

Environmental and Public Protection

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Environmental and Public Protection

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	109,122,500	178,757,300	189,003,500	85,952,300	92,333,700
Continuing Appropriation	1,155,200				
Budget Reduction	-4,164,900				
Salary Compensation Fund	1,198,600				
Base Deduction	-498,100				
Mandated Allotments	750,000				
Total General Fund	107,563,300	178,757,300	189,003,500	85,952,300	92,333,700
Tobacco Settlement-Phase I					
Tobacco Settlement - I	23,496,000	28,568,700	28,899,500	28,551,300	28,881,900
Continuing Appropriation	12,340,800				
Other	4,684,200				
Total Tobacco Settlement-Phase I	40,521,000	28,568,700	28,899,500	28,551,300	28,881,900
Restricted Funds					
Balance Forward	136,558,000	107,050,900	122,770,100	79,855,100	49,485,600
Current Receipts	200,426,100	193,406,600	200,687,900	209,494,600	213,275,600
Non-Revenue Receipts	209,553,300	212,682,000	218,544,600	224,127,600	200,243,200
Fund Transfers	-62,857,000			-88,520,000	-40,310,000
Total Restricted Funds	483,680,400	513,139,500	542,002,600	424,957,300	422,694,400
Federal Funds					
Balance Forward	100				
Current Receipts	79,973,600	79,781,600	87,609,200	78,825,500	86,156,500
Non-Revenue Receipts	-3,094,300	-3,268,300	-3,318,800	-3,283,100	-3,333,800
Total Federal Funds	76,879,400	76,513,300	84,290,400	75,542,400	82,822,700
Road Fund					
Regular Appropriation	300,000	109,200	45,000	300,000	300,000
Total Road Fund	300,000	109,200	45,000	300,000	300,000
TOTAL SOURCE OF FUNDS	708,944,100	797,088,000	844,241,000	615,303,300	627,032,700
EXPENDITURES BY CLASS					
Personnel Cost	232,885,800	300,068,600	322,157,500	234,801,400	244,008,500
Operating Expenses	179,219,700	182,774,500	184,352,200	165,706,700	165,570,800
Grants, Loans or Benefits	183,711,300	162,669,400	163,637,400	138,345,400	139,705,700
Debt Service	4,068,000	589,000	589,000	589,000	2,801,000
Capital Outlay	4,268,100	6,715,300	5,250,700	3,156,000	2,975,400
Construction	22,804,000	21,501,100	26,201,100	20,358,500	25,038,600
TOTAL EXPENDITURES	626,956,900	674,317,900	702,187,900	562,957,000	580,100,000
EXPENDITURES BY FUND SOURCE					
General Fund	105,431,200	178,757,300	189,003,500	83,091,600	89,748,000
Tobacco Settlement-Phase I	40,521,000	28,568,700	28,899,500	28,551,300	28,881,900
Restricted Funds	403,825,300	390,369,400	399,949,500	375,471,700	378,347,400
Federal Funds	76,879,400	76,513,300	84,290,400	75,542,400	82,822,700
Road Fund	300,000	109,200	45,000	300,000	300,000
TOTAL EXPENDITURES	626,956,900	674,317,900	702,187,900	562,957,000	580,100,000
EXPENDITURES BY UNIT					
General Administration and Program Support	16,283,700	21,410,400	22,864,000	15,632,500	15,530,600
Environmental Protection	84,684,800	98,256,400	101,149,500	78,309,900	79,472,400
Natural Resources	45,434,900	50,954,300	50,359,900	35,158,300	35,461,100
Mine Reclamation and Enforcement	32,303,600	42,800,500	47,094,000	36,338,900	39,175,600
Abandoned Mine Land Reclamation	22,000,000	22,000,000	29,000,000	22,000,000	29,000,000

Projects					
Environmental Quality Commission	221,000	331,200	350,900	232,100	239,100
Kentucky Nature Preserves Commission	2,169,400	2,447,300	2,534,300	1,636,600	1,582,000
Public Protection Commissioner	812,300	1,449,000	1,541,200	884,000	900,300
Boxing and Wrestling Authority	87,900	101,700	104,200	100,000	100,000
Petroleum Storage Tank Environmental Assur Fund	31,414,400	30,233,800	30,325,500	29,183,100	30,940,000
Alcoholic Beverage Control	5,228,300	6,133,400	6,469,800	5,161,800	5,315,300
Charitable Gaming	3,143,200	3,551,200	3,780,800	3,057,600	3,092,900
Board of Claims/Crime Victims' Compensation	3,686,400	3,641,800	3,734,900	2,964,300	2,995,400
Financial Institutions	9,222,700	11,275,000	11,981,400	9,213,100	9,213,200
Horse Racing Authority	28,371,700	35,498,900	35,040,300	28,453,700	28,378,300
Housing, Buildings and Construction	17,096,700	24,528,700	27,144,500	18,147,400	19,613,500
Insurance	59,564,700	57,767,300	59,034,700	39,909,600	40,532,900
Mine Safety Review Commission	184,200	228,700	238,100	188,900	192,600
Mine Safety and Licensing	13,363,400	20,308,400	20,676,000	16,043,000	16,373,300
Public Service Commission	10,403,100	14,962,900	15,827,500	11,198,500	11,473,500
Tax Appeals	439,800	553,800	587,600	439,800	439,800
Labor	116,863,900	107,138,200	110,081,000	99,271,600	100,135,000
Occupational Safety and Health Review Commission	484,400	738,200	776,700	495,300	505,800
Workers' Compensation Board	920,200	1,136,000	1,207,300	949,200	969,000
Workers' Compensation Funding Commission	122,572,200	116,870,800	120,283,800	107,987,800	108,468,400
TOTAL EXPENDITURES	626,956,900	674,317,900	702,187,900	562,957,000	580,100,000

Pursuant to KRS 224.10-100, the Environmental and Public Protection Cabinet is charged with the protection and preservation of land, air and water resources; supervision and regulation of industries, and the administration of rules for the state concerning employer-employee relationships. The Cabinet has four departments: Environmental Protection, Natural Resources, Labor, and Public Protection.

A Secretary appointed by the Governor heads the Cabinet. The Secretary is responsible for environmental leadership, monitoring environmental trends and shaping a vision for Kentucky's environmental future. The Secretary enforces statutes and regulations through oversight activities relating to wages and hours, occupational safety and employee health, child labor, apprenticeship, and workers' compensation, ensuring the integrity of supervised industries and the safety of employees.

The Mine Safety Review Commission is part of the Environmental and Public Protection Cabinet under supervision of the Secretary. KRS 351.1041 establishes the Mine Safety Review Commission to enforce sanctions against licensed premises and certified and non-certified personnel whose willful and repeated violations of mine safety laws place miners in imminent danger of serious injury or death. The Commission is charged with conducting hearings and issuing orders regarding licensees, coal operators, and other persons involved in the mining of coal in accordance with KRS 351.194.

**Environmental and Public Protection
General Administration and Program Support**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,541,400	11,658,600	12,906,600	7,517,000	8,001,000
Budget Reduction	-45,100				
Salary Compensation Fund	86,700				
Total General Fund	8,583,000	11,658,600	12,906,600	7,517,000	8,001,000
Restricted Funds					
Balance Forward	500,100	220,600	68,600	379,400	165,800
Current Receipts	4,400	4,400	4,400	4,400	4,400
Non-Revenue Receipts	6,650,700	8,040,800	8,341,500	6,342,900	5,793,000
Fund Transfers	-589,300				
Total Restricted Funds	6,565,900	8,265,800	8,414,500	6,726,700	5,963,200
Federal Funds					
Current Receipts	1,568,800	1,599,100	1,610,900	1,599,100	1,610,900
Non-Revenue Receipts	-54,600	-44,500	-44,300	-44,500	-44,500
Total Federal Funds	1,514,200	1,554,600	1,566,600	1,554,600	1,566,400
TOTAL SOURCE OF FUNDS	16,663,100	21,479,000	22,887,700	15,798,300	15,530,600
EXPENDITURES BY CLASS					
Personnel Cost	14,536,000	19,614,200	21,091,000	13,362,500	13,365,800
Operating Expenses	1,734,700	1,758,200	1,760,000	2,257,000	1,709,800
Debt Service					442,000
Capital Outlay	13,000	38,000	13,000	13,000	13,000
TOTAL EXPENDITURES	16,283,700	21,410,400	22,864,000	15,632,500	15,530,600
EXPENDITURES BY FUND SOURCE					
General Fund	8,583,000	11,658,600	12,906,600	7,517,000	8,001,000
Restricted Funds	6,186,500	8,197,200	8,390,800	6,560,900	5,963,200
Federal Funds	1,514,200	1,554,600	1,566,600	1,554,600	1,566,400
TOTAL EXPENDITURES	16,283,700	21,410,400	22,864,000	15,632,500	15,530,600
EXPENDITURES BY UNIT					
General Administration and Program Support	16,283,700	21,410,400	22,864,000	15,632,500	15,530,600
TOTAL EXPENDITURES	16,283,700	21,410,400	22,864,000	15,632,500	15,530,600

General Administration and Program Support (GAPS) provides the Cabinet agencies with the centralized, professional resources necessary to carry out their mission. The Office of the Secretary is responsible for final administrative and programmatic decision-making. The Office of Administrative and Information Services serves as a central point of contact for fiscal, personnel, payroll, budget, operations and information technology services for the Cabinet. The Office of Legal Services provides legal guidance and representation for all Cabinet programs. The Office of Administrative Hearings holds administrative and adjudicatory hearings and makes recommendations of final actions to the Secretary. The Office of Inspector General is the lead investigative agency within the Cabinet. The Offices of Legislative and Intergovernmental Affairs, Regulatory Affairs and Communications and Public Outreach are responsible for various facets of improving regulatory procedures and communicating programmatic and policy information to stakeholders including the legislature, the regulated community, citizens, and local governments.

Environmental and Public Protection

Environmental Protection

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	26,118,000	42,856,000	45,564,800	22,283,600	23,639,800
Budget Reduction	-215,300				
Salary Compensation Fund	353,100				
Total General Fund	26,255,800	42,856,000	45,564,800	22,283,600	23,639,800
Restricted Funds					
Balance Forward	5,660,800	3,433,300	1,416,000	3,745,800	1,787,100
Current Receipts	14,064,300	13,174,200	14,170,600	14,953,200	15,199,400
Non-Revenue Receipts	24,057,600	19,262,000	19,416,600	19,262,000	19,416,600
Fund Transfers	-1,984,700			-1,250,000	-1,250,000
Total Restricted Funds	41,798,000	35,869,500	35,003,200	36,711,000	35,153,100
Federal Funds					
Current Receipts	21,840,400	22,750,000	22,697,700	22,714,700	22,500,100
Non-Revenue Receipts	-1,763,600	-1,912,300	-1,941,500	-1,912,300	-1,941,500
Total Federal Funds	20,076,800	20,837,700	20,756,200	20,802,400	20,558,600
Road Fund					
Regular Appropriation	300,000	109,200	45,000	300,000	300,000
Total Road Fund	300,000	109,200	45,000	300,000	300,000
TOTAL SOURCE OF FUNDS	88,430,600	99,672,400	101,369,200	80,097,000	79,651,500
EXPENDITURES BY CLASS					
Personnel Cost	52,210,000	67,000,100	70,718,400	52,123,900	53,060,700
Operating Expenses	7,540,900	9,507,300	8,522,300	7,473,700	7,402,600
Grants, Loans or Benefits	14,820,400	15,434,500	15,717,500	13,934,500	14,217,500
Debt Service					91,000
Capital Outlay	1,359,500	1,714,500	1,591,300	1,320,400	1,263,100
Construction	8,754,000	4,600,000	4,600,000	3,457,400	3,437,500
TOTAL EXPENDITURES	84,684,800	98,256,400	101,149,500	78,309,900	79,472,400
EXPENDITURES BY FUND SOURCE					
General Fund	26,255,800	42,856,000	45,564,800	22,283,600	23,639,800
Restricted Funds	38,052,200	34,453,500	34,783,500	34,923,900	34,974,000
Federal Funds	20,076,800	20,837,700	20,756,200	20,802,400	20,558,600
Road Fund	300,000	109,200	45,000	300,000	300,000
TOTAL EXPENDITURES	84,684,800	98,256,400	101,149,500	78,309,900	79,472,400
EXPENDITURES BY UNIT					
Commissioner	1,992,300	2,557,200	2,675,200	1,637,800	1,688,100
Water	24,114,400	30,946,200	31,653,900	24,664,600	25,085,000
Waste Management	37,491,400	37,958,200	38,918,300	31,356,100	31,572,800
Air Quality	14,108,100	18,330,800	19,049,400	14,469,700	14,764,700
Environmental Services	3,508,500	4,145,800	4,292,900	3,008,900	3,035,500
Maxey Flats	499,900	668,600	679,300	415,600	427,000
Enforcement	1,505,000	1,886,300	2,006,200	1,414,600	1,457,000
Compliance Assistance	1,465,200	1,763,300	1,874,300	1,342,600	1,442,300
TOTAL EXPENDITURES	84,684,800	98,256,400	101,149,500	78,309,900	79,472,400

The Department for Environmental Protection is responsible for the protection of the environmental health of Kentucky's citizens through the prevention, abatement, and control of water, land, and air pollution. The Department oversees environmental enforcement and compliance assistance operations for four program areas: Water, Air Quality, Waste Management, and Environmental Services. The Department also is responsible for the Maxey Flats low-level nuclear waste disposal site.

