated it for payment and to the Interim Joint Committee on Appropriations and Revenue. The report shall describe how the funds were expended and the results of the use of funds in terms of economic development and job creation.}

~~(12) This section shall be applicable to all payments received after April 10, 2018, from the TVA under Section 13 of the Tennessee Valley Authority Act as amended.~~

➔Section 2. KRS 96.905 is amended to read as follows:

- (1) A Regional Development Agency Assistance Program is established to consist of a system of grants to agencies designated by fiscal courts of counties designated in KRS 96.895. Grants shall be administered by the Department for Local Government.
- (2) (a) Grants obtained under this program shall be used for:
 1. Economic development and job creation activities~~[that the agency is empowered to undertake in that county];~~
 2. Acquiring federal, state, or private matching funds to the extent possible; and
 3. Debt service for approved projects;

that the agency is empowered to undertake in that county.
- (b) Grants obtained under this program shall not be used for:
 1. Salaries;~~[or]~~
 2. Consulting fees; ***or***
 3. ***Operational expenses.***
- (3) Applications for grants from funds provided for in KRS 96.895 shall:
 - (a) Be made by the legislative bodies of one (1) or more counties entitled to receive money from the regional development agency assistance fund;
 - (b) ***Include any recipient agency as a co-applicant on the application; and***
 - (c) ***Include a concurrence letter from each legislative body entitled to receive money.***
- (4) The Department for Local Government shall review and approve grant applications from counties for agencies that operate in, or serve the interest of, the county whose fiscal court designated it to receive funding. Multiple counties may also submit a joint application requesting that part of their allotted funds be directed to an agency for a project that affects the counties.
- (5) By October 1 of each year, the commissioner of the Department for Local Government shall provide, in writing, to each the Governor and the Legislative Research Commission a listing of all applications for grants received pursuant to this section since the last report, a listing of all grants awarded, the amount of the award, the recipient agency, and the related project.
- (6) The Department for Local Government shall require that any funds granted under this section include an agreement that the recipient agency shall certify that the funds were expended for the purpose intended. The department shall determine whether the certification should be an independent annual audit or an internal certification, taking into account the size of the agency and the financial burden an independent annual audit may impose on the agency. In the case of an independent annual audit, the audit report shall include a certification that the funds were expended for the purpose intended. A copy of the audit or certification of compliance shall be forwarded to the Department for Local Government within eighteen (18) months after the end of the fiscal year.

➔Section 3. The General Assembly hereby approves and ratifies Executive Order 2021-093 dated February 11, 2021, previously extended by the General Assembly for 60 days from its effective date of February 11, 2021, and declares that the order shall be further extended for the limited purpose of facilitating the receipt of federal funds related to that emergency. Nothing in this section shall be construed to limit the extension of an emergency order under KRS 39A.090(2)(b), as amended by Acts Chapter 6.

➔Section 4. 2021 Regular Session House Bill 320/EN is amended as follows:

- (1) On page 2, line 14, after "*assets*", insert "***upon a finding the proposal is in the public interest***";
- (2) On page 3, beginning on line 9, and continuing through page 4, line 17, delete Section 2 in its entirety and that section shall have no effect on the laws of the Commonwealth of Kentucky and renumber the subsequent section accordingly;

(3) On page 4, between lines 20 and 21, insert the following language:

"(2) (a) In addition to the appropriation in subsection (1) of this section, there is hereby appropriated Federal Funds from the State Fiscal Recovery Fund of the American Rescue Plan Act in the amount of \$50,000,000 in fiscal year 2020-2021. Notwithstanding KRS 45.229, the Federal Fund appropriation in fiscal year 2020-2021 shall not lapse and shall carry forward for use in fiscal year 2021-2022.

(b) The appropriation in paragraph (a) of this subsection shall be used for projects that provide broadband service in furtherance of securing economic development opportunities for commercial and industrial customers, excluding the broadband service provider itself.";

(4) On page 4, line 21, delete "(2)", and insert "(3)" in lieu thereof;

(5) On page 4, line 23, after "(a)", insert "Related to the appropriation in subsection (1) of this section," and make "The" lower case;

(6) On page 4, line 25, delete "available", and insert "designated" in lieu thereof;

(7) On page 5, line 2, after "(b)", insert, "Related to the appropriations in subsections (1) and (2) of this section," and make "A" lower case;

(8) On page 5, line 3, after "(c)", insert, "Notwithstanding KRS 224A.1121(5)(f) and (10), and related to the appropriations in subsections (1) and (2) of this section," and make "Projects" lower case;

(9) On page 5, line 9, after "(d)", insert, "Related to the appropriations in subsections (1) and (2) of this section," and make "Project" lower case;

(10) On page 5, line 9, delete "(3)", and insert "(4)" in lieu thereof;

(11) On page 5, after line 10, insert:

"(5) (a) The agency administering the broadband deployment fund shall promulgate administrative regulations to develop a process for:

1. Receiving complaints related to insufficient broadband service;

2. Incorporating forms for the collection of data related to the complaints;

3. Reporting the information collected; and

4. Referring complaints to the Office of Attorney General, Federal Communications Commission, or Federal Trade Commission, as appropriate.

(b) The agency shall report to the Legislative Research Commission on a quarterly basis, beginning October 1, 2021, and the first day of each calendar quarter thereafter, the following information:

1. The location, by county, for each consumer complaint received related to insufficient broadband service;

2. A brief description of the complaint;

3. The broadband provider related to the complaint received;

4. The response of the broadband provider regarding the complaint received;

5. Whether the complaint was resolved to the satisfaction of the consumer; and

6. Whether a referral was made to the Office of Attorney General, Federal Communications Commission, or Federal Trade Commission.".

➔Section 5. There is hereby appropriated General Fund moneys in the amount of \$140,000,000 in fiscal year 2021-2022 to the Support Education Excellence in Kentucky (SEEK) budget unit to provide full-day kindergarten. Notwithstanding 2021 HB 208/EN or any other statute or regulation to the contrary, for the school year 2021-2022, the Kentucky Department of Education shall use the school district attendance data selected by the district pursuant to 2020 Ky. Acts ch. 26, adjusted to count each kindergarten pupil in full for that respective school year, for the purpose of determining SEEK funds and any other state funding based in whole or in part on average daily attendance for the district, except that a district shall receive an amount equal to one-half (1/2) of the state portion of the average statewide per pupil guaranteed base funding level for each student who graduated early under the provisions of KRS 158.142.

➔Section 6. There is hereby appropriated Federal Funds from the Coronavirus State Fiscal Recovery Fund of the American Rescue Plan Act in the amount of \$575,000,000 in fiscal year 2021-2022 to the Employment Services budget unit for payment of interest and principal, in that order, for advances under Title XII of the Social Security Act during calendar year 2021.

➔Section 7. There is hereby appropriated Restricted Funds in the amount of \$801,500 and Federal Funds in the amount of \$40,900 in fiscal year 2021-2022 to the Office of Kentucky Nature Preserves.

➔Section 8. There is hereby appropriated General Fund moneys in the amount of \$50,000 in fiscal year 2021-2022 to the Kentucky Heritage Council for the Kentucky African American Heritage Commission.

➔Section 9. There is hereby appropriated General Fund moneys in the amount of \$1,800,000 in fiscal year 2021-2022 to the Justice Administration budget unit for one-time costs to re-establish the Northern Kentucky Regional Medical Examiner's Office. There is hereby appropriated General Fund moneys in the amount of \$1,506,300 in fiscal year 2021-2022 to the Justice Administration budget unit for the operations of the Northern Kentucky Regional Medical Examiner's Office.

➔Section 10. Whereas Section 4 of this Act requires an appropriation to be made in the current fiscal year, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Signed by Governor April 7, 2021.



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

Andy Beshear
GOVERNOR

RECEIVED

MAR 26 2021

House Clerk's
Office

Capitol Building, Suite 100
700 Capitol Avenue
Frankfort, KY 40601
(502) 564-2611
Fax: (502) 564-2517

VETO MESSAGES FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 405 OF THE
2021 REGULAR SESSION

Section 8. American Rescue Plan Appropriation to Justice Administration

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 12, lines 25 through 27, in their entirety.