**Environmental and Public Protection
Environmental Protection
Commissioner**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,662,100	2,161,600	2,268,500	1,242,200	1,281,400
Budget Reduction	-5,700				
Salary Compensation Fund	5,300				
Total General Fund	1,661,700	2,161,600	2,268,500	1,242,200	1,281,400
Restricted Funds					
Balance Forward	120,800	52,200	19,700	52,200	19,700
Current Receipts	200	200	200	200	200
Non-Revenue Receipts	282,900	362,900	391,200	362,900	391,200
Fund Transfers	-21,100				
Total Restricted Funds	382,800	415,300	411,100	415,300	411,100
TOTAL SOURCE OF FUNDS	2,044,500	2,576,900	2,679,600	1,657,500	1,692,500
EXPENDITURES BY CLASS					
Personnel Cost	1,691,100	2,241,300	2,404,600	1,415,000	1,465,000
Operating Expenses	260,500	314,300	269,000	221,200	221,500
Capital Outlay	40,700	1,600	1,600	1,600	1,600
TOTAL EXPENDITURES	1,992,300	2,557,200	2,675,200	1,637,800	1,688,100
EXPENDITURES BY FUND SOURCE					
General Fund	1,661,700	2,161,600	2,268,500	1,242,200	1,281,400
Restricted Funds	330,600	395,600	406,700	395,600	406,700
TOTAL EXPENDITURES	1,992,300	2,557,200	2,675,200	1,637,800	1,688,100

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

Environmental and Public Protection

Environmental Protection

Water

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,955,000	17,524,400	18,334,900	11,052,000	11,511,000
Budget Reduction	-100,000				
Salary Compensation Fund	59,000				
Total General Fund	11,914,000	17,524,400	18,334,900	11,052,000	11,511,000
Restricted Funds					
Balance Forward	663,400	833,700	535,700	833,700	535,700
Current Receipts	743,900	680,200	680,200	680,200	680,200
Non-Revenue Receipts	635,900	710,800	717,000	710,800	717,000
Fund Transfers	-176,000				
Total Restricted Funds	1,867,200	2,224,700	1,932,900	2,224,700	1,932,900
Federal Funds					
Current Receipts	11,451,800	12,326,600	12,191,000	12,326,600	12,191,000
Non-Revenue Receipts	-584,900	-703,000	-709,200	-703,000	-709,200
Total Federal Funds	10,866,900	11,623,600	11,481,800	11,623,600	11,481,800
Road Fund					
Regular Appropriation	300,000	109,200	45,000	300,000	300,000
Total Road Fund	300,000	109,200	45,000	300,000	300,000
TOTAL SOURCE OF FUNDS	24,948,100	31,481,900	31,794,600	25,200,300	25,225,700
EXPENDITURES BY CLASS					
Personnel Cost	19,371,800	24,762,500	26,244,100	19,639,700	20,172,800
Operating Expenses	1,960,800	2,892,700	2,378,900	2,158,000	2,040,300
Grants, Loans or Benefits	2,781,800	3,030,900	3,030,900	2,780,900	2,780,900
Debt Service					91,000
Capital Outlay		260,100		86,000	
TOTAL EXPENDITURES	24,114,400	30,946,200	31,653,900	24,664,600	25,085,000
EXPENDITURES BY FUND SOURCE					
General Fund	11,914,000	17,524,400	18,334,900	11,052,000	11,511,000
Restricted Funds	1,033,500	1,689,000	1,792,200	1,689,000	1,792,200
Federal Funds	10,866,900	11,623,600	11,481,800	11,623,600	11,481,800
Road Fund	300,000	109,200	45,000	300,000	300,000
TOTAL EXPENDITURES	24,114,400	30,946,200	31,653,900	24,664,600	25,085,000

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

The Division administers programs relating to groundwater protection plans, Total Maximum Daily Load Plans, the Non-Point Source 319(h) Grant program, watershed management, dam safety inspections, Clean Water and Drinking Water State Revolving Loan programs, Kentucky Pollution Discharge Elimination System permitting, on-site sewage inspections, confined animal feeding operations compliance, logging operations, and Forestry Conservation Act compliance.

Environmental and Public Protection
Environmental Protection
Waste Management

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,187,300	12,049,000	13,687,500	4,820,600	5,440,500
Budget Reduction	-21,100				
Salary Compensation Fund	55,500				
Total General Fund	6,221,700	12,049,000	13,687,500	4,820,600	5,440,500
Restricted Funds					
Balance Forward	2,171,100	879,400	77,000	1,121,200	318,800
Current Receipts	3,479,200	1,457,000	1,457,000	3,333,300	3,326,100
Non-Revenue Receipts	22,102,300	17,085,300	17,146,500	17,085,300	17,146,500
Fund Transfers	-1,613,700			-1,250,000	-1,250,000
Total Restricted Funds	26,138,900	19,421,700	18,680,500	20,289,800	19,541,400
Federal Funds					
Current Receipts	7,077,600	7,447,000	7,516,800	7,447,000	7,516,800
Non-Revenue Receipts	-825,600	-882,500	-891,900	-882,500	-891,900
Total Federal Funds	6,252,000	6,564,500	6,624,900	6,564,500	6,624,900
TOTAL SOURCE OF FUNDS	38,612,600	38,035,200	38,992,900	31,674,900	31,606,800
EXPENDITURES BY CLASS					
Personnel Cost	14,726,200	18,455,200	19,212,500	14,738,800	14,713,800
Operating Expenses	2,315,900	2,816,200	2,575,600	2,381,600	2,365,300
Grants, Loans or Benefits	11,598,300	11,986,800	12,264,700	10,736,800	11,014,700
Capital Outlay	97,000	100,000	265,500	41,500	41,500
Construction	8,754,000	4,600,000	4,600,000	3,457,400	3,437,500
TOTAL EXPENDITURES	37,491,400	37,958,200	38,918,300	31,356,100	31,572,800
EXPENDITURES BY FUND SOURCE					
General Fund	6,221,700	12,049,000	13,687,500	4,820,600	5,440,500
Restricted Funds	25,017,700	19,344,700	18,605,900	19,971,000	19,507,400
Federal Funds	6,252,000	6,564,500	6,624,900	6,564,500	6,624,900
TOTAL EXPENDITURES	37,491,400	37,958,200	38,918,300	31,356,100	31,572,800

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

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

Policy

Notwithstanding KRS 224.43-320, no funds are provided in the above appropriations for the assignment of full-time inspectors to each municipal solid waste landfill operating in the Commonwealth. The Kentucky Pride Fund shall transfer \$1,250,000 million in each fiscal year of fiscal biennium 2008-2010 to the General Fund.

Environmental and Public Protection
Environmental Protection
Air Quality

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,475,200	5,016,200	4,800,400	1,274,000	1,290,200
Budget Reduction	-5,100				
Salary Compensation Fund	36,200				
Total General Fund	1,506,300	5,016,200	4,800,400	1,274,000	1,290,200
Restricted Funds					
Balance Forward	2,178,200	1,329,000	626,600	1,394,800	692,400
Current Receipts	9,647,400	10,847,200	11,847,200	10,749,900	11,006,900
Non-Revenue Receipts	193,200	190,400	205,400	190,400	205,400
Fund Transfers	-100,000				
Total Restricted Funds	11,918,800	12,366,600	12,679,200	12,335,100	11,904,700
Federal Funds					
Current Receipts	2,275,300	1,765,000	1,775,200	1,743,400	1,775,200
Non-Revenue Receipts	-197,500	-190,400	-205,400	-190,400	-205,400
Total Federal Funds	2,077,800	1,574,600	1,569,800	1,553,000	1,569,800
TOTAL SOURCE OF FUNDS	15,502,900	18,957,400	19,049,400	15,162,100	14,764,700
EXPENDITURES BY CLASS					
Personnel Cost	11,359,000	15,086,300	15,953,700	11,755,400	11,967,400
Operating Expenses	1,369,900	1,709,300	1,539,100	1,312,600	1,314,900
Grants, Loans or Benefits	322,400	322,400	322,400	322,400	322,400
Capital Outlay	1,056,800	1,212,800	1,234,200	1,079,300	1,160,000
TOTAL EXPENDITURES	14,108,100	18,330,800	19,049,400	14,469,700	14,764,700
EXPENDITURES BY FUND SOURCE					
General Fund	1,506,300	5,016,200	4,800,400	1,274,000	1,290,200
Restricted Funds	10,524,000	11,740,000	12,679,200	11,642,700	11,904,700
Federal Funds	2,077,800	1,574,600	1,569,800	1,553,000	1,569,800
TOTAL EXPENDITURES	14,108,100	18,330,800	19,049,400	14,469,700	14,764,700

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

The 1990 Clean Air Act Amendments imposed new permitting requirements to protect air quality. Federal law requires that an emission fee be levied on facilities with significant air pollutants to fund the implementation of the new requirements. If a state does not have continued authorization, the fee will be collected by the U.S. Environmental Protection Agency to fund a federal permitting program.

Environmental and Public Protection
Environmental Protection
Environmental Services

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,203,900	3,706,400	3,949,000	2,628,100	2,628,100
Budget Reduction	-40,700				
Salary Compensation Fund	6,900				
Total General Fund	3,170,100	3,706,400	3,949,000	2,628,100	2,628,100
Restricted Funds					
Balance Forward	150,200	113,000		117,900	63,500
Current Receipts	37,200	22,100	22,100	22,100	22,100
Non-Revenue Receipts	229,300	246,400	263,900	246,400	263,900
Fund Transfers	-18,300				
Total Restricted Funds	398,400	381,500	286,000	386,400	349,500
Federal Funds					
Current Receipts	66,800	66,800	66,800	66,800	66,800
Non-Revenue Receipts	-8,900	-8,900	-8,900	-8,900	-8,900
Total Federal Funds	57,900	57,900	57,900	57,900	57,900
TOTAL SOURCE OF FUNDS	3,626,400	4,145,800	4,292,900	3,072,400	3,035,500
EXPENDITURES BY CLASS					
Personnel Cost	2,095,600	2,774,700	2,967,700	1,856,100	1,922,100
Operating Expenses	1,239,000	1,250,200	1,251,200	1,031,900	1,039,400
Grants, Loans or Benefits	8,900	8,900	14,000	8,900	14,000
Capital Outlay	165,000	112,000	60,000	112,000	60,000
TOTAL EXPENDITURES	3,508,500	4,145,800	4,292,900	3,008,900	3,035,500
EXPENDITURES BY FUND SOURCE					
General Fund	3,170,100	3,706,400	3,949,000	2,628,100	2,628,100
Restricted Funds	280,500	381,500	286,000	322,900	349,500
Federal Funds	57,900	57,900	57,900	57,900	57,900
TOTAL EXPENDITURES	3,508,500	4,145,800	4,292,900	3,008,900	3,035,500

The Division of Environmental Services, pursuant to KRS 224.10-100(7), provides the necessary laboratory services for characterizing, evaluating, and documenting the nature and extent of environmental pollutants in the Commonwealth. The Division's services support the regulatory, permitting, and enforcement efforts for air, water, and waste management activities, in addition to the investigation of spills and other environmental emergencies. The Division also certifies chemistry laboratories that test drinking water in Kentucky.

Environmental and Public Protection
Environmental Protection
Maxey Flats

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	500,300	668,600	679,300	415,600	427,000
Budget Reduction	-1,700				
Salary Compensation Fund	1,300				
Total General Fund	499,900	668,600	679,300	415,600	427,000
TOTAL SOURCE OF FUNDS	499,900	668,600	679,300	415,600	427,000
EXPENDITURES BY CLASS					
Personnel Cost	373,300	490,800	517,500	300,300	311,500
Operating Expenses	68,100	127,800	111,800	65,300	65,500
Grants, Loans or Benefits	58,500	50,000	50,000	50,000	50,000
TOTAL EXPENDITURES	499,900	668,600	679,300	415,600	427,000
EXPENDITURES BY FUND SOURCE					
General Fund	499,900	668,600	679,300	415,600	427,000
TOTAL EXPENDITURES	499,900	668,600	679,300	415,600	427,000

Maxey Flats, originally operated as a low-level nuclear waste disposal site, was closed in 1977. The Commonwealth of Kentucky assumed ownership and responsibility for the toxic site in 1978, and is responsible for long-term monitoring and maintenance activities of the site in perpetuity.

Environmental and Public Protection
Environmental Protection
Enforcement

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,011,500	1,069,500	1,328,500	597,800	779,300
Budget Reduction	-40,000				
Salary Compensation Fund	5,300				
Total General Fund	976,800	1,069,500	1,328,500	597,800	779,300
Restricted Funds					
Balance Forward	169,100	152,800		152,800	
Non-Revenue Receipts	278,500	303,500	309,700	303,500	309,700
Fund Transfers	-18,000				
Total Restricted Funds	429,600	456,300	309,700	456,300	309,700
Federal Funds					
Current Receipts	306,800	416,200	424,600	416,200	424,600
Non-Revenue Receipts	-55,400	-55,700	-56,600	-55,700	-56,600
Total Federal Funds	251,400	360,500	368,000	360,500	368,000
TOTAL SOURCE OF FUNDS	1,657,800	1,886,300	2,006,200	1,414,600	1,457,000
EXPENDITURES BY CLASS					
Personnel Cost	1,387,300	1,737,600	1,858,800	1,295,900	1,338,200
Operating Expenses	117,700	148,700	147,400	118,700	118,800
TOTAL EXPENDITURES	1,505,000	1,886,300	2,006,200	1,414,600	1,457,000
EXPENDITURES BY FUND SOURCE					
General Fund	976,800	1,069,500	1,328,500	597,800	779,300
Restricted Funds	276,800	456,300	309,700	456,300	309,700
Federal Funds	251,400	360,500	368,000	360,500	368,000
TOTAL EXPENDITURES	1,505,000	1,886,300	2,006,200	1,414,600	1,457,000

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

**Environmental and Public Protection
Environmental Protection
Compliance Assistance**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	122,700	660,300	516,700	253,300	282,300
Budget Reduction	-1,000				
Salary Compensation Fund	183,600				
Total General Fund	305,300	660,300	516,700	253,300	282,300
Restricted Funds					
Balance Forward	208,000	73,200	157,000	73,200	157,000
Current Receipts	156,400	167,500	163,900	167,500	163,900
Non-Revenue Receipts	335,500	362,700	382,900	362,700	382,900
Fund Transfers	-37,600				
Total Restricted Funds	662,300	603,400	703,800	603,400	703,800
Federal Funds					
Current Receipts	662,100	728,400	723,300	714,700	525,700
Non-Revenue Receipts	-91,300	-71,800	-69,500	-71,800	-69,500
Total Federal Funds	570,800	656,600	653,800	642,900	456,200
TOTAL SOURCE OF FUNDS	1,538,400	1,920,300	1,874,300	1,499,600	1,442,300
EXPENDITURES BY CLASS					
Personnel Cost	1,205,700	1,451,700	1,559,500	1,122,700	1,169,900
Operating Expenses	209,000	248,100	249,300	184,400	236,900
Grants, Loans or Benefits	50,500	35,500	35,500	35,500	35,500
Capital Outlay		28,000	30,000		
TOTAL EXPENDITURES	1,465,200	1,763,300	1,874,300	1,342,600	1,442,300
EXPENDITURES BY FUND SOURCE					
General Fund	305,300	660,300	516,700	253,300	282,300
Restricted Funds	589,100	446,400	703,800	446,400	703,800
Federal Funds	570,800	656,600	653,800	642,900	456,200
TOTAL EXPENDITURES	1,465,200	1,763,300	1,874,300	1,342,600	1,442,300

The Division of Compliance Assistance supports the Cabinet's environmental mission by facilitating brownfield redevelopment, certifying environmental professionals, enabling compliance assistance, and encouraging environmental leadership.

**Environmental and Public Protection
Natural Resources**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	14,895,700	29,152,400	29,394,800	11,760,700	14,135,200
Budget Reduction	-126,400				
Salary Compensation Fund	237,500				
Base Deduction	-251,800				
Total General Fund	14,755,000	29,152,400	29,394,800	11,760,700	14,135,200
Tobacco Settlement-Phase I					
Tobacco Settlement - I	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Continuing Appropriation	9,152,800				
Total Tobacco Settlement-Phase I	18,152,800	9,000,000	9,000,000	9,000,000	9,000,000
Restricted Funds					
Balance Forward	4,079,700	2,568,400	1,057,700	2,243,300	1,277,700
Current Receipts	3,000,200	2,550,900	2,516,100	2,300,900	2,266,100
Non-Revenue Receipts	1,813,800	1,858,600	1,662,400	4,128,100	1,931,900
Fund Transfers	-828,100			-250,000	-250,000
Total Restricted Funds	8,065,600	6,977,900	5,236,200	8,422,300	5,225,700
Federal Funds					
Current Receipts	6,798,600	6,970,300	6,970,300	7,361,100	7,361,100
Non-Revenue Receipts	-93,800	-88,600	-88,600	-108,100	-108,100
Total Federal Funds	6,704,800	6,881,700	6,881,700	7,253,000	7,253,000
TOTAL SOURCE OF FUNDS	47,678,200	52,012,000	50,512,700	36,436,000	35,613,900
EXPENDITURES BY CLASS					
Personnel Cost	15,602,300	23,651,300	24,739,100	15,513,700	15,989,000
Operating Expenses	3,770,200	4,436,200	3,891,300	3,077,600	3,073,000
Grants, Loans or Benefits	24,042,300	18,512,700	18,344,800	14,139,400	13,971,500
Capital Outlay	1,020,100	2,354,100	1,384,700	427,600	427,600
Construction	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000
TOTAL EXPENDITURES	45,434,900	50,954,300	50,359,900	35,158,300	35,461,100
EXPENDITURES BY FUND SOURCE					
General Fund	14,755,000	29,152,400	29,394,800	11,760,700	14,135,200
Tobacco Settlement-Phase I	18,152,800	9,000,000	9,000,000	9,000,000	9,000,000
Restricted Funds	5,822,300	5,920,200	5,083,400	7,144,600	5,072,900
Federal Funds	6,704,800	6,881,700	6,881,700	7,253,000	7,253,000
TOTAL EXPENDITURES	45,434,900	50,954,300	50,359,900	35,158,300	35,461,100
EXPENDITURES BY UNIT					
Commissioner	348,200	418,600	444,300	300,600	309,300
Forestry	16,868,500	26,701,600	25,820,700	16,707,800	17,063,000
Forest Fire Suppression	240,000	240,000	240,000	240,000	240,000
Technical and Administrative Support	1,317,800	1,686,700	1,772,600	1,244,800	1,253,700
Conservation	24,593,800	19,181,600	19,191,800	14,799,000	14,682,300
Oil and Gas	2,066,600	2,725,800	2,890,500	1,866,100	1,912,800
TOTAL EXPENDITURES	45,434,900	50,954,300	50,359,900	35,158,300	35,461,100

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

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

**Environmental and Public Protection
Natural Resources
Commissioner**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	348,200	418,600	444,300	300,600	309,300
Total General Fund	348,200	418,600	444,300	300,600	309,300
TOTAL SOURCE OF FUNDS	348,200	418,600	444,300	300,600	309,300
EXPENDITURES BY CLASS					
Personnel Cost	269,300	338,400	364,100	222,500	231,200
Operating Expenses	78,900	80,200	80,200	78,100	78,100
TOTAL EXPENDITURES	348,200	418,600	444,300	300,600	309,300
EXPENDITURES BY FUND SOURCE					
General Fund	348,200	418,600	444,300	300,600	309,300
TOTAL EXPENDITURES	348,200	418,600	444,300	300,600	309,300

The Office of the Commissioner provides leadership, policy direction, and management for the Department for Natural Resources. The Office also provides administrative oversight for the Kentucky Heritage Land Conservation Fund Board, the Biodiversity Council, and the Forestry Best Management Practices Board.

Environmental and Public Protection
Natural Resources
Forestry

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,426,400	20,194,000	19,331,700	8,059,400	10,371,100
Salary Compensation Fund	90,000				
Base Deduction	-195,000				
Total General Fund	10,321,400	20,194,000	19,331,700	8,059,400	10,371,100
Restricted Funds					
Balance Forward	1,329,800	445,600	289,900	507,700	352,000
Current Receipts	1,244,200	937,000	937,000	687,000	687,000
Non-Revenue Receipts	124,200	118,900	118,900	2,138,400	138,400
Fund Transfers	-218,400				
Total Restricted Funds	2,479,800	1,501,500	1,345,800	3,333,100	1,177,400
Federal Funds					
Current Receipts	4,666,200	5,381,900	5,381,900	5,772,700	5,772,700
Non-Revenue Receipts	-91,200	-85,900	-85,900	-105,400	-105,400
Total Federal Funds	4,575,000	5,296,000	5,296,000	5,667,300	5,667,300
TOTAL SOURCE OF FUNDS	17,376,200	26,991,500	25,973,500	17,059,800	17,215,800
EXPENDITURES BY CLASS					
Personnel Cost	10,991,400	17,477,700	18,125,500	11,093,800	11,466,900
Operating Expenses	2,878,900	3,483,900	2,944,600	2,323,800	2,325,900
Grants, Loans or Benefits	1,098,600	1,385,900	1,365,900	862,600	842,600
Capital Outlay	899,600	2,354,100	1,384,700	427,600	427,600
Construction	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000
TOTAL EXPENDITURES	16,868,500	26,701,600	25,820,700	16,707,800	17,063,000
EXPENDITURES BY FUND SOURCE					
General Fund	10,321,400	20,194,000	19,331,700	8,059,400	10,371,100
Restricted Funds	1,972,100	1,211,600	1,193,000	2,981,100	1,024,600
Federal Funds	4,575,000	5,296,000	5,296,000	5,667,300	5,667,300
TOTAL EXPENDITURES	16,868,500	26,701,600	25,820,700	16,707,800	17,063,000

The Division of Forestry provides technical assistance on sound forest management practices to private woodland owners, acquires new state forest land, and reforests idle or unproductive land. The Division protects the Commonwealth's 11.9 million acres of forest resources from forest fires, disease, and insects.

**Environmental and Public Protection
Natural Resources
Forest Fire Suppression**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	240,000	240,000	240,000	240,000	240,000
Total General Fund	240,000	240,000	240,000	240,000	240,000
TOTAL SOURCE OF FUNDS	240,000	240,000	240,000	240,000	240,000
EXPENDITURES BY CLASS					
Personnel Cost	240,000	240,000	240,000	240,000	240,000
TOTAL EXPENDITURES	240,000	240,000	240,000	240,000	240,000
EXPENDITURES BY FUND SOURCE					
General Fund	240,000	240,000	240,000	240,000	240,000
TOTAL EXPENDITURES	240,000	240,000	240,000	240,000	240,000

The Division of Forestry, pursuant to KRS 149.010, provides for organized fire protection. Nine Division of Forestry districts perform wildland fire detection, suppression, and law enforcement activities. The Division supplements its fire suppression capacity by training and equipping rural fire departments. The Division also uses Department of Corrections crews and Kentucky National Guard personnel and equipment during fire emergencies.

Policy

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

**Environmental and Public Protection
Natural Resources
Technical and Administrative Support**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	290,900	444,100	654,700	17,200	109,900
Salary Compensation Fund	10,000				
Base Deduction	-56,800				
Total General Fund	244,100	444,100	654,700	17,200	109,900
Restricted Funds					
Balance Forward	150,300	182,700	127,100	193,600	153,000
Non-Revenue Receipts	1,137,000	1,187,000	990,800	1,437,000	1,240,800
Fund Transfers	-20,000			-250,000	-250,000
Total Restricted Funds	1,267,300	1,369,700	1,117,900	1,380,600	1,143,800
TOTAL SOURCE OF FUNDS	1,511,400	1,813,800	1,772,600	1,397,800	1,253,700
EXPENDITURES BY CLASS					
Personnel Cost	1,052,100	1,442,800	1,550,700	1,013,100	1,044,000
Operating Expenses	193,700	156,900	156,900	144,700	144,700
Grants, Loans or Benefits	72,000	87,000	65,000	87,000	65,000
TOTAL EXPENDITURES	1,317,800	1,686,700	1,772,600	1,244,800	1,253,700
EXPENDITURES BY FUND SOURCE					
General Fund	244,100	444,100	654,700	17,200	109,900
Restricted Funds	1,073,700	1,242,600	1,117,900	1,227,600	1,143,800
TOTAL EXPENDITURES	1,317,800	1,686,700	1,772,600	1,244,800	1,253,700

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

Policy

In each fiscal year of the 2008-2010 biennium, \$250,000 will be transferred from the Department of Natural Resources to the credit of the General Fund.

Environmental and Public Protection
Natural Resources
Conservation

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,540,700	6,777,600	6,966,500	2,407,300	2,407,300
Salary Compensation Fund	107,500				
Total General Fund	2,648,200	6,777,600	6,966,500	2,407,300	2,407,300
Tobacco Settlement-Phase I					
Tobacco Settlement - I	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Continuing Appropriation	9,152,800				
Total Tobacco Settlement-Phase I	18,152,800	9,000,000	9,000,000	9,000,000	9,000,000
Restricted Funds					
Balance Forward	1,960,400	1,425,300	640,700	1,462,700	690,400
Current Receipts	623,100	481,000	446,200	481,000	446,200
Non-Revenue Receipts	552,600	552,700	552,700	552,700	552,700
Fund Transfers	-10,400				
Total Restricted Funds	3,125,700	2,459,000	1,639,600	2,496,400	1,689,300
Federal Funds					
Current Receipts	2,132,400	1,588,400	1,588,400	1,588,400	1,588,400
Non-Revenue Receipts	-2,600	-2,700	-2,700	-2,700	-2,700
Total Federal Funds	2,129,800	1,585,700	1,585,700	1,585,700	1,585,700
TOTAL SOURCE OF FUNDS	26,056,500	19,822,300	19,191,800	15,489,400	14,682,300
EXPENDITURES BY CLASS					
Personnel Cost	1,567,300	1,964,000	2,105,000	1,517,800	1,532,900
Operating Expenses	216,200	242,800	242,900	156,400	155,500
Grants, Loans or Benefits	22,810,300	16,974,800	16,843,900	13,124,800	12,993,900
TOTAL EXPENDITURES	24,593,800	19,181,600	19,191,800	14,799,000	14,682,300
EXPENDITURES BY FUND SOURCE					
General Fund	2,648,200	6,777,600	6,966,500	2,407,300	2,407,300
Tobacco Settlement-Phase I	18,152,800	9,000,000	9,000,000	9,000,000	9,000,000
Restricted Funds	1,663,000	1,818,300	1,639,600	1,806,000	1,689,300
Federal Funds	2,129,800	1,585,700	1,585,700	1,585,700	1,585,700
TOTAL EXPENDITURES	24,593,800	19,181,600	19,191,800	14,799,000	14,682,300

The Division of Conservation provides assistance to Kentucky's 121 conservation districts in the development and implementation of sound conservation programs to protect, enhance, and develop the Commonwealth's natural resources. The Division also develops educational activities, provides local conservation districts with financial assistance and equipment loans for conservation and water quality-related work on Kentucky lands, and provides administrative services to the State Soil and Water Conservation Commission. The Division also administers the Soil Conservation Technical Assistance program.

Policy

The Budget of the Commonwealth provides Phase I Tobacco Settlement Funds of \$9,000,000 in each fiscal year of the 2008-2010 biennium for the state share of the Environmental Stewardship Program.

Environmental and Public Protection
Natural Resources
Oil and Gas

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,049,500	1,078,100	1,757,600	736,200	697,600
Budget Reduction	-126,400				
Salary Compensation Fund	30,000				
Total General Fund	953,100	1,078,100	1,757,600	736,200	697,600
Restricted Funds					
Balance Forward	639,200	514,800		79,300	82,300
Current Receipts	1,132,900	1,132,900	1,132,900	1,132,900	1,132,900
Fund Transfers	-579,300				
Total Restricted Funds	1,192,800	1,647,700	1,132,900	1,212,200	1,215,200
TOTAL SOURCE OF FUNDS	2,145,900	2,725,800	2,890,500	1,948,400	1,912,800
EXPENDITURES BY CLASS					
Personnel Cost	1,482,200	2,188,400	2,353,800	1,426,500	1,474,000
Operating Expenses	402,500	472,400	466,700	374,600	368,800
Grants, Loans or Benefits	61,400	65,000	70,000	65,000	70,000
Capital Outlay	120,500				
TOTAL EXPENDITURES	2,066,600	2,725,800	2,890,500	1,866,100	1,912,800
EXPENDITURES BY FUND SOURCE					
General Fund	953,100	1,078,100	1,757,600	736,200	697,600
Restricted Funds	1,113,500	1,647,700	1,132,900	1,129,900	1,215,200
TOTAL EXPENDITURES	2,066,600	2,725,800	2,890,500	1,866,100	1,912,800

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

**Environmental and Public Protection
Mine Reclamation and Enforcement**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,828,200	14,318,600	16,320,500	9,531,000	9,689,500
Budget Reduction	-426,900				
Salary Compensation Fund	104,800				
Base Deduction	-89,100				
Total General Fund	10,417,000	14,318,600	16,320,500	9,531,000	9,689,500
Restricted Funds					
Balance Forward	2,213,800	1,542,700	198,200	672,700	103,300
Current Receipts	276,700	126,400	126,300	126,400	126,300
Non-Revenue Receipts	2,519,300	6,651,800	9,199,800	6,908,600	9,483,300
Fund Transfers	-983,400				
Total Restricted Funds	4,026,400	8,320,900	9,524,300	7,707,700	9,712,900
Federal Funds					
Current Receipts	19,409,700	21,262,300	22,174,100	20,106,600	20,695,100
Non-Revenue Receipts	-876,800	-903,100	-921,900	-903,100	-921,900
Total Federal Funds	18,532,900	20,359,200	21,252,200	19,203,500	19,773,200
TOTAL SOURCE OF FUNDS	32,976,300	42,998,700	47,097,000	36,442,200	39,175,600
EXPENDITURES BY CLASS					
Personnel Cost	25,571,900	33,765,400	36,898,900	28,045,200	29,750,400
Operating Expenses	4,160,200	4,111,700	4,098,400	3,579,600	3,710,600
Grants, Loans or Benefits	1,355,700	1,547,300	1,533,600	1,472,300	1,458,600
Capital Outlay	1,065,800	975,000	1,162,000	840,700	854,900
Construction	150,000	2,401,100	3,401,100	2,401,100	3,401,100
TOTAL EXPENDITURES	32,303,600	42,800,500	47,094,000	36,338,900	39,175,600
EXPENDITURES BY FUND SOURCE					
General Fund	10,417,000	14,318,600	16,320,500	9,531,000	9,689,500
Restricted Funds	3,353,700	8,122,700	9,521,300	7,604,400	9,712,900
Federal Funds	18,532,900	20,359,200	21,252,200	19,203,500	19,773,200
TOTAL EXPENDITURES	32,303,600	42,800,500	47,094,000	36,338,900	39,175,600
EXPENDITURES BY UNIT					
Mine Permits	8,680,000	10,688,400	11,242,400	8,561,100	8,691,100
Mine Reclamation and Enforcement	13,214,000	16,033,300	17,240,400	12,684,900	13,133,600
DNR Bond Pool Fund	68,300	67,800	72,900	56,400	56,400
Abandoned Mine Lands	10,030,400	15,700,100	18,227,400	14,725,600	16,983,600
Bond Pool Reclamation Fund	310,900	310,900	310,900	310,900	310,900
TOTAL EXPENDITURES	32,303,600	42,800,500	47,094,000	36,338,900	39,175,600

The mission of the Division of Mine Reclamation and Enforcement, pursuant to KRS 350, is to protect the public and minimize the environmental effects of surface mining and the surface effects of underground mining.