Page 13, lines 1 through 17, in their entirety.

I am vetoing this part because it may not be an allowable expenditure and presumes a specific type of eligible use of funding from the American Rescue Plan Act that is not yet known. Guidance has not yet been received from the federal agencies that will award funds to the Commonwealth on this type of specific eligible use. This part could require the administration to do something that violates the American Rescue Plan Act, which would result in a forfeiture of those funds by the Commonwealth.

Section 10. American Rescue Plan Appropriation to Attorney General

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 14, lines 7 through 15, in their entirety.

I am vetoing this part because it may not be an allowable expenditure and presumes a specific type of eligible use of funding from the American Rescue Plan Act that is not yet known. Guidance has not yet been received from the federal agencies that will award funds to the Commonwealth on this type of specific eligible use. This part could require the administration to do something that violates the American Rescue Plan Act, which would result in a forfeiture of those funds by the Commonwealth.

Section 11. America (sic) Rescue Plan Act

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 14, lines 16 through 21, in their entirety.

I am vetoing this part even though its legal effect is null, as the statute that permits the appropriation of unbudgeted federal funds, KRS 48.630, is not suspended by this provision, and therefore, remains in force. The legislative branch has one means of providing “express authority”, that is through legislation; in this case through KRS 48.630. Furthermore, the American Rescue Plan Act contains federal funding for about 30 programs that will provide funding to and through Kentucky state government. This includes funding for education, higher education, public health, rental assistance, child care, mental health, services to older Americans, utility bill assistance, and others. These funds are categorical in that there are specific, eligible uses that are not subject to different disposition and need not be delayed in providing the ability to spend them, as this provision intends. In certain programs, the subrecipients, as with local school districts, choose which eligible uses the funds will be directed, not the State. As the recipient of these federal funds, the Commonwealth needs to carry out the services and activities required by each program in a timely manner.

This the 26th day of March, 2021.



Andy Beshear
Governor

CHAPTER 176

(HB 405)

Provisions of this bill that are to be deleted due to vetoes of the Governor that were not overridden by the General Assembly are displayed as bracketed and struck-through text enclosed in double asterisks, e.g., ~~[text]**~~.**

AN ACT relating to appropriations and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. There is appropriated out of the general fund, federal funds, and the transportation fund in the State Treasury for the purpose of compensating persons and companies named below for claims which have been duly audited and approved according to law, but have not been paid because of lapsing or insufficiency of former appropriations against which the claims were chargeable, or the lack of an appropriate procurement document in place, the amounts listed below:

Andy Frain Services, Inc.

761 Shoreline Drive

Aurora, IL 60504-6194

\$28,056.00

Diamond Landscapes, Inc.

PO Box 650755

Dallas, TX 75265-0755

\$2,530.18

Eastern Kentucky University Student Accounting Services

ATTN: Neil Lindon

Whitlock CPO 60

521 Lancaster Avenue

Richmond, KY 40475-3100

\$11,607.42

Embry Merritt Shaffar Womack, PLLC

62 Public Square

Leitchfield, KY 42754-1104

\$1,775.00

Gaming Laboratories International, LLC

600 Airport Road

Lakewood, NJ 08701-5995

\$2,100.00

Improving – Atlanta

Innovative Architects, LLC

5445 Legacy Drive, Suite 100

Plano, TX 75024

\$20,100.00

Jarvis Food Equipment

Attn: Chris Jarvis

2195 Commercial Court

Evansville, IN 47720-1324

\$19,557.79

Johnson Bearse, LLP

326 West Main Street

Frankfort, KY 40601-1851	\$3,498.80
KVC Behavioral Healthcare of Kentucky	
2250 Thunderstick Drive, Suite 1104	
Lexington, KY 40505-9009	\$10,233.96
Marvin and McCrary Forensic Evaluation Services	
323 West Broadway #903	
Louisville, KY 40202-4602	\$424.00
Material Transfer	
15415 Shelbyville Road	
Louisville, KY 40245	\$26,000.00
Murray State University Breathitt Veterinary Center	
PO Box 2000	
101 MSU Drive	
Hopkinsville, KY 42241-2000	\$4,080.17
National Center for Families Learning, Inc.	
325 West Main Street, Suite 300	
Louisville, KY 40202-4251	\$69,507.41
Sani-Tech JetVac Services	
PO Box 74028	
Cleveland, OH 44194-4028	\$32,316.90
Sedgwick Claims Management Services Inc.	
2897 Momentum Place	
Chicago, IL 60689-5328	\$63,817.87
The Animal Clinic, P.S.C.	
201 North Main Street	
Lawrenceburg, KY 40342-1015	\$294.62
University of Pittsburgh	
ATTN: 371220	
500 Ross Street, 154-0455	
Pittsburgh, PA 15262-0001	\$123,975.00
University of Tennessee	
Institute of Agriculture	
ATTN: Angela Braden	
103 Morgan Hall	
Knoxville, TN 37996-4506	\$29,813.86
Veterinary Associates Stonefield	
203 Moser Road	
Louisville, KY 40223-3113	\$645.95
Wyatt, Tarrant, and Combs, LLP	

400 West Market Street, Suite 2000

Louisville, KY 40202-3227

\$11,082.50

➔Section 2. The claims listed in this section are for the payment of State Treasury checks payable to the persons or their personal representatives, and the firms listed, but not presented for payment within a period of five (5) years from the date of issuance of such checks as required by KRS 41.370 and 413.120:

Check #TA 16722669 dated April 21, 2015

Prerana P. Aghamkar

AKA Prerana P. Williamson

8321 Cherry Creek Drive

Centerville, OH 45458-3210

\$173.00

Check #T1 13959758 dated April 27, 2010

Eram Ahmed

464 Bates Road

Elizabethtown, KY 42701-9558

\$160.00

Check #T1 11711109 dated May 21, 2007

Mediha Ahmed

464 Bates Road

Elizabethtown, KY 42701-9558

\$373.00

Check #T1 13303689 dated April 29, 2009

Mediha Ahmed

464 Bates Road

Elizabethtown, KY 42701-9558

\$77.00

Check #T1 9288245 dated May 15, 2001

Saeed and K Ahmed

464 Bates Road

Elizabethtown, KY 42701-9558

\$540.00

Check #T1 11722592 dated May 25, 2007

Sana Ahmed

464 Bates Road

Elizabethtown, KY 42701-9558

\$100.00

Check #T1 13320260 dated May 4, 2009

Sana Ahmed

464 Bates Road

Elizabethtown, KY 42701-9558

\$8.00

Check #TA 15711981 dated May 8, 2013

Sana Ahmed

464 Bates Road

Elizabethtown, KY 42701-9558

\$207.00

Check #TA 16740517 dated April 22, 2015

Anthony T Austin 1202 Kentucky Street, Apt. 2 Bowling Green, KY 42101	\$175.00
Check #T1 13195584 dated April 15, 2009 Vincent and Rita Baker 126 Blanton Lane London, KY 40741-9294	\$626.00
Check #TA 16064054 dated March 25, 2014 Marsha G Black 2107 Dover Court Winchester, KY 40391-1045	\$202.00
Check #RA 12145760 dated November 27, 2013 Barbara K Braun Attn: Beate Lynn, KTRS 479 Versailles Road Frankfort, KY 40601-3868	\$1,869.84
Check # TA 15200049 dated May 15, 2012 Lois A Bringhurst 8612 Holston Road Louisville, KY 40222-5318	\$399.00
Check #T1 12102806 dated February 22, 2008 Phillip L and S Crawford 2188 Willow Neave Road Brooksville, KY 41004-8778	\$662.00
Check # P1 1332737 dated December 20, 1993 Mary Cull c/o Golf Villas @ Duckers 116 Hogan Drive Frankfort, KY 40601-8107	\$716.19
Check #T1 1776562 dated May 2, 2003 Jerry W Duvall 354 El Conquistador Place Louisville, KY 40220-2023	\$217.00
Check #L1 11080593 dated February 2, 2007 John Fender Labor Redeposit Kentucky State Treasury Frankfort, KY 40601	\$62.50
Check #GA 18400881 dated September 11, 2013	