**Environmental and Public Protection
Mine Reclamation and Enforcement
Mine Permits**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,136,500	5,383,900	5,997,500	3,379,000	3,379,000
Budget Reduction	-316,900				
Base Deduction	-43,600				
Total General Fund	3,776,000	5,383,900	5,997,500	3,379,000	3,379,000
Restricted Funds					
Balance Forward	229,800	542,600	89,800	289,000	89,800
Current Receipts	157,400	18,300	18,300	18,300	18,300
Non-Revenue Receipts	155,400	-217,500	-108,100	50,700	191,900
Fund Transfers	-253,600				
Total Restricted Funds	289,000	343,400		358,000	300,000
Federal Funds					
Current Receipts	5,108,200	5,258,400	5,452,400	5,121,400	5,219,600
Non-Revenue Receipts	-204,200	-207,500	-207,500	-207,500	-207,500
Total Federal Funds	4,904,000	5,050,900	5,244,900	4,913,900	5,012,100
TOTAL SOURCE OF FUNDS	8,969,000	10,778,200	11,242,400	8,650,900	8,691,100
EXPENDITURES BY CLASS					
Personnel Cost	7,012,500	8,938,400	9,509,900	6,949,600	7,094,400
Operating Expenses	1,046,800	992,000	1,009,500	963,800	981,800
Grants, Loans or Benefits	544,700	708,000	708,000	633,000	633,000
Capital Outlay	76,000	50,000	15,000	14,700	-18,100
TOTAL EXPENDITURES	8,680,000	10,688,400	11,242,400	8,561,100	8,691,100
EXPENDITURES BY FUND SOURCE					
General Fund	3,776,000	5,383,900	5,997,500	3,379,000	3,379,000
Restricted Funds		253,600		268,200	300,000
Federal Funds	4,904,000	5,050,900	5,244,900	4,913,900	5,012,100
TOTAL EXPENDITURES	8,680,000	10,688,400	11,242,400	8,561,100	8,691,100

The Division of Permits, pursuant to KRS 350 and 405 KAR 8:010, reviews all surface mining permit applications in accordance with Kentucky law and the federal Surface Mining Control and Reclamation Act. The Division, pursuant to KRS 350.450, administers the federal Small Operator Assistance Program and pursuant to KRS 350.610, the Lands Unsuitable for Mining program. The Division, pursuant to KRS 350.060(13) and 405 KAR Chapter 5, also reviews underground mining applications to determine the surface effects of such operations.

**Environmental and Public Protection
Mine Reclamation and Enforcement
Mine Reclamation and Enforcement**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,691,700	8,934,700	10,323,000	6,152,000	6,310,500
Budget Reduction	-110,000				
Salary Compensation Fund	104,800				
Base Deduction	-45,500				
Total General Fund	6,641,000	8,934,700	10,323,000	6,152,000	6,310,500
Restricted Funds					
Balance Forward	775,200	520,500	3,800	10,500	3,800
Current Receipts	84,900	84,900	84,900	84,900	84,900
Non-Revenue Receipts	-222,400	-88,100	22,200	-88,100	22,200
Fund Transfers	-623,400				
Total Restricted Funds	14,300	517,300	110,900	7,300	110,900
Federal Funds					
Current Receipts	6,914,400	6,922,000	7,147,300	6,866,300	7,050,000
Non-Revenue Receipts	-345,200	-336,900	-337,800	-336,900	-337,800
Total Federal Funds	6,569,200	6,585,100	6,809,500	6,529,400	6,712,200
TOTAL SOURCE OF FUNDS	13,224,500	16,037,100	17,243,400	12,688,700	13,133,600
EXPENDITURES BY CLASS					
Personnel Cost	10,342,600	13,109,100	14,109,700	10,359,700	10,633,700
Operating Expenses	1,969,000	2,058,300	2,058,500	1,558,300	1,701,700
Grants, Loans or Benefits	252,600	240,900	225,200	240,900	225,200
Capital Outlay	649,800	625,000	847,000	526,000	573,000
TOTAL EXPENDITURES	13,214,000	16,033,300	17,240,400	12,684,900	13,133,600
EXPENDITURES BY FUND SOURCE					
General Fund	6,641,000	8,934,700	10,323,000	6,152,000	6,310,500
Restricted Funds	3,800	513,500	107,900	3,500	110,900
Federal Funds	6,569,200	6,585,100	6,809,500	6,529,400	6,712,200
TOTAL EXPENDITURES	13,214,000	16,033,300	17,240,400	12,684,900	13,133,600

The Division of Mine Reclamation and Enforcement, pursuant to KRS 350, develops policies and procedures for reclamation and enforcement programs related to coal and non-coal minerals. The Division reviews permit applications for non-coal mineral operations pursuant to KRS 350.028 and 405 KAR 5:032. The Division conducts inspection programs to carry out these policies and procedures in accordance with applicable federal and state statutes.

**Environmental and Public Protection
Mine Reclamation and Enforcement
DNR Bond Pool Fund**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	17,400				
Current Receipts	3,400	3,400	3,400	3,400	3,400
Non-Revenue Receipts	47,500	64,400	69,500	53,000	53,000
Total Restricted Funds	68,300	67,800	72,900	56,400	56,400
TOTAL SOURCE OF FUNDS	68,300	67,800	72,900	56,400	56,400
EXPENDITURES BY CLASS					
Personnel Cost	65,800	65,300	70,400	53,900	53,900
Operating Expenses	2,500	2,500	2,500	2,500	2,500
TOTAL EXPENDITURES	68,300	67,800	72,900	56,400	56,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	68,300	67,800	72,900	56,400	56,400
TOTAL EXPENDITURES	68,300	67,800	72,900	56,400	56,400

The Bond Pool Fund, pursuant to KRS 350.700, provides an alternative bonding source for permittees of a surface coal mining operations in Kentucky. Program participants must meet the criteria set forth in KRS 350.720 and 405 KAR 10:200. A seven-member Bond Pool Commission, pursuant to KRS 350.705, reviews and approves applications for bonding under the Bond Pool Fund.

**Environmental and Public Protection
Mine Reclamation and Enforcement
Abandoned Mine Lands**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	614,300	213,400	104,600	107,000	9,700
Current Receipts	31,000	19,800	19,700	19,800	19,700
Non-Revenue Receipts	2,538,800	6,848,300	8,905,300	6,848,300	8,905,300
Fund Transfers	-106,400				
Total Restricted Funds	3,077,700	7,081,500	9,029,600	6,975,100	8,934,700
Federal Funds					
Current Receipts	7,387,100	9,081,900	9,574,400	8,118,900	8,425,500
Non-Revenue Receipts	-327,400	-358,700	-376,600	-358,700	-376,600
Total Federal Funds	7,059,700	8,723,200	9,197,800	7,760,200	8,048,900
TOTAL SOURCE OF FUNDS	10,137,400	15,804,700	18,227,400	14,735,300	16,983,600
EXPENDITURES BY CLASS					
Personnel Cost	7,840,100	11,341,700	12,898,000	10,371,100	11,657,500
Operating Expenses	1,141,900	1,058,900	1,027,900	1,055,000	1,024,600
Grants, Loans or Benefits	558,400	598,400	600,400	598,400	600,400
Capital Outlay	340,000	300,000	300,000	300,000	300,000
Construction	150,000	2,401,100	3,401,100	2,401,100	3,401,100
TOTAL EXPENDITURES	10,030,400	15,700,100	18,227,400	14,725,600	16,983,600
EXPENDITURES BY FUND SOURCE					
Restricted Funds	2,970,700	6,976,900	9,029,600	6,965,400	8,934,700
Federal Funds	7,059,700	8,723,200	9,197,800	7,760,200	8,048,900
TOTAL EXPENDITURES	10,030,400	15,700,100	18,227,400	14,725,600	16,983,600

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

Federal funds for this program are provided from federal tax levies imposed under Public Law 95-87 on all coal mined since August 3, 1977. Approximately 150,000 acres of abandoned mine lands in Kentucky are eligible for reclamation. All state and partial federal project contracts are administered by this agency.

**Environmental and Public Protection
Mine Reclamation and Enforcement
Bond Pool Reclamation Fund**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	577,100	266,200		266,200	
Non-Revenue Receipts		44,700	310,900	44,700	310,900
Total Restricted Funds	577,100	310,900	310,900	310,900	310,900
TOTAL SOURCE OF FUNDS	577,100	310,900	310,900	310,900	310,900
EXPENDITURES BY CLASS					
Personnel Cost	310,900	310,900	310,900	310,900	310,900
TOTAL EXPENDITURES	310,900	310,900	310,900	310,900	310,900
EXPENDITURES BY FUND SOURCE					
Restricted Funds	310,900	310,900	310,900	310,900	310,900
TOTAL EXPENDITURES	310,900	310,900	310,900	310,900	310,900

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

**Environmental and Public Protection
Abandoned Mine Land Reclamation Projects**

	<u>Revised FY 2008</u>	<u>Requested FY 2009</u>	<u>Requested FY 2010</u>	<u>Enacted FY 2009</u>	<u>Enacted FY 2010</u>
SOURCE OF FUNDS					
Federal Funds					
Current Receipts	22,000,000	22,000,000	29,000,000	22,000,000	29,000,000
Total Federal Funds	22,000,000	22,000,000	29,000,000	22,000,000	29,000,000
TOTAL SOURCE OF FUNDS	22,000,000	22,000,000	29,000,000	22,000,000	29,000,000
EXPENDITURES BY CLASS					
Personnel Cost	450,000	1,000,000	3,000,000	1,000,000	3,000,000
Grants, Loans or Benefits	9,700,000	9,000,000	10,300,000	9,000,000	10,300,000
Construction	11,850,000	12,000,000	15,700,000	12,000,000	15,700,000
TOTAL EXPENDITURES	22,000,000	22,000,000	29,000,000	22,000,000	29,000,000
EXPENDITURES BY FUND SOURCE					
Federal Funds	22,000,000	22,000,000	29,000,000	22,000,000	29,000,000
TOTAL EXPENDITURES	22,000,000	22,000,000	29,000,000	22,000,000	29,000,000

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

**Environmental and Public Protection
Environmental Quality Commission**

	<u>Revised FY 2008</u>	<u>Requested FY 2009</u>	<u>Requested FY 2010</u>	<u>Enacted FY 2009</u>	<u>Enacted FY 2010</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		331,200	350,900		
Budget Reduction	-11,400				
Salary Compensation Fund	11,400				
Total General Fund		<u>331,200</u>	<u>350,900</u>		
Restricted Funds					
Balance Forward	900			34,900	
Non-Revenue Receipts	262,900			197,200	239,100
Fund Transfers	-7,900				
Total Restricted Funds	<u>255,900</u>			<u>232,100</u>	<u>239,100</u>
TOTAL SOURCE OF FUNDS	<u>255,900</u>	<u>331,200</u>	<u>350,900</u>	<u>232,100</u>	<u>239,100</u>
EXPENDITURES BY CLASS					
Personnel Cost	188,700	241,700	260,400	194,800	201,800
Operating Expenses	32,300	89,500	90,500	37,300	37,300
TOTAL EXPENDITURES	<u>221,000</u>	<u>331,200</u>	<u>350,900</u>	<u>232,100</u>	<u>239,100</u>
EXPENDITURES BY FUND SOURCE					
General Fund		331,200	350,900		
Restricted Funds	221,000			232,100	239,100
TOTAL EXPENDITURES	<u>221,000</u>	<u>331,200</u>	<u>350,900</u>	<u>232,100</u>	<u>239,100</u>
EXPENDITURES BY UNIT					
Environmental Quality Commission	221,000	331,200	350,900	232,100	239,100
TOTAL EXPENDITURES	<u>221,000</u>	<u>331,200</u>	<u>350,900</u>	<u>232,100</u>	<u>239,100</u>

Pursuant to KRS 224.01-100 to 224.01-115, the Environmental Quality Commission is an independent citizen board with seven members representing various interests and geographic areas of the state. The Commission advises the Governor and the Environmental and Public Protection Cabinet on environmental rules, regulations, policies, plans, and procedures. The Commission also serves as a public forum for the exchange of views, concerns, information, and recommendations relating to the quality of the natural environment.

The Environmental Quality Commission is administratively attached to the Environmental and Public Protection Cabinet's Office of the Secretary. The Secretary, with the approval of the Commissioners of the Environmental Quality Commission, may employ a director and other necessary Commission staff who shall serve at the pleasure of the Commission and the Secretary.

**Environmental and Public Protection
Kentucky Nature Preserves Commission**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,166,500	1,991,800	2,133,400	1,181,100	1,181,100
Salary Compensation Fund	14,600				
Total General Fund	1,181,100	1,991,800	2,133,400	1,181,100	1,181,100
Restricted Funds					
Balance Forward	541,000	440,600	350,100	440,600	350,100
Current Receipts	224,400	186,700	186,800	186,700	186,800
Non-Revenue Receipts	78,000	78,100	77,800	78,100	77,800
Total Restricted Funds	843,400	705,400	614,700	705,400	614,700
Federal Funds					
Balance Forward	100				
Current Receipts	587,500	102,400	47,500	102,400	47,500
Non-Revenue Receipts	-2,100	-2,200	-1,900	-2,200	-1,900
Total Federal Funds	585,500	100,200	45,600	100,200	45,600
TOTAL SOURCE OF FUNDS	2,610,000	2,797,400	2,793,700	1,986,700	1,841,400
EXPENDITURES BY CLASS					
Personnel Cost	1,359,900	1,935,000	2,080,500	1,341,800	1,346,800
Operating Expenses	224,700	261,500	258,000	218,900	209,300
Grants, Loans or Benefits	20,900	75,900	25,900	75,900	25,900
Capital Outlay	13,900	174,900	169,900		
Construction	550,000				
TOTAL EXPENDITURES	2,169,400	2,447,300	2,534,300	1,636,600	1,582,000
EXPENDITURES BY FUND SOURCE					
General Fund	1,181,100	1,991,800	2,133,400	1,181,100	1,181,100
Restricted Funds	402,800	355,300	355,300	355,300	355,300
Federal Funds	585,500	100,200	45,600	100,200	45,600
TOTAL EXPENDITURES	2,169,400	2,447,300	2,534,300	1,636,600	1,582,000
EXPENDITURES BY UNIT					
Kentucky Nature Preserves Commission	2,169,400	2,447,300	2,534,300	1,636,600	1,582,000
TOTAL EXPENDITURES	2,169,400	2,447,300	2,534,300	1,636,600	1,582,000

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

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

**Environmental and Public Protection
Public Protection Commissioner**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	179,900	150,500		171,100	111,900
Non-Revenue Receipts	1,164,000	1,298,500	1,541,200	1,424,800	1,806,000
Fund Transfers	-360,500			-600,000	-800,000
Total Restricted Funds	983,400	1,449,000	1,541,200	995,900	1,117,900
TOTAL SOURCE OF FUNDS	983,400	1,449,000	1,541,200	995,900	1,117,900
EXPENDITURES BY CLASS					
Personnel Cost	646,400	1,282,100	1,374,600	720,400	737,000
Operating Expenses	165,900	156,200	166,600	152,900	163,300
Capital Outlay		10,700		10,700	
TOTAL EXPENDITURES	812,300	1,449,000	1,541,200	884,000	900,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	812,300	1,449,000	1,541,200	884,000	900,300
TOTAL EXPENDITURES	812,300	1,449,000	1,541,200	884,000	900,300
EXPENDITURES BY UNIT					
Public Protection Commissioner	812,300	1,449,000	1,541,200	884,000	900,300
TOTAL EXPENDITURES	812,300	1,449,000	1,541,200	884,000	900,300

The Commissioner's Office provides the coordination and direction for planning and management of the agencies within and attached to the Public Protection Department. The Commissioner guides Departmental agencies in policy and program implementation and is responsible for operating each agency in the most efficient and cost effective manner possible while maintaining a high quality of service to the general public as well as the businesses, trades, and professionals it licenses and regulates.