<p>Tabitha Grimes Attn: Lisa Wise-Hodnett, CHFS DCBS DAFM 455 Park Place, Suite 120A Lexington, KY 40511-1881</p>	\$250.00
<p>Check #GA 18473697 dated October 9, 2013 Vanessa Hunt Attn: Lisa Wise-Hodnett, CHFS DCBS DAFM 455 Park Place, Suite 120A Lexington, KY 40511-1881</p>	\$250.00
<p>Check #E1 2087113 dated September 22, 2004 Traore Issake 429 Lenox Avenue, Apt 22 New York, NY 10037-3534</p>	\$202.00
<p>Check #TA 15729175 dated May 10, 2013 Timothy and D Kopp 1431 Corydon Pike New Albany, IN 47150-6025</p>	\$1,768.00
<p>Check #EA 11721311 dated March 18, 2015 James D Lawson 5321 Haventree Place Louisville, KY 40229-2259</p>	\$336.60
<p>Check #GA 18386545 September 4, 2013 Gaylen Logan Attn: Lisa Wise-Hodnett, CHFS DCBS DAFM 455 Park Place, Suite 120A Lexington, KY 40511-1881</p>	\$250.00
<p>Check #GA 17494706 dated September 10, 2012 Kacie Miller Attn: Lisa Wise-Hodnett, CHFS DCBS DAFM 455 Park Place, Suite 120A Lexington, KY 40511-1881</p>	\$250.00
<p>Check #GA 19601320 dated February 20, 2015 Ronald D Miller Labor Redeposit Kentucky State Treasury Frankfort, KY 40601</p>	\$538.08
<p>Check #TA 15631062 dated April 17, 2013 K and P J Monroe</p>	

512 West 15th Street Owensboro, KY 42301-3610	\$581.00
Check #TA 16186746 dated April 21, 2014	
K and P J Monroe 512 West 15th Street Owensboro, KY 42301-3610	\$322.00
Check #E1 11206999 dated December 18, 2008	
Stephen R and M Page 3805 Ashridge Drive Louisville, KY 40241-1652	\$79.27
Check #TA 15192155 dated May 14, 2012	
Terry and Claudia Pearson 5413 State Route 97 Mayfield, KY 42066-7349	\$145.00
Check #T1 2733024 dated May 3, 2004	
Darrell W and C Reffett 115 Wolf Creek Crossing Road Nancy, KY 42544-6638	\$583.00
Check #BA 11093265 dated May 14, 2012	
Sams East Inc Attn: Cheryl Ryan, Unclaimed Property MS-0655 PO Box 8032 Bentonville, AR 72712-3332	\$781.33
Check #T1 14623931 dated May 23, 2011	
Ryan V Sanurwin 1252 Telluride Circle Lexington, KY 40509-2394	\$93.00
Check #CA 12618871 dated October 14, 2014	
Addison Scarry C/O Martha Metts 914 Rosemary Drive Louisville, KY 40213-1118	\$274.66
Check #TA 16143228 dated April 14, 2014	
Richard G (Dec'd) and Marsha Segal 6509 Sedgwick Drive Prospect, KY 40059-8803	\$827.00
Check #G 4854200 dated December 21, 1977	
Charles B Severs PSC 117 Chanteclair Circle	

Gulf Breeze, FL 32561-4061	\$670.80
Check #GA 19982406 dated July 24, 2015	
Daniel Smith	
PO Box 158	
Memphis, IN 47143-0158	\$117.33
Check #TA 15891045 dated February 12, 2014	
Seth C Stearns	
591 Middle Fork Indian Creek Road	
Albany, KY 42602-8933	\$135.00
Check #CA 12583829 dated March 4, 2014	
Estate of Russell Stephens	
C/O Brook R Stephens Exe	
Attn: Lisa Hilton, KRS	
Frankfort, KY 40601-6157	\$5,000.00
Check #T1 13273406 dated April 24, 2009	
James A Taylor	
14451 Livingston Lane	
Carmel, IN 46074-5846	\$274.00
Check #G1 16117463 dated May 4, 2011	
Dennis Thomas	
2827 Dodd Road	
Murray, KY 42071-6821	\$65.00
Check #TA 16383434 dated February 12, 2015	
Rodney B and A LW Travis	
100 Providence Road	
Providence, KY 42450-5161	\$192.00
Check #BA 11124675 dated January 6, 2015	
Walmart Stores East LP	
Attn: Cheryl Ryan, Unclaimed Property MS-0655	
PO Box 8032	
Bentonville, AR 72712-3332	\$66.13
Check #BA 11124676 dated January 6, 2015	
Walmart Stores East LP	
Attn: Cheryl Ryan, Unclaimed Property MS-0655	
PO Box 8032	
Bentonville, AR 72712-3332	\$144.05
Check #BA 11124677 dated January 6, 2015	
Walmart Stores East LP	

Attn: Cheryl Ryan, Unclaimed Property MS-0655

PO Box 8032

Bentonville, AR 72712-3332

\$938.93

Check #T 6670647 dated April 20, 1999

Winset and L Webb

1702 Pleasureville Road

Pleasureville, KY 40057-6009

\$444.00

Check #GA 19464632 dated December 11, 2014

Loreta K Westfield Estate

C/O Wilma Clayborn (Executrix)

6206 Leisure Lane

Louisville, KY 40229-1684

\$2,377.40

Check #TA 16729775 dated April 22, 2015

Joshua Williamson

515 Willow Stone Way

Louisville, KY 40223-5570

\$63.00

Check #T1 4599204 dated June 13, 2006

Cynthia M Witzer

2200 North Fort Thomas Avenue

Fort Thomas, KY 41075-1024

\$2,874.00

➔Section 3. The Finance and Administration Cabinet and the State Treasurer are authorized to pay the following listed claims from the following funds:

- (1) The Kentucky Retirement Systems is authorized to make payment from their retirement fund for State Treasury checks payable to the persons or their personal representatives but not presented for payment within a period of five (5) years from the date of issuance of such checks, the sum hereinafter specified:

Check #KA 12361525 dated July 12, 2013

Sanders Swan

Attn: Rachel Young, KRS

1260 Louisville Road

Frankfort, KY 40601-6157

\$880.17

➔Section 4. Whereas the persons and companies named above have furnished in good faith services, supplies, and materials and the Commonwealth has received the same, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

➔Section 5. **Office of Attorney General Additional Personnel:** There is hereby appropriated General Fund moneys in the amount of \$1,500,000, Restricted Fund moneys in the amount of \$1,500,000, and Federal Fund moneys in the amount of \$1,000,000 in fiscal year 2021-2022 to the Office of the Attorney General for additional personnel.

➔Section 6. **Forensic Laboratory Personnel:** There is hereby appropriated General Fund moneys in the amount of \$1,754,400 in fiscal year 2021-2022 to the Department of Kentucky State Police to convert forensic laboratory personnel to a 40-hour work week.

➔Section 7. **Prevention Services:** There is hereby appropriated General Fund moneys in the amount of \$20,000,000 in fiscal year 2021-2022 to the Department for Community Based Services to support prevention services for families. The Department shall use these funds to expand prevention services and shall apply for any and all potential federal match dollars made available through the American Rescue Plan Act of 2021 (H.R. 1319) or

other federal funding relating to family prevention services. Any matching funds shall be used in conjunction with the expansion of the Department's prevention services programs. Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

~~**[➔Section 8. (1) — There is hereby appropriated Federal Funds in the amount of \$37,000,000 in fiscal year 2021-2022 to the Justice Administration budget unit to provide grants to entities to detect, diagnose, trace, and monitor SARS-CoV-2 and COVID-19 infections in congregate and vulnerable population settings. Priority for Federal Funds grant awards shall be given to agencies engaged in cooperative agreements or contracts with Commonwealth's Attorneys in individual Judicial Circuits to specifically address alternative sentencing and diversionary programs for census reduction in congregate settings including, but not limited to prisons, jails, detention centers, and reentry facilities. Grant awards shall focus on providing technical assistance, guidance, and support. The Secretary of the Justice and Public Safety Cabinet shall award grants, contracts, or cooperative agreements to state, local, territorial, and Tribal public health departments for activities to detect, diagnose, trace, monitor, and report on SARS-CoV-2 and COVID-19 infections and related strategies and activities to mitigate the spread of SARS-CoV-2, in congregate or vulnerable population settings.~~

~~(2) — The Secretary shall develop performance outcome measures to which recipients of the funds in subsection (1) of this section shall adhere. The Secretary shall submit a report to the Interim Joint Committee on Appropriations and Revenue by December 31, 2021, and June 30, 2022. The report shall detail which entities received funding, identify the amount of funds awarded to each entity, summarize each entity's use of funds, and summarize each entity's performance.]**~~

➔Section 9. **State of Emergency Assistance Fund:** Notwithstanding KRS 157.611 to 157.665 or any other statute to the contrary, there is hereby appropriated General Fund moneys in the amount of \$10,000,000 in fiscal year 2021-2022 to the School Facilities Construction Commission to assist local school districts with costs for construction, repair, or renovation of facilities destroyed or severely damaged by a flood or heavy rainfall.

A local district shall be eligible to receive funds if the district is located in a county that was included in the Governor's state of emergency declared on February 28, 2021. Funds shall only be disbursed if a local district has fully expended all FEMA or insurance proceeds receive, and the proceeds were not sufficient to fully support the costs to construct, repair, or renovate the facilities. If the funds appropriated are not sufficient to fully support the costs to construct, repair, or renovate, the School Facilities Construction Commission is authorized to pro rata reduce the funds disbursed to each district.

The School Facilities Construction Commission shall develop the timeline for districts to request funds. The funds shall be disbursed to local district no later than October 1, 2021.

~~**[➔Section 10. **Office of the Attorney General:** There is hereby appropriated Federal Fund moneys in the amount of \$2,000,000 in fiscal year 2021-2022 to the Office of the Attorney General for grants to be awarded to the Office of the Attorney General from the state's allocation of funding from the American Rescue Plan Act of 2021 (H.R. 1319) for the Coronavirus State and Local Fiscal Recovery Funds to be used to investigate, prosecute, or otherwise pursue appropriate remedies in connection with COVID-related schemes, fraud, violations of consumer protection statutes, fraudulent unemployment insurance benefit claims, cybercrimes, online threats, human trafficking, child abuse, and other related activity.]**~~

~~**[➔Section 11. **American Rescue Plan Act:** Notwithstanding KRS 45.229, in the event that any Federal Funds received from the American Rescue Plan Act of 2021 (H.R. 1319) are allotted, expended, or appropriated without the express authority of the General Assembly, General Fund moneys in the amount of \$902,200 in fiscal year 2021-2022 under the Office of State Budget Director budget unit shall be forfeited and shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).]**~~

➔Section 12. **Proprietary Education:** There is hereby appropriated Restricted Fund moneys in the amount of \$133,000 in fiscal year 2021-2022 to the Proprietary Education budget unit.

➔Section 13. **Substance Abuse, Mental Health, and Reentry Service Centers:** (1) Notwithstanding any statute to the contrary, beginning in fiscal year 2022-2023, the Department of Corrections shall pay each contracted provider of substance abuse, mental health, and reentry centers a minimum of 65 percent of the contracted beds monthly. Any contracted, but unfilled contracted beds as of the date of this Act may, at the discretion of the provider, be terminated.

(2) Each contracted provider, as provided for in subsection (1) of this section, shall report 100 percent of their occupancy to the Department of Corrections. The report shall detail the total number of beds, the number of

beds available, the type of individual occupying bed space, and shall be submitted in a method and at a frequency established by the Department's discretion.

(3) Notwithstanding any statute to the contrary, the Department of Corrections shall be permitted to negotiate an inflationary price increase for contracted providers of substance abuse, mental health, and reentry centers during the COVID-19 state of emergency.

➔Section 14. **Reimbursement Rate Increase:** There is hereby appropriated General Fund moneys in the amount of \$12,000,000 in fiscal year 2021-2022 to the Department for Community Based Services to provide a \$2 per child increase in the Child Care Assistance Program provider reimbursement rate.

➔Section 15. By November 1, 2021, the Kentucky Department of Education shall submit a report to the Legislative Research Commission and the School Funding Task Force with options on how to ensure the equitable transfer of education funds so that funds follow a nonresident student to a school district of enrollment from a school district of residence. The report shall include recommendations on how the amount should be calculated and what mechanism should be used to conduct the transfer.

➔Section 16. (1) The Legislative Research Commission is hereby directed to establish the School Funding Task Force to:

(a) Review the entirety of the current of K-12 funding mechanism, including but not limited to the fund for the Support Education Excellence in Kentucky (SEEK) program, other state funds directed for the operation of the state's public school system, local revenues raised by school districts, and federal funds;

(b) Review publications, reports, and analyses of the current funding mechanism, including but not limited to a report from the Office of Education Accountability on the SEEK fund that was approved in the office's 2021 research agenda;

(c) Review the report from the Kentucky Department of Education submitted under Section 15 of this Act;

(d) Review how Kentucky's school funding mechanism compares with mechanisms developed by other states; and

(e) Develop and submit any recommendations and changes the task force may adopt relating to the SEEK fund to ensure the equitable and efficient funding of Kentucky's common schools to the Legislative Research Commission by December 1, 2021.

(2) The School Funding Task Force shall be composed of the following members, with final membership of the task force being subject to the consideration and approval of the Legislative Research Commission:

(a) Two members of the House of Representatives to be appointed by the Speaker of the House, one of whom shall be designated to serve as co-chair;

(b) Two members of the Senate to be appointed by the President of the Senate, one of whom shall be designated to serve as co-chair;

(c) One member of the House of Representatives to be appointed by the Minority Floor Leader of the House;

(d) One member of the Senate to be appointed by the Minority Floor Leader of the Senate;

(e) The commissioner of the Kentucky Department of Education or designee;

(f) Three school superintendents, one of whom shall be superintendent of an independent school district, submitted by the president of the Kentucky Association of School Superintendents; and

(g) Three local school board members, submitted by the executive director of the Kentucky School Boards Association.

(3) Provisions of this section to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

➔Section 17. Section 16 of this Act shall have the same legal status as a House Concurrent Resolution.

➔Section 18. The provisions of the State/Executive Branch Budget, 2021 Regular Session HB 192/EN, are amended to read as follows:

On page 80, delete lines 14 through 18 in their entirety;

Beginning on page 80, line 24, through page 81, line 6, delete language in its entirety; and
On page 81, line 7, delete "(10)" and insert "(9)" in lieu thereof."

Vetoed not acted on March 30, 2021.



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

Andy Beshear
GOVERNOR

Capitol Building, Suite 100
700 Capitol Avenue
Frankfort, KY 40601
(502) 564-2611
Fax: (502) 564-2517

VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 556 OF THE
2021 REGULAR SESSION

Section 11

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 19, line 9, delete "Justice". After "Administration" delete "budget unit".

Page 19, line 10, after "settings." delete "The".

Page 19, lines 11 through 27, in their entirety.

Page 20, lines 1 through 2, in their entirety.

I am vetoing these parts because this line-item veto creates the necessary conditions for these funds to meet the likely federal guidance from the American Rescue Plan Act.

Section 18

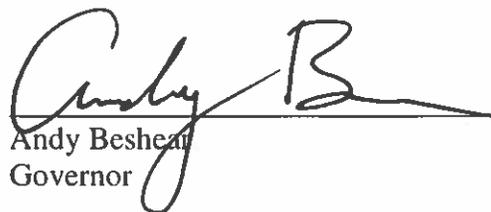
I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 22, line 22, delete "substance".

Page 22, line 23, delete "use disorder programs and".

I am vetoing these parts to correct a drafting error. The vetoed language was not intended to limit funding to centers that provide both job creation training and substance use disorder programs. Rather, the offering of substance use disorder programs is one of four criteria to be used, not a limitation.

This the 7th day of April, 2021.


Andy Beshear
Governor

CHAPTER 194

(HB 556)

Provisions of this bill that are to be deleted due to vetoes of the Governor that were not overridden by the General Assembly are displayed as bracketed and struck-through text enclosed in double asterisks, e.g., ****[text]****.