Policy

The Public Protection Commissioner's Office shall transfer Restricted Funds in the amounts of \$600,000 in fiscal year 2009 and \$800,000 in fiscal year 2010 to the General Fund.

**Environmental and Public Protection
Boxing and Wrestling Authority**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	52,400	27,100	27,900	48,100	50,600
Current Receipts	95,700	102,500	102,500	102,500	102,500
Fund Transfers	-12,100				
Total Restricted Funds	136,000	129,600	130,400	150,600	153,100
TOTAL SOURCE OF FUNDS	136,000	129,600	130,400	150,600	153,100
EXPENDITURES BY CLASS					
Personnel Cost	38,800	57,400	59,900	56,400	57,600
Operating Expenses	49,100	44,300	44,300	43,600	42,400
TOTAL EXPENDITURES	87,900	101,700	104,200	100,000	100,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	87,900	101,700	104,200	100,000	100,000
TOTAL EXPENDITURES	87,900	101,700	104,200	100,000	100,000
EXPENDITURES BY UNIT					
Boxing and Wrestling Authority	87,900	101,700	104,200	100,000	100,000
TOTAL EXPENDITURES	87,900	101,700	104,200	100,000	100,000

The Boxing and Wrestling Authority, pursuant to KRS Chapter 229, is sole authority over professional boxing and wrestling in Kentucky. The five-member board directs, manages and controls all professional boxing, sparring, and wrestling matches or exhibitions. Moreover, the authority has jurisdiction over all licenses to hold boxing, sparring, or wrestling matches or exhibitions for prizes or purses where an admission fee is received and over all licenses and all persons who participate in the boxing, sparring or wrestling matches, or exhibitions. The Authority licenses contestants, wrestlers or boxers, judges, managers, physicians, referees, timekeepers, and trainers. The Authority is an independent agency that is attached to the Department for Public Protection for administrative purposes only.

**Environmental and Public Protection
Petroleum Storage Tank Environmental Assurance Fund**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,479,000				1,679,000
Total General Fund	3,479,000				1,679,000
Restricted Funds					
Balance Forward	27,381,200	30,780,500	45,926,700	25,954,800	1,392,600
Current Receipts	1,079,000	1,100,000	1,100,000	1,100,000	1,100,000
Non-Revenue Receipts	44,336,400	44,280,000	44,280,000	68,520,900	44,896,900
Fund Transfers	-18,906,400			-65,000,000	-16,500,000
Total Restricted Funds	53,890,200	76,160,500	91,306,700	30,575,700	30,889,500
TOTAL SOURCE OF FUNDS	57,369,200	76,160,500	91,306,700	30,575,700	32,568,500
EXPENDITURES BY CLASS					
Personnel Cost	2,829,200	3,842,200	4,029,400	3,081,600	3,159,200
Operating Expenses	24,357,000	25,576,900	25,512,700	25,318,100	25,318,400
Grants, Loans or Benefits	83,400	83,400	83,400	83,400	83,400
Debt Service	3,479,000				1,679,000
Capital Outlay	165,800	231,300	200,000	200,000	200,000
Construction	500,000	500,000	500,000	500,000	500,000
TOTAL EXPENDITURES	31,414,400	30,233,800	30,325,500	29,183,100	30,940,000
EXPENDITURES BY FUND SOURCE					
General Fund	3,479,000				1,679,000
Restricted Funds	27,935,400	30,233,800	30,325,500	29,183,100	29,261,000
TOTAL EXPENDITURES	31,414,400	30,233,800	30,325,500	29,183,100	30,940,000
EXPENDITURES BY UNIT					
Petroleum Storage Tank Environmental Assur Fund	31,414,400	30,233,800	30,325,500	29,183,100	30,940,000
TOTAL EXPENDITURES	31,414,400	30,233,800	30,325,500	29,183,100	30,940,000

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

Policy

The Budget of the Commonwealth includes General Fund debt service in the amount of \$1,679,000 in fiscal year 2010 to support a \$25 million bond issue for this program. The Budget of the Commonwealth includes these bond funds within the operating budget of PSTEAF in fiscal year 2009 as Restricted Funds and the money will be used to make PSTEAF claim payments.

**Environmental and Public Protection
Alcoholic Beverage Control**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,058,600	1,691,100	2,006,500	965,000	965,000
Budget Reduction	-33,900				
Salary Compensation Fund	72,000				
Total General Fund	1,096,700	1,691,100	2,006,500	965,000	965,000
Restricted Funds					
Balance Forward	500,500	176,200	79,200	176,200	224,700
Current Receipts	4,995,300	5,046,600	5,122,600	5,046,600	5,122,600
Non-Revenue Receipts	-606,500	-701,300	-738,500	-301,300	-438,500
Fund Transfers	-581,500			-500,000	-350,000
Total Restricted Funds	4,307,800	4,521,500	4,463,300	4,421,500	4,558,800
TOTAL SOURCE OF FUNDS	5,404,500	6,212,600	6,469,800	5,386,500	5,523,800
EXPENDITURES BY CLASS					
Personnel Cost	4,335,700	5,204,500	5,551,800	4,251,700	4,387,300
Operating Expenses	775,200	818,900	801,000	800,100	811,000
Grants, Loans or Benefits	117,400	110,000	117,000	110,000	117,000
TOTAL EXPENDITURES	5,228,300	6,133,400	6,469,800	5,161,800	5,315,300
EXPENDITURES BY FUND SOURCE					
General Fund	1,096,700	1,691,100	2,006,500	965,000	965,000
Restricted Funds	4,131,600	4,442,300	4,463,300	4,196,800	4,350,300
TOTAL EXPENDITURES	5,228,300	6,133,400	6,469,800	5,161,800	5,315,300
EXPENDITURES BY UNIT					
Administration, Enforcement and License	4,864,800	5,699,200	6,010,400	4,794,100	4,936,200
Tobacco Enforcement	363,500	434,200	459,400	367,700	379,100
TOTAL EXPENDITURES	5,228,300	6,133,400	6,469,800	5,161,800	5,315,300

The Office of Alcoholic Beverage Control (ABC), pursuant to KRS Chapters 241-244, enforces laws relating to the manufacture, sale, transportation, storage, and advertising of alcoholic beverages. The agency does not collect taxes.

The Executive Director of the Office serves as both the agency's administrative officer and the Chairman of the Alcoholic Beverage Control Board, which also includes the administrators of the Malt Beverage and Distilled Spirits divisions. The Governor appoints all three administrators.

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

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

The Department also implements laws relating to the sale and use of tobacco products.

Policy

The Office of Alcoholic Beverage Control shall transfer Restricted Funds in the amounts of \$500,000 in fiscal year 2009 and \$350,000 in fiscal year 2010 to the General Fund.

**Environmental and Public Protection
Charitable Gaming**

	<u>Revised FY 2008</u>	<u>Requested FY 2009</u>	<u>Requested FY 2010</u>	<u>Enacted FY 2009</u>	<u>Enacted FY 2010</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		263,500	693,200		
Total General Fund		263,500	693,200		
Restricted Funds					
Balance Forward	2,031,200	1,383,000	605,400	883,000	451,100
Current Receipts	2,995,900	2,825,800	2,811,800	2,825,700	2,846,500
Non-Revenue Receipts	-300,900	-315,700	-329,600	-200,000	-200,000
Fund Transfers	-700,000				
Total Restricted Funds	4,026,200	3,893,100	3,087,600	3,508,700	3,097,600
TOTAL SOURCE OF FUNDS	4,026,200	4,156,600	3,780,800	3,508,700	3,097,600
EXPENDITURES BY CLASS					
Personnel Cost	2,403,400	3,031,500	3,261,100	2,636,500	2,672,500
Operating Expenses	724,800	519,700	519,700	421,100	420,400
Capital Outlay	15,000				
TOTAL EXPENDITURES	3,143,200	3,551,200	3,780,800	3,057,600	3,092,900
EXPENDITURES BY FUND SOURCE					
General Fund		263,500	693,200		
Restricted Funds	3,143,200	3,287,700	3,087,600	3,057,600	3,092,900
TOTAL EXPENDITURES	3,143,200	3,551,200	3,780,800	3,057,600	3,092,900
EXPENDITURES BY UNIT					
Charitable Gaming	3,143,200	3,551,200	3,780,800	3,057,600	3,092,900
TOTAL EXPENDITURES	3,143,200	3,551,200	3,780,800	3,057,600	3,092,900

The Office of Charitable Gaming, pursuant to KRS Chapter 238, is charged with the licensure and regulation of charitable organizations conducting gaming in the Commonwealth. The agency performs inspections, issues licenses, and conducts audits of charitable gaming establishments.

**Environmental and Public Protection
Board of Claims/Crime Victims' Compensation Board**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	848,000	1,104,300	1,197,400	740,000	740,000
Budget Reduction	-26,000				
Salary Compensation Fund	19,000				
Base Deduction	-24,100				
Total General Fund	816,900	1,104,300	1,197,400	740,000	740,000
Restricted Funds					
Balance Forward	1,766,300	1,493,900	986,500	1,511,100	1,316,900
Current Receipts	1,770,000	1,535,000	1,535,000	1,535,000	1,535,000
Non-Revenue Receipts	-45,000	-45,000	-45,000	-45,000	-45,000
Fund Transfers	-50,800				-500,000
Total Restricted Funds	3,440,500	2,983,900	2,476,500	3,001,100	2,306,900
Federal Funds					
Current Receipts	940,100	540,100	540,100	540,100	540,100
Total Federal Funds	940,100	540,100	540,100	540,100	540,100
TOTAL SOURCE OF FUNDS	5,197,500	4,628,300	4,214,000	4,281,200	3,587,000
EXPENDITURES BY CLASS					
Personnel Cost	1,065,100	1,373,700	1,466,800	1,123,100	1,154,200
Operating Expenses	1,721,300	1,257,100	1,268,100	1,230,200	1,241,200
Grants, Loans or Benefits	900,000	1,000,000	1,000,000	600,000	600,000
Capital Outlay		11,000		11,000	
TOTAL EXPENDITURES	3,686,400	3,641,800	3,734,900	2,964,300	2,995,400
EXPENDITURES BY FUND SOURCE					
General Fund	816,900	1,104,300	1,197,400	740,000	740,000
Restricted Funds	1,929,400	1,997,400	1,997,400	1,684,200	1,715,300
Federal Funds	940,100	540,100	540,100	540,100	540,100
TOTAL EXPENDITURES	3,686,400	3,641,800	3,734,900	2,964,300	2,995,400
EXPENDITURES BY UNIT					
Board of Claims	1,170,500	1,525,900	1,619,000	1,248,400	1,279,500
Crime Victims' Board	1,400,000	1,400,000	1,400,000	1,000,000	1,000,000
Crime Victims' Board Federal Grants	915,900	515,900	515,900	515,900	515,900
Sexual Assault Examination Program	200,000	200,000	200,000	200,000	200,000
TOTAL EXPENDITURES	3,686,400	3,641,800	3,734,900	2,964,300	2,995,400

The Board of Claims, pursuant to KRS 44.086(2) and (3), is the only forum through which a citizen may sue the state for alleged negligence. Per 2006 Kentucky Acts Chapter 252, awards of less than \$5,000 are paid from funds of the state agency determined to be at fault. Awards over \$5,000 are paid from appropriations from the General Fund, and awards against the Transportation Cabinet are paid from the Road Fund. The maximum award on a single claim is \$100,000 and there is a cap of \$250,000 on multiple claims arising from the same incident.

The Crime Victims' Compensation Board, pursuant to KRS Chapter 346, is empowered to reimburse innocent crime victims up to \$25,000 for their medical expenses, lost wages that are not paid by any other source, and funeral expenses up to \$5,000. The amount of time that a claimant has to submit a claim to the Board is five years. The Crime Victims' Compensation Board is funded through an allocation of 3.4 percent of the state court cost fees.

The Board of Claims and the Crime Victims' Compensation Board are composed of the same five members appointed by the Governor. Both entities share staff services provided by the agency. The Board is an independent agency that is attached to the Department for Public Protection for administrative purposes only.

Policy

The Board of Claims/Crime Victims' Compensation shall transfer Restricted Funds in the amount of \$500,000 in fiscal year 2010 to the General Fund.

**Environmental and Public Protection
Financial Institutions**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	4,151,200	4,992,300	4,897,500	1,412,700	379,800
Current Receipts	12,625,000	12,970,000	13,850,000	12,970,000	13,850,000
Non-Revenue Receipts	-540,800	-1,789,800	-1,936,700	-989,800	-1,190,900
Fund Transfers	-5,600,000			-3,800,000	-3,500,000
Total Restricted Funds	10,635,400	16,172,500	16,810,800	9,592,900	9,538,900
TOTAL SOURCE OF FUNDS	10,635,400	16,172,500	16,810,800	9,592,900	9,538,900
EXPENDITURES BY CLASS					
Personnel Cost	7,610,200	9,512,000	10,163,300	7,738,100	7,708,700
Operating Expenses	1,532,500	1,763,000	1,818,100	1,475,000	1,504,500
Capital Outlay	80,000				
TOTAL EXPENDITURES	9,222,700	11,275,000	11,981,400	9,213,100	9,213,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	9,222,700	11,275,000	11,981,400	9,213,100	9,213,200
TOTAL EXPENDITURES	9,222,700	11,275,000	11,981,400	9,213,100	9,213,200
EXPENDITURES BY UNIT					
Administrative Services	1,177,900	1,204,300	1,271,100	990,000	990,000
Financial Institutions	6,063,400	7,181,000	7,658,800	6,103,600	6,103,200
Executive Director	595,500	791,800	831,400	628,700	628,700
Securities	1,385,900	2,097,900	2,220,100	1,490,800	1,491,300
TOTAL EXPENDITURES	9,222,700	11,275,000	11,981,400	9,213,100	9,213,200

The Office of Financial Institutions, pursuant to KRS Chapter 287, licenses and regulates banks, bank holding companies, trust companies, credit unions, savings and loan associations, consumer loan companies, industrial loan companies, mortgage loan companies, mortgage loan brokers, check cashing licensees, sale of check licensees, securities issuers, broker-dealers, agents, and investment advisors. An Executive Director appointed by the Governor heads the Office.

The Executive Director's Office is responsible for the overall management of the agency. The Ombudsman resolves complaints about Office licensees.

The Division of Administrative Services is comprised of three branches. The Technology Branch maintains the computer network, the web sites, and system upgrade planning. The Administrative Services Branch is charged with the administration of the fiscal functions including budgeting, purchasing, inventory control, training coordination, and facilities management. The Public Affairs Branch coordinates all communications with the media, and handles the offices public relations efforts through coordination of educational seminars, brochures, and newsletters.

The Division of Securities carries out the registration, or exemption from registration, of securities issuances in the state. It registers broker-dealers, their agents, investment advisers, and investment adviser representatives, and conducts on-site examinations of these regulated entities. The Division investigates allegations of securities fraud or other illegal conduct of all securities entities.