AN ACT relating to fiscal matters, making an appropriation therefor, and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

(1) *As used in this section:*

- (a) *"Commission" means the Harrodsburg Sestercentennial Commission established in subsection (2) of this section; and*
- (b) *"Sestercentennial" means the two hundred fiftieth anniversary of the founding of Harrodsburg on June 16, 1774.*

(2) *The Harrodsburg Sestercentennial Commission is hereby established to plan, encourage, develop, and coordinate events and other activities related to the two hundred fiftieth anniversary of Harrodsburg in 2024. To accomplish its charge, the commission shall:*

- (a) *Ensure that adequate way-finding signage and mapping is accomplished to mark and identify Old Fort Harrod State Park;*
- (b) *Educate citizens of the Commonwealth and the nation about the stories of pioneers and Native Americans in the early days of westward settlement and the impact Harrodsburg and settlements of its nature had on Kentucky and American history;*
- (c) *Plan and implement events for a year-long sestercentennial commemoration in the year 2024 of the founding of Harrodsburg and whatever events in the immediately preceding and following years are deemed appropriate by the commission, including any battlefield commemorations if funds are available;*
- (d) *Assist local governments and their representatives with planning, preparation, and grant applications for sestercentennial events and projects;*
- (e) *Coordinate federal, state, local, and nonprofit organizations' sestercentennial activities occurring in Kentucky;*
- (f) *Coordinate events and activities with parties, commissions, and organizations wishing to participate in the 2024 commemoration;*
- (g) *Act as a point of contact for national organizations wishing to distribute information to state and local groups about grant opportunities, meetings, and national events related to the settlement of Harrodsburg and sestercentennial activities;*
- (h) *Seek funding sources such as foundations, line item appropriations, federal grants, philanthropic organizations, and lineage societies;*
- (i) *Create press, print, and electronic contacts that generate stories on a continual basis;*
- (j) *Encourage and contract new publications and create a call for papers on Harrodsburg, Fort Harrod, James Harrod, or other participating or involved parties, and how the history of this early frontier settlement impacted American history;*
- (k) *Organize symposiums and other methodologies to investigate genealogy relative to Harrodsburg;*
- (l) *Create higher and lower educational programs;*
- (m) *Perform other duties necessary to educate Kentuckians on the history of Harrodsburg and early frontier settlements and on the Commonwealth's role in early westward expansion;*

- (n) *Evaluate the existing infrastructure of Old Fort Harrod State Park, provide recommendations for what infrastructure should be in place for the successful undertaking of appropriate events and activities in accordance with this section, and coordinate with state and local bodies to make necessary infrastructure improvements; and*
 - (o) *Coordinate planning for the sestercentennial with the nonprofit organization Harrodsburg 250th, Inc., this organization having been established by the local governments of Harrodsburg and Mercer County to serve as the point of contact for local planning for the sestercentennial.*
- (3) *The commission shall consist of the following eleven (11) members:*
- (a) *The secretary of the Education and Workforce Development Cabinet or his or her designee;*
 - (b) *The secretary of the Transportation Cabinet or his or her designee;*
 - (c) *Two (2) members from the Tourism, Arts and Heritage Cabinet, appointed by the secretary of the cabinet;*
 - (d) *One (1) member from the Kentucky Heritage Council, appointed by the state historic preservation officer;*
 - (e) *One (1) member of the Kentucky Humanities Council, appointed by the chair of the council;*
 - (f) *One (1) member of Harrodsburg 250th, Inc., recommended by the chair of that organization and appointed by the Governor;*
 - (g) *One (1) member of the Friends of Fort Harrod, recommended by the leader of that organization and appointed by the Governor; and*
 - (h) *Three (3) citizen members appointed by the Governor, one (1) of whom shall be designated as the chair.*
- (4) *The Harrodsburg Sestercentennial Commission shall be attached to the Kentucky Historical Society for administrative purposes only.*
- (5) *This section shall expire on January 1, 2027.*

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

- (1) *The Kentucky State Parks Centennial Commission is established to plan and implement events to celebrate the one hundredth anniversary of the state parks system in 2024. To accomplish its charge, the commission shall:*
- (a) *Assist local governments and organizations with planning, preparation, and grant applications for parks centennial events and projects;*
 - (b) *Coordinate events and activities with parties, commissions, and organizations wishing to participate in the centennial celebration;*
 - (c) *Seek funding sources such as foundations, line item appropriations, federal grants, and philanthropic organizations;*
 - (d) *Establish press, print, and electronic contacts that generate stories on a continual basis; and*
 - (e) *Perform other duties necessary to highlight Kentucky's parks system during its one hundredth year.*
- (2) *The Kentucky State Parks Centennial Commission shall consist of the following nine (9) members:*
- (a) *The secretary of the Tourism, Arts and Heritage Cabinet or his or her designee;*
 - (b) *One (1) additional member from the Tourism, Arts and Heritage Cabinet, appointed by the secretary;*
 - (c) *One (1) member from the Kentucky Historical Society, appointed by the executive director of the society;*
 - (d) *One (1) member from the Kentucky Heritage Council, appointed by the state historic preservation officer;*
 - (e) *Three (3) members selected by the secretary of the Tourism, Arts and Heritage Cabinet who work in onsite park leadership; and*

- (f) *Two (2) citizen members, one (1) of whom shall be designated as the chair and appointed by the Governor.*
- (3) *The Kentucky State Parks Centennial Commission shall be attached to the Kentucky Tourism, Arts and Heritage Cabinet for administrative purposes only.*
- (4) *This section shall expire on January 1, 2025.*

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section:*
 - (a) *"Commission" means the Kentucky Sestercentennial Commission established in subsection (2) of this section; and*
 - (b) *"Sestercentennial" means the two hundred fiftieth anniversary of historic events from 1774 to 1776 that include the founding of Harrodsburg in 1774, the opening of Boone Trace in 1775, the genesis of westward movement, and the important events tied to our nation's founding in 1776.*
- (2) *The Kentucky Sestercentennial Commission is hereby established to plan and implement events to celebrate the two hundred fiftieth anniversary of Old Fort Harrod in 2024, culminating with the Declaration of Independence in 1776. To accomplish its charge, the commission shall:*
 - (a) *Elect a chair of the commission and have the authority to form subcommittees and working groups that include non-commission members in order to plan, develop, and coordinate specific activities;*
 - (b) *Plan, encourage, develop, and coordinate the commemoration of the two hundred fiftieth anniversary of the founding of the United States and recognize Kentucky's integral role in that event and the impact of its people on the nation's past, present, and future;*
 - (c) *Ensure that adequate way-finding signage and mapping is accomplished to mark and identify the relevant points of interest and routes involved in the founding of Kentucky and the opening of the west;*
 - (d) *Educate citizens of the Commonwealth and the nation about the stories of pioneers, African Americans, and Native Americans in the early days of westward settlement and the impact Fort Harrod and Fort Boonesborough had on Kentucky and American history;*
 - (e) *Plan and implement events for a three (3) year sestercentennial commemoration of the years 2024 to 2026 and following years deemed appropriate by the commission, including any battlefield commemorations if funds are available;*
 - (f) *Assist local governments with planning, preparation, and grant applications for sestercentennial events and projects;*
 - (g) *Coordinate federal, state, local, and nonprofit organizations' sestercentennial activities occurring in Kentucky;*
 - (h) *Coordinate events and activities with parties, commissions, and organizations wishing to participate in the commemoration;*
 - (i) *Seek funding sources such as foundations, line item appropriations, federal grants, philanthropic organizations, and lineage societies;*
 - (j) *Establish press, print, and electronic contacts that generate stories on a continual basis;*
 - (k) *Encourage and contract new publications and create a call for papers on how the history of this early frontier settlement impacted American history;*
 - (l) *Organize symposiums and other methodologies to investigate genealogy relative to the events involved in the founding of Kentucky and opening of the west;*
 - (m) *Create higher and lower educational programs; and*
 - (n) *Perform other duties necessary to educate Kentuckians on the history of early frontier settlements and on the Commonwealth's role in early westward expansion and to highlight the importance of the years 1774 to 1776 to Kentucky history.*
- (3) *The commission shall consist of the following fourteen (14) members:*

- (a) *The secretary of the Education and Workforce Development Cabinet or his or her designee;*
 - (b) *One (1) member from the Tourism, Arts and Heritage Cabinet appointed by the secretary of the cabinet;*
 - (c) *One (1) member from the Kentucky Heritage Council, appointed by the state historic preservation officer;*
 - (d) *One (1) member from the Kentucky Humanities Council, appointed by the chair of the council;*
 - (e) *One (1) member of the Friends of Fort Harrod, recommended by the leader of that organization and appointed by the Governor;*
 - (f) *Three (3) citizen members appointed by the Governor, one (1) of whom shall be designated as the chair;*
 - (g) *The commissioner of the Department of Parks or his or her designee;*
 - (h) *The president of Friends of Boone Trace, Inc. or his or her designee;*
 - (i) *The president of the Fort Boonesborough Foundation, or his or her designee;*
 - (j) *One (1) member from the Kentucky African American Heritage Commission appointed by the chair of that commission;*
 - (k) *One (1) member of the Kentucky Native American Heritage Commission appointed by the chair of that commission; and*
 - (l) *One (1) member of the Kentucky Historical Society appointed by the executive director of the society.*
- (4) *The Kentucky Sestercentennial Commission shall be attached to the Kentucky Historical Society for administrative purposes only.*

(5) *This section shall expire on January 1, 2027.*

➔Section 4. KRS 197.045 is amended to read as follows:

- (1) Any person convicted and sentenced to a state penal institution:
- (a) Shall receive a credit on his or her sentence for:
 - 1. Prior confinement as specified in KRS 532.120;
 - 2. Successfully receiving a High School Equivalency Diploma or a high school diploma, a college degree, a completed vocational or technical education program, or a correspondence postsecondary education program which results in a diploma or degree, as provided, defined, and approved by the department in the amount of ninety (90) days per diploma, degree, or technical education program completed;
 - 3. Successfully completing a drug treatment program, evidence-based program, or any other promising practice or life skills program approved by the department, in the amount of not more than ninety (90) days for each program completed. The department shall determine criteria to establish whether a life skills or promising practice program is eligible for sentence credits. Programs shall demonstrate learning of skills necessary for reintegration into the community to minimize barriers to successful reentry. Approval of programs shall be subject to review by the cabinet; and
 - (b) May receive a credit on his or her sentence for:
 - 1. Good behavior in an amount not exceeding ten (10) days for each month served, to be determined by the department from the conduct of the prisoner;
 - 2. Performing exceptionally meritorious service or performing duties of outstanding importance in connection with institutional operations and programs, awarded at the discretion of the commissioner in an amount not to exceed seven (7) days per month; and
 - 3. Acts of exceptional service during times of emergency, awarded at the discretion of the commissioner in an amount not to exceed seven (7) days per month.
- (2) Except for a sentencing credit awarded for prior confinement, the department may forfeit any sentencing credit awarded under subsection (1) of this section previously earned by the prisoner or deny the prisoner the right to

earn future sentencing credit in any amount if during the term of imprisonment, a prisoner commits any offense or violates the rules of the institution.

- (3) When two (2) or more consecutive sentences are to be served, the several sentences shall be merged and served in the aggregate for the purposes of the sentencing credit computation or in computing dates of expiration of sentence.
- (4) Until successful completion of the sex offender treatment program, an eligible sexual offender may earn sentencing credit. However, the sentencing credit shall not be credited to the eligible sexual offender's sentence. Upon the successful completion of the sex offender treatment program, as determined by the program director, the offender shall be eligible for all sentencing credit earned but not otherwise forfeited under administrative regulations promulgated by the Department of Corrections. After successful completion of the sex offender treatment program, an eligible sexual offender may continue to earn sentencing credit in the manner provided by administrative regulations promulgated by the Department of Corrections. Any eligible sexual offender, as defined in KRS 197.410, who has not successfully completed the sex offender treatment program as determined by the program director shall not be entitled to the benefit of any credit on his or her sentence. A sexual offender who does not complete the sex offender treatment program for any reason shall serve his or her entire sentence without benefit of sentencing credit, parole, or other form of early release. The provisions of this section shall not apply to any sexual offender convicted before July 15, 1998, or to any sexual offender with an intellectual disability.
- (5)
 - (a) The Department of Corrections shall, by administrative regulation, specify the length of forfeiture of sentencing credit and the ability to earn sentencing credit in the future for those inmates who have civil actions dismissed because the court found the action to be malicious, harassing, or factually frivolous.
 - (b) Penalties set by administrative regulation pursuant to this subsection shall be as uniform as practicable throughout all institutions operated by, under contract to, or under the control of the department and shall specify a specific number of days or months of sentencing credit forfeited as well as any prohibition imposed on the future earning of sentencing credit.
- (6) ***Starting in fiscal year 2021-2022 and through fiscal year 2023-2024, if a state prisoner is confined in a jail pursuant to Section 6 of this Act and earns sentencing credits under subsection (1)(a)2. or 3. of this section while confined in that jail, at the end of that prisoner's period of confinement in that jail, the department shall pay a fee to the unit of local government or regional jail authority responsible for the administration of that jail as follows:***
 - (a) ***For every Department of Corrections-approved program completed which resulted in the issuance of a ninety (90) day sentencing credit, a payment of one thousand dollars (\$1,000) shall be made;***
 - (b) ***For every Department of Corrections-approved program completed which resulted in the issuance of a sixty (60) day sentencing credit, a payment of six hundred dollars (\$600) shall be made; and***
 - (c) ***For every Department of Corrections-approved program completed which resulted in the issuance of a thirty (30) day sentencing credit, a payment of three hundred dollars (\$300) shall be made.***
- (7) The provisions in subsection (1)(a)2. of this section shall apply retroactively to July 1, 2018~~{15, 2014}~~.

➔Section 5. There is hereby appropriated General Fund moneys in the amount of \$30,000,000 in fiscal year 2021-2022 to the Community Services and Local Facilities budget unit to provide the incentive payments outlined in Sections 4 and 6 of this Act. Notwithstanding KRS 45.229, any unexpended funds in fiscal year 2021-2022 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

➔Section 6. KRS 532.100 is amended to read as follows:

- (1) As used in this section, "jail" means a "jail" or "regional jail" as defined in KRS 441.005.
- (2) When an indeterminate term of imprisonment is imposed, the court shall commit the defendant to the custody of the Department of Corrections for the term of his or her sentence and until released in accordance with the law.
- (3) When a definite term of imprisonment is imposed, the court shall commit the defendant to a jail for the term of his or her sentence and until released in accordance with the law.
- (4) When a sentence of death is imposed, the court shall commit the defendant to the custody of the Department of Corrections with directions that the sentence be carried out according to law.