The Division of Financial Institutions examines and licenses commercial banks, bank holding companies, loan production offices, bank trust departments, independent trust companies, credit unions, savings and loan associations, consumer loan companies, industrial loan companies, mortgage loan companies, mortgage loan brokers, check cashing licensees, and sale of check licensees.

Policy

The Office of Financial Institutions shall transfer Restricted Funds in the amount of \$3,800,000 in fiscal year 2009 and \$3,500,000 in fiscal year 2010 to the General Fund.

**Environmental and Public Protection
Horse Racing Authority**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	509,700	1,294,300	1,329,400	443,700	443,700
Budget Reduction	-15,600				
Salary Compensation Fund	10,100				
Total General Fund	504,200	1,294,300	1,329,400	443,700	443,700
Restricted Funds					
Balance Forward	31,868,000	34,506,200	34,491,900	34,407,100	36,218,200
Current Receipts	4,308,100	6,406,600	6,527,300	6,065,400	6,119,600
Non-Revenue Receipts	26,098,500	27,783,700	27,873,700	23,755,700	23,835,000
Total Restricted Funds	62,274,600	68,696,500	68,892,900	64,228,200	66,172,800
TOTAL SOURCE OF FUNDS	62,778,800	69,990,800	70,222,300	64,671,900	66,616,500
EXPENDITURES BY CLASS					
Personnel Cost	2,485,300	3,523,400	3,742,400	2,706,900	2,776,800
Operating Expenses	1,494,600	2,125,500	1,906,000	1,411,800	1,264,600
Grants, Loans or Benefits	24,316,800	29,770,000	29,371,900	24,315,000	24,316,900
Capital Outlay	75,000	80,000	20,000	20,000	20,000
TOTAL EXPENDITURES	28,371,700	35,498,900	35,040,300	28,453,700	28,378,300
EXPENDITURES BY FUND SOURCE					
General Fund	504,200	1,294,300	1,329,400	443,700	443,700
Restricted Funds	27,867,500	34,204,600	33,710,900	28,010,000	27,934,600
TOTAL EXPENDITURES	28,371,700	35,498,900	35,040,300	28,453,700	28,378,300
EXPENDITURES BY UNIT					
Administration and Regulation of Racing	2,963,000	4,607,200	4,686,000	3,045,000	3,117,700
Equine Drug Research Fund	650,500	650,500	650,500	650,500	650,500
Thoroughbred Development Fund	8,186,100	8,186,100	8,038,000	8,186,100	8,038,000
Standardbred Development Fund	220,000	620,000	220,000	220,000	220,000
Standardbred Horsemen Fees	700,000	700,000	700,000	700,000	700,000
County Fair Purse Fund	204,000	204,000	204,000	204,000	204,000
Thoroughbred Owners and Breeders	282,700	282,700	282,700	282,700	282,700
Backside Improvement Commission	165,400	165,400	165,400	165,400	165,400
Ky Thoroughbred Breeder Incentive Fund	12,000,000	16,028,000	16,038,700	12,000,000	12,000,000
Ky Standardbred Breeder Incentive Fund	1,950,000	3,005,000	3,005,000	1,950,000	1,950,000
Ky Horse Breeders Incentive Fund	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
TOTAL EXPENDITURES	28,371,700	35,498,900	35,040,300	28,453,700	28,378,300

The Kentucky Horse Racing Authority, pursuant to KRS 230. 260, is responsible for the regulation of thoroughbred and harness horse racing and the fostering of thoroughbred and harness horse breeding within the Commonwealth. The Authority prescribes the rules, regulations, and conditions under which all thoroughbred, harness horse, quarter horse, Appaloosa, and Arabian racing and wagering may be conducted in the Commonwealth.

The Authority's charge is to:

- Advance horse industry-related economic growth;
- Strengthen ties between Kentucky's universities and the horse industry;
- Ensure that Kentucky remains on the cutting-edge of equine research; and
- Promote Kentucky's horse and tourism industry.

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

The Administration and Regulation of Racing program performs the administrative and oversight functions of the Authority. The Division of Racing and Security oversees the state veterinarians and support staff. The security function supervises drug testing and interdiction at racetracks. The Division of Licensing is responsible for licensing all individuals who participate in thoroughbred and harness racing.

The Equine Drug Research Council advises the Authority on research programs. One-tenth of one percent of the thoroughbred pari-mutuel handle supports the Council. Funds are used to support drug research and testing.

The Thoroughbred Development Fund was created in 1978 to encourage breeders from other states to send their breeding stock to Kentucky to improve the caliber of breeding and racing stock in the Commonwealth. The program is funded by three-fourths of one percent of the total pari-mutuel handle.

The Standardbred Development Fund supports efforts to encourage breeders from other states to send their breeding stock to Kentucky, to increase the number of owners in Kentucky, and to increase the number of horses bred in Kentucky. One percent of the pari-mutuel handle from the harness horse racing tracks is deposited in a revolving fund account to benefit the Fund.

The County Fair Purse Fund receives funding from uncashed pari-mutuel harness racing tickets and redistributes the funds in the form of purse supplements to county fairs.

The Backside Improvement Commission is charged with promoting, enhancing, and improving the backsides of Turfway and Ellis Parks. Racing associations with an average handle of \$1,200,000 or less per racing day are required to pay one-half of one percent to the Backside Improvement Fund. Racing associations with an average handle of \$1,200,000 or more per racing day are required to pay three and one-half percent to the Fund.

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

The Kentucky Thoroughbred Breeder, Standardbred, and Horse Breeders Funds provide rewards to breeders of horses bred and foaled in Kentucky. Incentive funds are derived from sales taxes paid on stud fees.

Policy

The Budget of the Commonwealth anticipates Restricted Funds receipts collected from the licensees and the various associations licensed under KRS Chapter 230 that represent reimbursed expenses outlined in KRS 230.240. Governor Beshear vetoed Appropriations Act language that would have reduced the amount of receipts collected from these associations. This veto is contingent upon long term funding recommendations made by a task force appointed by Governor Beshear that will meet through the rest of the year and work closely with the racing associations and other stakeholders.

**Environmental and Public Protection
Housing, Buildings and Construction**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,524,200	6,392,300	7,780,800	2,321,000	2,321,000
Budget Reduction	-81,600				
Salary Compensation Fund	194,800				
Base Deduction	-133,100				
Total General Fund	2,504,300	6,392,300	7,780,800	2,321,000	2,321,000
Restricted Funds					
Balance Forward	9,875,100	8,861,800	6,777,000	3,291,200	2,120,700
Current Receipts	15,288,700	16,236,600	17,847,700	16,236,600	17,847,700
Non-Revenue Receipts	-185,000	-185,000	-185,000	-280,700	-317,800
Fund Transfers	-7,095,200			-1,300,000	-1,800,000
Total Restricted Funds	17,883,600	24,913,400	24,439,700	17,947,100	17,850,600
TOTAL SOURCE OF FUNDS	20,387,900	31,305,700	32,220,500	20,268,100	20,171,600
EXPENDITURES BY CLASS					
Personnel Cost	13,859,300	19,946,100	22,637,900	15,254,900	16,711,800
Operating Expenses	3,237,400	4,482,600	4,506,600	2,892,500	2,901,700
Capital Outlay		100,000			
TOTAL EXPENDITURES	17,096,700	24,528,700	27,144,500	18,147,400	19,613,500
EXPENDITURES BY FUND SOURCE					
General Fund	2,504,300	6,392,300	7,780,800	2,321,000	2,321,000
Restricted Funds	14,592,400	18,136,400	19,363,700	15,826,400	17,292,500
TOTAL EXPENDITURES	17,096,700	24,528,700	27,144,500	18,147,400	19,613,500
EXPENDITURES BY UNIT					
General Administration and Management	1,087,700	1,512,100	1,621,500	1,114,700	1,148,600
Regulation of Minimum Safety Standards/Fire Prev	6,258,800	8,939,600	9,226,100	6,662,300	6,788,500
Plumbing	5,736,100	7,569,300	8,050,700	5,600,500	5,807,600
Safe Cigarette Program		89,200	93,900	89,200	93,900
HVACC	1,346,200	3,045,800	4,555,400	2,283,900	3,339,400
Building Codes Enforcement	2,667,900	3,372,700	3,596,900	2,396,800	2,435,500
TOTAL EXPENDITURES	17,096,700	24,528,700	27,144,500	18,147,400	19,613,500

The Office of Housing, Buildings and Construction, pursuant to KRS Chapter 198B, regulates all construction of buildings through enforcement of building and fire codes, including: elevators, boilers, manufactured housing, hazardous materials, and electrical and plumbing installation. The agency enforces a uniform building code for the Commonwealth with an effective building inspection program that prevents fire- and life-safety hazards. Formerly a department within the Cabinet for Public Protection, the agency was reorganized with the passage of Senate Bill 41 during the 2005 Regular Session of the General Assembly. It is now managed by the Department for Public Protection.

The Regulation of the Minimum Safety Standards program enforces life-safety codes and state and federal laws and regulations by performing property inspections, reviewing plans for remodeled or improved property, regulating the use and storage of hazardous materials, and responding to related emergencies. The program includes inspection and plan review of boilers, pressure piping, and elevators; monitoring the construction and sales of mobile homes and recreational vehicles; and

the testing and licensing of electrical inspectors, boiler contractors, underground petroleum storage tank contractors, and sprinkler system contractors.

The Plumbing Division, a fee-supported program, enforces the state plumbing law. Activities include inspection of plumbing systems in all buildings throughout the state, approval of plans in all types of public buildings, renewal of master and journeyman plumbers' licenses, assistance to the State Plumbing Code Committee in its review of the plumbing code regulations, and review and approval of new materials and techniques.

The Heating, Ventilation, and Air Conditioning (HVAC) program is responsible for the annual licensing and oversight of the activities of heating, ventilation, and air conditioning contractors, mechanics, and apprentices. The HVAC Board reviews HVAC codes and regulations governing the testing of candidates for licensure. The program oversees the continuing education for HVAC masters and journeymen.

The Building Codes Enforcement program provides overall coordination and enforcement of the Kentucky Uniform Building Code and provides inspection, plan review, and technical services to the building community. The program is funded primarily from plan review fees.

Policy

The Office of Housing, Buildings and Construction may expend any Restricted Funds from within its budget to fund the programs it administers provided that any amounts expended within the budget collected from separate accounts be credited back to these accounts prior to the end of the biennium.

The Office of Housing, Buildings and Construction shall transfer Restricted Funds in the amounts of \$600,000 in fiscal year 2008; \$1,300,000 in fiscal year 2009 and \$1,800,000 in fiscal year 2010 to the General Fund.

The Budget of the Commonwealth includes Restricted Funds appropriations of \$89,200 in fiscal year 2009 and \$93,900 in fiscal year 2010 to start up and implement the acts relating to fire safe cigarettes codified in the 2007 Kentucky Acts Chapter 70.

Environmental and Public Protection

Insurance

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	13,500,000	13,530,700	13,543,300		
Budget Reduction	-405,000				
Total General Fund	13,095,000	13,530,700	13,543,300		
Tobacco Settlement-Phase I					
Tobacco Settlement - I	14,496,000	19,568,700	19,899,500	19,551,300	19,881,900
Continuing Appropriation	3,188,000				
Other	4,684,200				
Total Tobacco Settlement-Phase I	22,368,200	19,568,700	19,899,500	19,551,300	19,881,900
Restricted Funds					
Balance Forward	16,367,900	15,966,800	25,659,400	2,536,400	1,545,500
Current Receipts	30,843,700	32,237,100	32,619,500	32,260,000	32,650,000
Non-Revenue Receipts	2,176,300	2,123,400	2,034,500	2,927,400	2,865,300
Fund Transfers	-25,131,600			-15,820,000	-15,360,000
Total Restricted Funds	24,256,300	50,327,300	60,313,400	21,903,800	21,700,800
Federal Funds					
Current Receipts	2,381,600				
Total Federal Funds	2,381,600				
TOTAL SOURCE OF FUNDS	62,101,100	83,426,700	93,756,200	41,455,100	41,582,700
EXPENDITURES BY CLASS					
Personnel Cost	41,172,400	41,315,000	42,552,700	37,858,000	38,460,300
Operating Expenses	2,971,700	3,065,000	3,094,700	2,027,400	2,039,600
Grants, Loans or Benefits	15,330,900	13,354,300	13,354,300		
Capital Outlay	89,700	33,000	33,000	24,200	33,000
TOTAL EXPENDITURES	59,564,700	57,767,300	59,034,700	39,909,600	40,532,900
EXPENDITURES BY FUND SOURCE					
General Fund	13,095,000	13,530,700	13,543,300		
Tobacco Settlement-Phase I	22,368,200	19,568,700	19,899,500	19,551,300	19,881,900
Restricted Funds	21,719,900	24,667,900	25,591,900	20,358,300	20,651,000
Federal Funds	2,381,600				
TOTAL EXPENDITURES	59,564,700	57,767,300	59,034,700	39,909,600	40,532,900
EXPENDITURES BY UNIT					
Executive Director and Administration	3,734,200	4,482,400	4,680,600	3,435,700	3,489,900
Small Business Insurance Subsidy	13,095,000	13,530,700	13,543,300	155,000	159,000
Property and Casualty	853,200	1,159,300	1,238,900	858,500	881,300
Life Insurance	780,800	840,000	876,800	656,300	664,500
Financial Standards and Examination	4,114,800	4,290,200	4,357,100	3,693,500	3,713,100
Agent Licensing	1,664,500	2,021,000	2,112,600	1,153,000	1,177,500
Consumer Protection	2,272,800	2,616,100	2,741,800	2,120,100	2,162,200
Insurance Fraud Investigation	1,353,800	1,677,900	1,767,400	1,391,100	1,434,600
Health Insurance Policy and Managed Care	2,447,100	2,850,500	2,985,600	2,290,200	2,328,200
Mine Subsidence Program	242,500	268,900	275,000	251,800	251,800
State Risk and Insurance Services	803,700	1,000,900	1,070,100	855,600	880,100
Kentucky Access Program	28,202,300	23,029,400	23,385,500	23,048,800	23,390,700
TOTAL EXPENDITURES	59,564,700	57,767,300	59,034,700	39,909,600	40,532,900

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

The Executive Director is responsible for the overall policy, planning, direction, and management of all divisions within the Office. It is the responsibility of the director to oversee the manner in which the business of insurance is conducted in Kentucky. The director is charged with protecting the public interest, promoting viable markets, and assuring fair treatment of insurance consumers.

The Property and Casualty Division regulates coverage and marketing practices of property and casualty insurers. Through its annual review of property and casualty insurance rate and form filings, the Division ensures that companies comply with the standards set forth in the Kentucky Insurance Code. The Division is also responsible for reporting medical malpractice claims, recording of no-fault rejections (tort liability), and verifying such rejection. It is responsible for the regulation of surplus lines insurance.

The Health Insurance Policy and Managed Care Division regulates admitted insurance companies and Health Maintenance Organizations (HMO). The Division approves policies, certificates, provider networks, quality improvement programs, and rate filings. It reviews promotional literature and activities for the protection of the public. The Division handles inquiries about Medicare and long-term care insurance.

The Life Insurance Division regulates insurance companies selling life and disability income products. It is responsible for conducting research on strategies related to financial services modernization. The Division reviews policies, certificates, and rate filings.