- (5) (a) The provisions of KRS 500.080(5) notwithstanding, if a Class D felon is sentenced to an indeterminate term of imprisonment of five (5) years or less, he or she shall serve that term in a jail in a county in which the fiscal court has agreed to house state prisoners; except that, when an indeterminate sentence of two (2) years or more is imposed on a Class D felon convicted of a sexual offense enumerated in KRS 197.410(1), or a crime under KRS 17.510(11) or (12), the sentence shall be served in a state institution. Counties choosing not to comply with the provisions of this paragraph shall be granted a waiver by the commissioner of the Department of Corrections.
- (b) The provisions of KRS 500.080(5) notwithstanding, a Class D felon who received a sentence of more than five (5) years for nonviolent, nonsexual offenses, but who currently has less than five (5) years remaining to be served, may serve the remainder of his or her term in a jail in a county in which the fiscal court has agreed to house state prisoners.
- (c) 1. The provisions of KRS 500.080(5) notwithstanding, and except as provided in subparagraph 2. of this paragraph, a Class C or D felon with a sentence of more than five (5) years who is classified by the Department of Corrections as community custody shall serve that term in a jail in a county in which the fiscal court has agreed to house state prisoners if:
- a. Beds are available in the jail;
 - b. State facilities are at capacity; and
 - c. Halfway house beds are being utilized at the contract level as of July 15, 2000.
2. When an indeterminate sentence of two (2) years or more is imposed on a felon convicted of a sex crime, as defined in KRS 17.500, or any similar offense in another jurisdiction, the sentence shall be served in a state institution.
3. Counties choosing not to comply with the provisions of this paragraph shall be granted a waiver by the commissioner of the Department of Corrections.
- (d) Any jail that houses state inmates under this subsection shall offer programs as recommended by the Jail Standards Commission. The Department of Corrections shall adopt the recommendations of the Jail Standards Commission and promulgate administrative regulations establishing required programs for a jail that houses state inmates under this subsection. The Department of Corrections shall approve programming offered by jails to state inmates for sentencing credits in accordance with KRS 197.045.
- (e) Before housing any female state inmate, a jail shall be certified pursuant to KRS 197.020.
- (f) 1. a. If a jail is at or over one hundred fifty percent (150%) capacity, the Department of Corrections may direct the jail to transfer a specified number of state prisoners to vacant beds at other designated jails or state institutions. As used in this paragraph, "capacity" means the capacity listed on the certificate of occupancy issued each year to the jail by the Department of Corrections.
- b. The Department of Corrections shall choose which state prisoners are eligible for transfer based on the security level of the vacant bed at the receiving jail or state institution.
 - c. State prisoners who are approved for transfer to a Department of Corrections facility for necessary medical treatment and care pursuant to KRS 441.560 shall not be transferred to another jail.
 - d. State prisoners enrolled in a Department of Corrections approved program pursuant to KRS 197.045 shall not be transferred.
 - e. State prisoners awaiting trial in the county they are being housed shall not be transferred.
 - f. Jails that receive state prisoners pursuant to this subparagraph shall be responsible for the transportation of those prisoners to the jail.
2. If the Department of Corrections directs the transfer of a state prisoner pursuant to subparagraph 1. of this paragraph, the jailer has fourteen (14) days to transfer the state prisoner. If the jailer refuses to release custody of the state prisoner to the receiving jail within fourteen (14) days, the department shall reduce the per diem for the jail for an amount equal to the per diem of that prisoner for each day the jailer refuses to comply with the direction.

3. If the Department of Corrections directs the transfer of a state prisoner pursuant to subparagraph 1. of this paragraph, the jailer of the receiving jail shall accept the transfer and transport the state prisoner in accordance with subparagraph 1.f. of this paragraph. If, after receiving a copy of the direction, the jailer refuses to accept and transport the state prisoner, the Department of Corrections shall reduce the per diem for the receiving jail for an amount equal to the per diem of that prisoner for each day the jailer refuses to comply with the direction.
 4. If a jail has a vacant bed and has a Class C or Class D felon who, based on the Department of Corrections classification system, is eligible to be housed in that vacant bed, the department may direct the jail to transfer the state prisoner to that bed. If the jailer refuses to transfer the state prisoner to the vacant bed, the Department of Corrections shall reduce the per diem for the jail for an amount equal to the per diem of that prisoner for each day the jailer refuses to comply with the direction.
 5. The per diem reduced pursuant to subparagraph 2., 3., or 4. of this paragraph shall be enforced by withholding the amount from the per diem paid to the jail pursuant to KRS 431.215(2).
 6. If a jail that is at or over one hundred fifty percent (150%) capacity requests the transfer of a specified number of state prisoners, the Department of Corrections may, if vacant beds are available at other jails, direct the transfer in accordance with subparagraph 1. of this paragraph.
- (g) If a jail has vacant beds in an area of the jail usually reserved for state prisoners, the jail may house county prisoners in that area.
- (6) The jailer of a county in which a Class D felon or a Class C felon is incarcerated may request the commissioner of the Department of Corrections to incarcerate the felon in a state corrections institution if the jailer has reasons to believe that the felon is an escape risk, a danger to himself or herself or other inmates, an extreme security risk, or needs protective custody beyond that which can be provided in a jail. The commissioner of the Department of Corrections shall evaluate the request and transfer the inmate if he or she deems it necessary. If the commissioner refuses to accept the felon inmate, and the Circuit Judge of the county that has jurisdiction of the offense charged is of the opinion that the felon cannot be safely kept in a jail, the Circuit Judge, with the consent of the Governor, may order the felon transferred to the custody of the Department of Corrections.
- (7) (a) Class D felons and Class C felons serving their time in a jail shall be considered state prisoners, and, except as provided in subsection (5)(f) of this section, the Department of Corrections shall pay the jail in which the prisoner is incarcerated a per diem amount determined according to KRS 431.215(2). For other state prisoners and parole violator prisoners, the per diem payments shall also begin on the date prescribed in KRS 431.215(2), except as provided in subsection (5)(f) of this section.
- (b) 1. *The per diem amount paid to the jail shall be increased by two dollars (\$2) per day of program attendance for those inmates enrolled in and attending evidence-based programs approved by the department and that do not require instructors to have completed any postsecondary education.*
2. *The per diem amount paid to the jail shall be increased by ten dollars (\$10) per day of program attendance for those inmates enrolled in and attending evidence-based programs approved by the department and that require instructors to have completed particular postsecondary courses.*
- (c) *Any amount beyond the base per diem paid under paragraph (a) of this subsection that is paid under a contract to the jail for an inmate's attendance at an evidence-based program shall be credited toward the ten dollars (\$10) increase in per diem required under paragraph (b) of this subsection.*
- (8) State prisoners, excluding the Class D felons and Class C felons qualifying to serve time in jails, shall be transferred to the state institution within forty-five (45) days of final sentencing.
- (9) (a) Class D felons eligible for placement in a jail may be permitted by the warden or jailer to participate in any approved community work program or other form of work release with the approval of the commissioner of the Department of Corrections.
- (b) The authority to release an inmate to work under this subsection may be exercised at any time during the inmate's sentence, including the period when the court has concurrent authority to permit work release pursuant to KRS 439.265.

- (c) The warden or jailer may require an inmate participating in the program to pay a fee to reimburse the warden or jailer for the cost of operating the community work program or any other work release program. The fee shall not exceed the lesser of fifty-five dollars (\$55) per week or twenty percent (20%) of the prisoner's weekly net pay earned from the community work program or work release participation. In addition, the inmate may be required to pay for any drug testing performed on the inmate as a requirement of the community work program or work release participation.
- (d) This subsection shall not apply to an inmate who:
 1. Is not eligible for work release pursuant to KRS 197.140;
 2. Has a maximum or close security classification as defined by administrative regulations promulgated by the Department of Corrections;
 3. Is subject to the provisions of KRS 532.043; or
 4. Is in a reentry center as defined in KRS 441.005.

➔SECTION 7. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section, "development area" means a region within a consolidated local government bounded by:*
 - (a) *To the south, Algonquin Parkway to the South Seventh Street intersection, but including the unincorporated communities adjacent to Park Duvalle and Algonquin:*
 1. *Beginning at the Ohio River, at the southwest corner of Chickasaw Park and then along the park's southern boundary to Southwestern Parkway;*
 2. *Southwestern Parkway south to Algonquin Parkway;*
 3. *Algonquin Parkway to South Forty-first Street;*
 4. *South Forty-first Street south to Bells Lane;*
 5. *Bells Lane east to Cane Run Road;*
 6. *Cane Run Road north to Linwood Avenue;*
 7. *Linwood Avenue east to Beech Street;*
 8. *Beech Street south to Wingfield Lane;*
 9. *Wingfield Lane east to Dixie Highway;*
 10. *Dixie Highway north to Algonquin Parkway; and*
 11. *Algonquin Parkway east to South Seventh Street;*
 - (b) *To the east, South Seventh Street north to Ninth Street and Ninth Street north to the Ohio River; and*
 - (c) *The Ohio River to the north and west;*
- (2) *Prior to any development actions taken by the West End Opportunity Partnership, a minimum investment shall be pledged within the order listed and received by the West End Opportunity Partnership:*
 - (a) *A combined total of twenty million dollars (\$20,000,000) shall be pledged by and received from private sector investors and a consolidated local government, with a minimum of five million dollars (\$5,000,000) pledged by a consolidated local government; and*
 - (b)
 1. *Only upon verification of receipt of the twenty million dollars (\$20,000,000) pledged under paragraph (a) of this subsection, general fund moneys in the amount of ten million dollars (\$10,000,000) shall be appropriated by the General Assembly to the Department for Local Government for use by the West End Opportunity Partnership for revitalization of the development area.*
 2. *The Kentucky State Treasurer shall verify that the West End Opportunity Partnership received the full twenty million dollars (\$20,000,000) in accordance with paragraph (a) of this subsection prior to the General Assembly appropriating ten million dollars (\$10,000,000) from the general fund. The West End Opportunity Partnership shall provide the Kentucky State Treasurer the information needed to verify receipt of the funds. Within thirty (30) days of*

verifying the funds, the Kentucky State Treasurer shall notify the Interim Joint Committee on Appropriations and Revenue.

3. *If the West End Opportunity Partnership has not received the full twenty million dollars (\$20,000,000) in accordance with paragraph (a) of this subsection prior to June 30, 2022, the General Assembly shall not appropriate the ten million dollars (\$10,000,000) required by subparagraph 1. of this paragraph.*

➔Section 8. Sections 1 and 3 of this Act, as codified following the 2021 Regular Session of the Kentucky General Assembly, shall be repealed effective January 1, 2027. Section 2 of this Act, as codified following the 2021 Regular Session of the Kentucky General Assembly, shall be repealed effective January 1, 2025.

➔Section 9. Section 7 of this Act is effective only if the 2021 Regular Session House Bill Number 321 is enacted and becomes law.

➔Section 10. There is hereby appropriated General Fund moneys in the amount of \$20,000,000 in fiscal year 2021-2022 to the rural hospital operations and facilities revolving loan fund established in KRS 154.20-190.

➔Section 11. (1) There is hereby appropriated Federal Funds from the American Rescue Plan Act in the amount of \$37,000,000 in fiscal year 2021-2022 to the Justice Administration budget unit to provide grants to mitigate the spread of SARS-CoV-2 and COVID-19 infections in congregate or vulnerable population settings. ~~**[The Justice and Public Safety Cabinet shall issue a Request for Proposals to determine if vendors can provide services to detect, diagnose, trace, and monitor SARS CoV 2 and COVID 19 infections in congregate and vulnerable population settings. Priority for Federal Funds grant awards shall be given to agencies engaged in cooperative agreements or contracts with Commonwealth's Attorneys in individual Judicial Circuits to specifically address alternative sentencing and diversionary programs for census reduction in congregate settings, including but not limited to prisons, jails, detention centers, and reentry facilities. Grant awards shall focus on providing technical assistance, guidance, and support. The Secretary of the Justice and Public Safety Cabinet shall award grants, contracts, or cooperative agreements to state, local, territorial, and Tribal public health departments for activities to detect, diagnose, trace, monitor, and report on SARS CoV 2 and COVID 19 infections and related strategies and activities to mitigate the spread of SARS CoV 2, in congregate or vulnerable population settings.~~

~~(2) The Secretary shall develop performance outcome measures to which recipients of the funds in subsection (1) of this section shall adhere. The Secretary shall submit a report to the Interim Joint Committee on Appropriations and Revenue by December 31, 2021, and June 30, 2022. The report shall detail which entities received funding, identify the amount of funds awarded to each entity, summarize each entity's use of funds, and summarize each entity's performance.]**~~

➔Section 12. The provisions of the Judicial Branch Budget, 2021 Regular Session HB 195/VO in Part, are amended as follows:

On page 10, delete lines 15 through 22 in their entirety and renumber subsequent sections accordingly.

➔Section 13. The Court of Justice shall prepare a report detailing the existing budget processes of the Court of Justice and the actual expenditure of funds from fiscal year 2020-2021 and budgeted expenditures for fiscal year 2021-2022, by fund source and individual location or office, for the Supreme Court, Court of Appeals, Circuit Court, Family Court, District Court, Administrative Office of the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use Allowance Contingency Fund, and for services performed by the Circuit Court Clerks' offices. This report shall be submitted to the Interim Joint Committee on Appropriations and Revenue by September 1, 2021.

➔Section 14. (1) There is hereby appropriated General Fund moneys in the amount of \$14,700,000 in fiscal year 2021-2022 to the Court Operations and Administration budget unit to provide technology upgrades for virtual hearing equipment between county jails and courts in the amounts specified below:

- (a) \$6,000,000 to expand video arraignment systems to all courtrooms;
- (b) \$4,600,000 to support videoconferencing systems to permit a hybrid court model;
- (c) \$2,000,000 to incorporate a self-represented litigant portal;
- (d) \$1,100,000 to procure redaction system software; and
- (e) \$1,000,000 to procure self-service kiosks.

(2) Pursuant to KRS Chapter 45A, the Administrative Office of the Courts shall issue requests for proposals for the items listed in subsection (1) of this section by September 30, 2021.

➔Section 15. There is hereby appropriated Federal Funds from the American Rescue Plan Act in the amount of \$6,173,600 in fiscal year 2020-2021 and \$5,934,200 in fiscal year 2021-2022 to the Community Services and Local Facilities budget unit to provide a \$2 per day, per state inmate per diem. The per diem shall be used to defray COVID-19-related expenditures for testing, mitigation, and other response expenditures to county jails that house state inmates. The funds hereby appropriated shall be retroactively paid to county jails that have housed state inmates in fiscal year 2020-2021 since the initial emergency declaration was issued and shall continue to be paid in fiscal year 2021-2022 for the duration of COVID-19-related emergency declarations in accordance with the provisions of KRS Chapter 39A.

➔Section 16. (1) There is hereby authorized and appropriated Federal Funds from the Coronavirus Capital Projects Fund of the American Rescue Plan Act in the amount of \$53,000,000 in fiscal year 2021-2022 to the Facilities and Support Services budget unit in the Finance and Administration Cabinet for continuing renovations to the interior of the Capitol Building including mechanical, electrical, and plumbing upgrades. These expenditures shall conform to KRS 45.750 to 45.818.

(2) There is hereby authorized and appropriated Federal Funds from the Coronavirus Capital Projects Fund of the American Rescue Plan Act in the amount of \$5,000,000 in fiscal year 2021-2022 to the Facilities and Support Services budget unit in the Finance and Administration Cabinet for renovations to the exterior of the Capitol Annex Building including terrace repairs and waterproofing upgrades. These expenditures shall conform to KRS 45.750 to 45.818.

(3) In the event that the appropriations authorized in subsections (1) and (2) of this section do not qualify as eligible expenditures of the Coronavirus Capital Projects Fund, the Federal Funds shall be reallocated to the School Facilities Replacement and Renovation Fund.

➔Section 17. There is hereby appropriated Federal Funds from the Coronavirus Capital Projects Fund of the American Rescue Plan Act of 2021 in the amount of \$127,000,000 in fiscal year 2021-2022 to the School Facilities Replacement and Renovation Fund in the School Facilities Construction Commission budget unit to support school facility construction costs.

Notwithstanding KRS 157.611 to 157.665, the School Facilities Construction Commission is authorized to make additional offers of assistance in fiscal year 2021-2022 to local school districts for schools that are ranked as the highest on the Kentucky Facilities Inventory and Classification System report as of February 27, 2020, that are A1 schools, that are ranked as a Priority 1 or 2 on the local school district's facility plan, and that have levied a ten-cent equivalent tax dedicated to capital improvements but remain unable to cash fund or to sufficiently support the required annual debt service for replacement or renovation of the school. The offer of assistance shall represent the difference between the cost to replace or renovate the designated facility and the amount of available local resources.

The School Facilities Construction Commission shall make offers of assistance to each local school district only upon the written authorization of the Commissioner of Education or his or her designee and documentation of the project cost.

➔Section 18. There is hereby appropriated General Fund moneys in the amount of \$75,000,000 in fiscal year 2021-2022 to the School Facilities Construction Commission to support local area vocational education center renovation costs. A local school district that owns a facility designated as a local area vocational education center shall be eligible to receive up to \$10,000,000 to support renovation costs if the center provides ~~**[substance use disorder programs and]~~** job creation training. The School Facilities Construction Commission shall establish a funding pool and develop criteria for the districts to receive funding. Substance use disorder programs, job creation and training programs, bonding capacity, and a needs-based local match shall be included in the criteria.

➔Section 19. Whereas an appropriation of moneys is made in fiscal year 2020-2021 to the Community Services and Local Facilities budget unit, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Vetoed in part and became law without Governor's signature April 7, 2021.