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

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

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

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

The State Risk and Insurance Services Division administers the State Fire and Tornado Insurance Fund pursuant to KRS 56.070 to 56.180. It provides self-insurance for the Commonwealth's state- and university-owned real and personal property. The Division resembles an insurance company and has its own brokers and agents. It develops and maintains coverage forms, makes decisions where a particular submission should be insured, determines rates, issues certificates and endorsements, and collects premiums. The Division establishes the replacement value of all insured real property and adjusts, negotiates, and settles claims. Because all risks cannot be properly covered under the State Fire and Tornado Insurance Fund, the Division assists in the placement of various types of property and liability exposures through the commercial market. The Division provides assistance to property owners who have experienced property damage resulting from collapsed underground mines through the Mine Subsidence Fund.

Kentucky Access, Kentucky's high-risk health insurance pool, was created by the 2000 General Assembly. It is a statewide health plan that offers health insurance to Kentuckians who have sufficient disposable income to afford health insurance premiums, but cannot obtain individual health insurance in the private market. The Office of Insurance has the statutory responsibility to operate and administer the Kentucky Access program. The responsibility is met through a contractual relationship between the Office and a third party administrator. The program is funded from three revenue sources: premiums paid by policyholders, assessments of all health insurance carriers in the state, and an appropriation of the state's Master Settlement Agreement proceeds (Phase I Tobacco funds) from the Kentucky Health Care Improvement Fund.

The ICARE program, originally established in Part XXIII of the 2006 Kentucky Acts Chapter 252, provides small businesses with a Health Insurance Subsidy. Eligible businesses can have no fewer than two but no more than 25 employees. Participating businesses will continue to receive an immediate, fixed, monthly reimbursement of \$40-\$60 that will decline by \$15 each year of participation for each employee eligible through June 30, 2010.

Policy

The Office of Insurance shall transfer Restricted Funds of \$15,820,000 in fiscal year 2009 and \$15,360,000 in fiscal year 2010 to the General Fund.

The Budget of the Commonwealth recommends sufficient carry forward funds to continue the Insurance Coverage, Affordability and Relief to Small Employers (ICARE) Program.

The ICARE program shall transfer Restricted Funds in the amount of \$16,750,000 in fiscal year 2009 to the General Fund.

The Office of Insurance's Kentucky Access program shall transfer Restricted Funds in the amount of \$71,551,500 in fiscal year 2009 and \$5,385,900 in fiscal year 2010 to the General Fund.

The Office of Insurance's Fire and Tornado program shall transfer Restricted Funds in the amount of \$1,000,000 in fiscal year 2008 to the General Fund.

**Environmental and Public Protection
Mine Safety Review Commission**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	202,400	228,700	238,100	183,900	187,100
Budget Reduction	-18,200				
Total General Fund	184,200	228,700	238,100	183,900	187,100
Restricted Funds					
Balance Forward	10,500	10,500	10,500	10,500	5,500
Total Restricted Funds	10,500	10,500	10,500	10,500	5,500
TOTAL SOURCE OF FUNDS	194,700	239,200	248,600	194,400	192,600
EXPENDITURES BY CLASS					
Personnel Cost	157,900	201,400	210,800	155,800	159,000
Operating Expenses	26,300	27,300	27,300	33,100	33,600
TOTAL EXPENDITURES	184,200	228,700	238,100	188,900	192,600
EXPENDITURES BY FUND SOURCE					
General Fund	184,200	228,700	238,100	183,900	187,100
Restricted Funds				5,000	5,500
TOTAL EXPENDITURES	184,200	228,700	238,100	188,900	192,600
EXPENDITURES BY UNIT					
Mine Safety Review Commission	184,200	228,700	238,100	188,900	192,600
TOTAL EXPENDITURES	184,200	228,700	238,100	188,900	192,600

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

The Commission is an independent agency attached to the Cabinet for Environmental and Public Protection, Office of the Secretary, for administrative purposes only.

**Environmental and Public Protection
Mine Safety and Licensing**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,522,600	17,729,800	18,092,900	13,464,400	13,790,200
Salary Compensation Fund	62,500				
Mandated Allotments	750,000				
Total General Fund	10,335,100	17,729,800	18,092,900	13,464,400	13,790,200
Restricted Funds					
Balance Forward	894,300	278,300	128,900	278,300	128,900
Current Receipts	793,500	810,400	835,400	810,400	835,400
Non-Revenue Receipts	987,700	987,700	987,700	987,700	987,700
Total Restricted Funds	2,675,500	2,076,400	1,952,000	2,076,400	1,952,000
Federal Funds					
Current Receipts	666,800	666,800	666,800	666,800	666,800
Non-Revenue Receipts	-35,700	-35,700	-35,700	-35,700	-35,700
Total Federal Funds	631,100	631,100	631,100	631,100	631,100
TOTAL SOURCE OF FUNDS	13,641,700	20,437,300	20,676,000	16,171,900	16,373,300
EXPENDITURES BY CLASS					
Personnel Cost	11,126,000	16,368,200	17,767,700	13,007,500	13,704,200
Operating Expenses	2,074,400	2,992,900	2,735,300	2,781,900	2,511,100
Grants, Loans or Benefits	158,000	165,300	173,000	158,000	158,000
Capital Outlay	5,000	782,000		95,600	
TOTAL EXPENDITURES	13,363,400	20,308,400	20,676,000	16,043,000	16,373,300
EXPENDITURES BY FUND SOURCE					
General Fund	10,335,100	17,729,800	18,092,900	13,464,400	13,790,200
Restricted Funds	2,397,200	1,947,500	1,952,000	1,947,500	1,952,000
Federal Funds	631,100	631,100	631,100	631,100	631,100
TOTAL EXPENDITURES	13,363,400	20,308,400	20,676,000	16,043,000	16,373,300
EXPENDITURES BY UNIT					
Administrative Support	644,900	748,200	792,000	578,700	583,300
Safety Inspection and Licensing	7,287,600	10,537,100	10,814,400	8,558,000	8,721,300
Explosives and Blasting	705,200	992,500	987,600	645,800	661,900
Investigation	566,700	655,000	698,000	539,500	553,300
Safety Analysis, Training and Certification	4,159,000	7,375,600	7,384,000	5,721,000	5,853,500
TOTAL EXPENDITURES	13,363,400	20,308,400	20,676,000	16,043,000	16,373,300

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

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

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

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

The 2006 General Assembly passed Senate Bill 200 and House Bill 527 and the 2007 General Assembly passed House Bill 207 to address mine safety issues ranging from inspections to mine safety equipment to drug testing requirements for miners. House Bill 207 increased the required number of inspections of underground coal mines by the Office from three times a year to six times a year and required an additional six hours of annual mine safety training for mine foremen. House Bill 527 required drug testing of all miners as a condition of certification.

Policy

Included in the above General Fund appropriation is \$3,000,000 in each fiscal year of the 2008-2010 biennium to hire additional staff including mine inspectors, mine safety analysts, and mine safety instructors to comply with the increased inspection and training requirements of House Bill 207 as enacted by the 2007 General Assembly. The originating source of this General Fund money is the Coal Severance Tax.

**Environmental and Public Protection
Public Service Commission**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	13,006,000	13,669,600	14,663,800	13,000,000	13,000,000
Continuing Appropriation	1,155,200				
Budget Reduction	-2,655,000				
Total General Fund	11,506,200	13,669,600	14,663,800	13,000,000	13,000,000
Restricted Funds					
Balance Forward	218,200	218,200	88,600	218,200	218,200
Current Receipts	822,000	822,000	822,000	822,000	822,000
Non-Revenue Receipts	14,200	18,900	18,900	18,900	18,900
Fund Transfers	-25,500				
Total Restricted Funds	1,028,900	1,059,100	929,500	1,059,100	1,059,100
Federal Funds					
Current Receipts	232,500	341,700	341,700	232,500	232,500
Non-Revenue Receipts	-14,200	-18,900	-18,900	-14,200	-14,200
Total Federal Funds	218,300	322,800	322,800	218,300	218,300
TOTAL SOURCE OF FUNDS	12,753,400	15,051,500	15,916,100	14,277,400	14,277,400
EXPENDITURES BY CLASS					
Personnel Cost	8,591,300	12,253,500	13,097,300	8,431,900	8,686,900
Operating Expenses	375,100	2,083,600	2,104,400	1,317,900	1,337,900
Grants, Loans or Benefits	810,700			840,900	840,900
Debt Service	589,000	589,000	589,000	589,000	589,000
Capital Outlay	37,000	36,800	36,800	18,800	18,800
TOTAL EXPENDITURES	10,403,100	14,962,900	15,827,500	11,198,500	11,473,500
EXPENDITURES BY FUND SOURCE					
General Fund	9,374,100	13,669,600	14,663,800	10,139,300	10,414,300
Restricted Funds	810,700	970,500	840,900	840,900	840,900
Federal Funds	218,300	322,800	322,800	218,300	218,300
TOTAL EXPENDITURES	10,403,100	14,962,900	15,827,500	11,198,500	11,473,500
EXPENDITURES BY UNIT					
Commission Operations	5,366,400	6,924,200	7,233,200	5,005,500	5,101,700
Financial Analysis	1,697,600	2,611,400	2,807,400	1,926,100	1,984,600
Engineering	1,662,900	1,804,300	1,951,600	1,821,000	1,896,500
Division of Filings	704,800	2,265,800	2,402,300	1,371,600	1,405,400
Consumer Services	383,900	642,500	680,900	482,800	493,800
Gas Pipeline Safety	587,500	714,700	752,100	591,500	591,500
TOTAL EXPENDITURES	10,403,100	14,962,900	15,827,500	11,198,500	11,473,500

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

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

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

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

Policy

The Budget of the Commonwealth includes \$1,000,000 in fiscal year 2008; \$2,860,700 in fiscal year 2009 and \$2,610,700 in fiscal year 2010 that shall lapse to the credit of the General Fund from the Public Service Commission.

The funding mechanism for the Telecommunication Device for the Deaf Distribution Program shall allocate not more than two cents per access line per month.

Environmental and Public Protection

Tax Appeals

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	465,400	553,800	587,600	439,800	439,800
Budget Reduction	-30,000				
Salary Compensation Fund	4,400				
Total General Fund	439,800	553,800	587,600	439,800	439,800
TOTAL SOURCE OF FUNDS	439,800	553,800	587,600	439,800	439,800
EXPENDITURES BY CLASS					
Personnel Cost	425,000	505,200	539,000	424,400	427,200
Operating Expenses	14,800	48,600	48,600	15,400	12,600
TOTAL EXPENDITURES	439,800	553,800	587,600	439,800	439,800
EXPENDITURES BY FUND SOURCE					
General Fund	439,800	553,800	587,600	439,800	439,800
TOTAL EXPENDITURES	439,800	553,800	587,600	439,800	439,800

The Board of Tax Appeals, pursuant to KRS Chapter 131, is an administrative review agency with exclusive jurisdiction to hear and resolve appeals arising from final rulings, orders, and determinations of any agency of state or county government relating to revenue and taxation.

The Board consists of three members appointed by the Governor for staggered four-year terms. One member is designated by the Governor as chairman. The Board is an independent agency that is attached to the Department for Public Protection for administrative purposes only.

Environmental and Public Protection

Labor

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,456,800	2,990,600	3,199,500	2,121,100	2,121,300
Budget Reduction	-74,500				
Salary Compensation Fund	27,700				
Total General Fund	2,410,000	2,990,600	3,199,500	2,121,100	2,121,300
Restricted Funds					
Balance Forward	10,973,900			1,373,600	1,504,600
Current Receipts	1,800,000	1,600,000	1,600,000	1,600,000	1,600,000
Non-Revenue Receipts	99,759,500	99,261,700	101,987,400	92,442,300	92,278,800
Total Restricted Funds	112,533,400	100,861,700	103,587,400	95,415,900	95,383,400
Federal Funds					
Current Receipts	3,547,600	3,548,900	3,560,100	3,502,200	3,502,400
Non-Revenue Receipts	-253,500	-263,000	-266,000	-263,000	-266,000
Total Federal Funds	3,294,100	3,285,900	3,294,100	3,239,200	3,236,400
TOTAL SOURCE OF FUNDS	118,237,500	107,138,200	110,081,000	100,776,200	100,741,100
EXPENDITURES BY CLASS					
Personnel Cost	22,673,300	29,970,000	32,203,000	22,170,900	22,820,200
Operating Expenses	5,437,500	4,993,200	5,237,000	4,925,700	5,168,800
Grants, Loans or Benefits	88,424,800	72,001,000	72,001,000	72,001,000	72,001,000
Capital Outlay	328,300	174,000	640,000	174,000	145,000
TOTAL EXPENDITURES	116,863,900	107,138,200	110,081,000	99,271,600	100,135,000
EXPENDITURES BY FUND SOURCE					
General Fund	2,410,000	2,990,600	3,199,500	2,121,100	2,121,300
Restricted Funds	111,159,800	100,861,700	103,587,400	93,911,300	94,777,300
Federal Funds	3,294,100	3,285,900	3,294,100	3,239,200	3,236,400
TOTAL EXPENDITURES	116,863,900	107,138,200	110,081,000	99,271,600	100,135,000
EXPENDITURES BY UNIT					
Commissioner's Office & Administrative Services	3,343,800	3,715,300	4,657,900	3,020,500	3,306,500
Workplace Standards	91,905,000	76,291,700	76,593,400	75,078,900	75,143,900
Occupational Safety and Health	8,421,500	10,481,100	11,106,900	7,951,300	8,130,400
Workers' Claims	13,193,600	16,650,100	17,722,800	13,220,900	13,554,200
TOTAL EXPENDITURES	116,863,900	107,138,200	110,081,000	99,271,600	100,135,000

The Department of Labor, pursuant to KRS 336.015, consists of the Office of the Commissioner, the Office of Labor Management Relations and Mediation, and the Office of Workplace Standards. The Office of the Commissioner manages and administers the Department. The Office of Labor Management Relations and Mediation mediates disputes between employees and management. The Office of Workplace Standards regulates prevailing wage, employment standards, and child labor law.

Attached administratively to the Department of Labor are the Kentucky Labor Management Council, the Kentucky Employees Insurance Association, the State Labor Relations Board, the Workers' Compensation Funding Commission, the Workers' Compensation Advisory Council, the Occupational Safety and Health Standards Board, the Prevailing Wage Review Board, the Apprenticeship and Training Council, the Employees Mutual Insurance Authority, the Workers' Compensation Nominating Commission, and the Office of Workers' Claims.

**Environmental and Public Protection
Occupational Safety and Health Review Commission**

	<u>Revised FY 2008</u>	<u>Requested FY 2009</u>	<u>Requested FY 2010</u>	<u>Enacted FY 2009</u>	<u>Enacted FY 2010</u>
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	133,800			26,500	42,100
Non-Revenue Receipts	377,100	738,200	776,700	510,900	510,900
Total Restricted Funds	<u>510,900</u>	<u>738,200</u>	<u>776,700</u>	<u>537,400</u>	<u>553,000</u>
TOTAL SOURCE OF FUNDS	510,900	738,200	776,700	537,400	553,000
EXPENDITURES BY CLASS					
Personnel Cost	441,000	692,800	731,300	451,900	462,400
Operating Expenses	43,400	45,400	45,400	43,400	43,400
TOTAL EXPENDITURES	<u>484,400</u>	<u>738,200</u>	<u>776,700</u>	<u>495,300</u>	<u>505,800</u>
EXPENDITURES BY FUND SOURCE					
Restricted Funds	484,400	738,200	776,700	495,300	505,800
TOTAL EXPENDITURES	<u>484,400</u>	<u>738,200</u>	<u>776,700</u>	<u>495,300</u>	<u>505,800</u>
EXPENDITURES BY UNIT					
Occupational Safety and Health Review Commission	484,400	738,200	776,700	495,300	505,800
TOTAL EXPENDITURES	<u>484,400</u>	<u>738,200</u>	<u>776,700</u>	<u>495,300</u>	<u>505,800</u>

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

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

Funding for the Commission consists of Restricted Funds transferred from the Workers Compensation Funding Commission.

**Environmental and Public Protection
Workers' Compensation Board**

	<u>Revised FY 2008</u>	<u>Requested FY 2009</u>	<u>Requested FY 2010</u>	<u>Enacted FY 2009</u>	<u>Enacted FY 2010</u>
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	14,000			29,300	35,100
Non-Revenue Receipts	935,500	1,136,000	1,207,300	955,000	936,400
Total Restricted Funds	<u>949,500</u>	<u>1,136,000</u>	<u>1,207,300</u>	<u>984,300</u>	<u>971,500</u>
TOTAL SOURCE OF FUNDS	949,500	1,136,000	1,207,300	984,300	971,500
EXPENDITURES BY CLASS					
Personnel Cost	807,400	1,022,200	1,094,400	835,400	856,100
Operating Expenses	112,800	113,800	112,900	113,800	112,900
TOTAL EXPENDITURES	<u>920,200</u>	<u>1,136,000</u>	<u>1,207,300</u>	<u>949,200</u>	<u>969,000</u>
EXPENDITURES BY FUND SOURCE					
Restricted Funds	920,200	1,136,000	1,207,300	949,200	969,000
TOTAL EXPENDITURES	<u>920,200</u>	<u>1,136,000</u>	<u>1,207,300</u>	<u>949,200</u>	<u>969,000</u>
EXPENDITURES BY UNIT					
Workers' Compensation Board	920,200	1,136,000	1,207,300	949,200	969,000
TOTAL EXPENDITURES	<u>920,200</u>	<u>1,136,000</u>	<u>1,207,300</u>	<u>949,200</u>	<u>969,000</u>

The Kentucky Workers' Compensation Board rules on appeals of decisions rendered by administrative law judges in the Kentucky Workers Claims' and Compensation system pursuant to KRS 342.213 and KRS 342.285. The board consists of three members appointed by the Governor to four-year terms. These members must possess the qualifications of appeals court justices and are held to those same professional ethical standards of behavior and compensation. A decision from two of the three board members constitutes a decision of the board.

**Environmental and Public Protection
Workers' Compensation Funding Commission**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		19,000,000	19,000,000		
Total General Fund		19,000,000	19,000,000		
Restricted Funds					
Balance Forward	17,143,300			10,300	55,200
Current Receipts	105,439,200	95,671,400	98,909,900	110,548,800	111,061,300
Non-Revenue Receipts		2,199,400	2,373,900	-2,516,100	-2,642,200
Total Restricted Funds	122,582,500	97,870,800	101,283,800	108,043,000	108,474,300
TOTAL SOURCE OF FUNDS	122,582,500	116,870,800	120,283,800	108,043,000	108,474,300
EXPENDITURES BY CLASS					
Personnel Cost	2,299,300	2,759,700	2,885,800	2,314,100	2,352,600
Operating Expenses	116,642,900	112,496,100	115,783,000	104,058,700	104,500,800
Grants, Loans or Benefits	3,630,000	1,615,000	1,615,000	1,615,000	1,615,000
TOTAL EXPENDITURES	122,572,200	116,870,800	120,283,800	107,987,800	108,468,400
EXPENDITURES BY FUND SOURCE					
General Fund		19,000,000	19,000,000		
Restricted Funds	122,572,200	97,870,800	101,283,800	107,987,800	108,468,400
TOTAL EXPENDITURES	122,572,200	116,870,800	120,283,800	107,987,800	108,468,400
EXPENDITURES BY UNIT					
Workers' Compensation Funding Commission	1,746,300	2,199,400	2,373,900	1,753,800	1,840,700
Benefit Reserve	116,119,200	111,979,900	115,218,400	103,542,500	103,936,200
KCWP Fund	4,706,700	2,691,500	2,691,500	2,691,500	2,691,500
TOTAL EXPENDITURES	122,572,200	116,870,800	120,283,800	107,987,800	108,468,400

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

The Commission collects two separate assessments as required by KRS Chapter 342. One assessment is imposed on Kentucky Workers' Compensation premiums received by all insurance carriers and group self-insurers, and on a calculation-based premium equivalent for employers carrying their own risk. A second assessment is imposed on such premiums received from employers engaged in the severance or processing of coal. In addition to these assessments, House Bill 1 of the 1996 Extraordinary Session contained a provision beginning with fiscal year 1998, that the Revenue Department credit \$19 million in coal severance tax revenues levied under KRS 143.020 to the Benefit Reserve Fund within the Commission. These funds, coupled with the two assessments, are to be used to fund and pre-fund the liabilities of the Special Fund and the Coal Workers' Pneumoconiosis Fund; finance the administration and operations of the Special Fund and the Coal Workers' Pneumoconiosis Fund; finance the administration and operations of the Funding Commission; finance all programs in the Labor Cabinet except the Division of Apprenticeship, Training and Employment Standards and the Office of Labor-Management Relations; and pay the liabilities and fund the operating budget for the Uninsured Employers' Fund in the Office of the Attorney General.

These assessments are credited to the Commission's Benefit Reserve Fund, and the excess of collections over Special Fund liabilities, the Coal Workers' Pneumoconiosis Fund liabilities, and budgeted expenditures are invested according to the

Commission's policies and in compliance with KRS Chapter 386. The agency may perform or contract for audits of those entities subject to assessments, and may coordinate with other governmental agencies to ensure compliance with the statutes relating to Workers' Compensation funding.

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

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

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

Policy

The Benefit Reserve Fund has a sufficient balance to meet all claims, expected growth, and reserves for the upcoming biennium. Therefore, the Budget of the Commonwealth does not include the \$19 million required in KRS 342.122(1)(3).

The Budget of the Commonwealth includes \$952,000 in each year of the biennium in Coal Workers' Pneumoconiosis Funds to support Mine Safety Training in the Office of Mine Safety and Licensing.

The Budget of the Commonwealth includes a Restricted Funds transfer in the amount of \$6,200,000 in fiscal year 2009 from the Special Fund Benefit Reserve which shall be transferred to the General Fund.

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Finance and Administration

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Finance and Administration

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	483,436,600	620,303,100	627,699,900	557,219,300	552,232,600
Budget Reduction	-2,060,500				
Salary Compensation Fund	1,896,700				
Total General Fund	483,272,800	620,303,100	627,699,900	557,219,300	552,232,600
Tobacco Settlement-Phase I					
Tobacco Settlement - I	18,022,400	15,591,500	15,592,900	15,691,500	15,692,900
Continuing Appropriation	9,017,500	9,017,500	9,017,500		
Total Tobacco Settlement-Phase I	27,039,900	24,609,000	24,610,400	15,691,500	15,692,900
Restricted Funds					
Balance Forward	28,312,400	18,598,700	12,269,000	19,281,200	12,815,400
Current Receipts	150,519,300	148,846,900	148,946,900	148,352,600	148,245,400
Non-Revenue Receipts	-4,059,000	-941,300	-931,300	4,016,900	4,221,800
Fund Transfers	-4,687,100			-6,522,400	-3,750,000
Total Restricted Funds	170,085,600	166,504,300	160,284,600	165,128,300	161,532,600
Federal Funds					
Balance Forward	159,600				
Current Receipts	1,615,400	1,400,000	1,400,000	1,400,000	1,400,000
Total Federal Funds	1,775,000	1,400,000	1,400,000	1,400,000	1,400,000
Road Fund					
Regular Appropriation	2,400,000	2,400,000	2,400,000	2,725,000	2,725,000
Total Road Fund	2,400,000	2,400,000	2,400,000	2,725,000	2,725,000
TOTAL SOURCE OF FUNDS	684,573,300	815,216,400	816,394,900	742,164,100	733,583,100
EXPENDITURES BY CLASS					
Personnel Cost	173,795,600	220,026,800	231,191,900	169,975,900	172,960,100
Operating Expenses	116,021,000	124,329,400	124,606,500	119,674,700	122,784,200
Grants, Loans or Benefits	5,325,000	2,425,000	2,425,000	2,425,000	2,425,000
Debt Service	249,560,200	428,812,500	426,732,000	427,612,500	420,386,000
Capital Outlay	9,913,800	11,636,200	11,380,100	4,460,600	4,460,600
Construction	5,974,000	6,700,000	7,000,000	5,200,000	4,734,200
TOTAL EXPENDITURES	560,589,600	793,929,900	803,335,500	729,348,700	727,750,100
EXPENDITURES BY FUND SOURCE					
General Fund	389,987,800	620,303,100	627,699,900	557,219,300	552,232,600
Tobacco Settlement-Phase I	15,622,400	15,591,500	15,592,900	15,691,500	15,692,900
Restricted Funds	150,804,400	154,235,300	156,242,700	152,312,900	155,699,600
Federal Funds	1,775,000	1,400,000	1,400,000	1,400,000	1,400,000
Road Fund	2,400,000	2,400,000	2,400,000	2,725,000	2,725,000
TOTAL EXPENDITURES	560,589,600	793,929,900	803,335,500	729,348,700	727,750,100
EXPENDITURES BY UNIT					
General Administration	44,178,800	50,085,000	50,674,700	40,326,500	42,689,800
Controller	16,697,400	16,610,100	17,086,200	17,522,700	17,479,400
Debt Service	249,560,200	428,810,500	420,384,000	427,612,500	420,386,000
Facilities and Support Services	38,422,000	46,714,300	51,061,700	40,649,100	41,080,000
County Costs	22,431,500	19,513,600	19,513,500	18,513,600	18,513,500
Commonwealth Office of Technology	68,592,400	77,341,400	80,676,400	66,665,600	67,582,100
Revenue	82,165,000	105,642,400	111,346,500	79,213,600	81,165,100
Property Valuation Administrators	38,542,300	49,212,600	52,592,500	38,845,100	38,854,200
TOTAL EXPENDITURES	560,589,600	793,929,900	803,335,500	729,348,700	727,750,100

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

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

The Department of Revenue is the statutory agency of state government responsible for the administration of all state revenue laws and the collection of taxes. In fulfilling this responsibility, the Department seeks to ensure taxpayers' voluntary compliance with the revenue laws and regulations, to enforce such laws in those instances where necessary, and to supervise and assist county property valuation administrators in their implementation of the property tax laws.

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

Finance and Administration
General Administration

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,442,600	14,079,100	14,547,800	8,309,200	8,446,500
Salary Compensation Fund	130,200				
Total General Fund	10,572,800	14,079,100	14,547,800	8,309,200	8,446,500
Restricted Funds					
Balance Forward	2,904,700	2,193,500	1,388,500	2,166,800	1,032,200
Current Receipts	36,103,600	34,624,900	34,624,900	34,579,100	34,575,400
Non-Revenue Receipts	176,000	176,000	176,000	176,000	176,000
Fund Transfers	-3,811,500			-4,272,400	-1,500,000
Total Restricted Funds	35,372,800	36,994,400	36,189,400	32,649,500	34,283,600
Road Fund					
Regular Appropriation	400,000	400,000	400,000	400,000	400,000
Total Road Fund	400,000	400,000	400,000	400,000	400,000
TOTAL SOURCE OF FUNDS	46,345,600	51,473,500	51,137,200	41,358,700	43,130,100
EXPENDITURES BY CLASS					
Personnel Cost	13,012,200	16,498,200	17,291,600	11,489,900	11,787,800
Operating Expenses	22,600,000	22,735,800	22,488,200	25,161,200	27,626,600
Capital Outlay	8,566,600	10,451,000	10,194,900	3,275,400	3,275,400
Construction		400,000	700,000	400,000	
TOTAL EXPENDITURES	44,178,800	50,085,000	50,674,700	40,326,500	42,689,800
EXPENDITURES BY FUND SOURCE					
General Fund	10,572,800	14,079,100	14,547,800	8,309,200	8,446,500
Restricted Funds	33,206,000	35,605,900	35,726,900	31,617,300	33,843,300
Road Fund	400,000	400,000	400,000	400,000	400,000
TOTAL EXPENDITURES	44,178,800	50,085,000	50,674,700	40,326,500	42,689,800
EXPENDITURES BY UNIT					
Secretary	1,740,700	2,784,900	2,330,900	1,856,700	1,897,500
Office of General Counsel	4,725,600	5,556,500	5,874,000	3,121,300	3,217,800
Office of Administrative Services	3,874,500	4,629,600	4,929,000	3,495,700	3,520,500
Fleet Management	29,950,000	32,216,900	32,106,100	27,563,500	30,079,800
Occupations and Professions	924,300	1,091,100	1,156,000	897,700	919,000
Postal Services	2,963,700	3,806,000	4,278,700	3,391,600	3,055,200
TOTAL EXPENDITURES	44,178,800	50,085,000	50,674,700	40,326,500	42,689,800

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

The Office of the Secretary, including the Office of Public Information, develops executive policy and directs the overall management of the Commonwealth's property and financial assets. Office staff coordinates fiscal and personnel administration for the Cabinet, reviews all internal reorganizations, prepares the Cabinet legislative package, and handles inquiries and issues that arise from the General Assembly, the news media, and the general public. The Secretary of

Finance serves on numerous boards and commissions including the Kentucky Economic Development Partnership Board, the Kentucky Economic Development Finance Authority, the Kentucky Infrastructure Authority, the Kentucky Higher Education Assistance Authority, and the Kentucky Housing Corporation.

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

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

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

The Division of Occupations and Professions provides administrative services and technical assistance to state licensing boards and commissions. Currently, the Division directly supports the following 20 organizations: Alcohol and Drug Counselors, Art Therapy, Athlete Agents, Dietitians and Nutritionists, Fee-Based Pastoral Counselors, Hearing Instrument Specialists, Interpreters for the Deaf and Hard of Hearing, Marriage and Family Therapists, Massage Therapists, Nursing Home Administrators, Occupational Therapy, Ophthalmic Dispensers, Private Investigators, Professional Counselors, Professional Geologists, Proprietary Education, Psychology, Social Work, Speech-Language Pathology and Audiology, and Veterinary Examiners. The services provided by the Division include personnel, property management, budget management, contracting, complaint management, fee collection, enforcement of statutes and regulations, and other issues identified as important to performing the duties of the agency.

The Division of Postal Services has recently consolidated from five locations into one mail management center which provides a more secure environment for the Commonwealth's mail. The Division provides messenger service to all state agencies and performs mail processing functions for over 125 state agencies. This division advises agencies about USPS rules, regulations, and services. The Fleet Management Division was moved from the Transportation Cabinet in 2005. The Fleet Management Division manages and maintains the Commonwealth's vehicle fleet for use by state agencies and employees.

**Finance and Administration
Controller**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,954,300	12,629,300	12,946,200	9,196,800	9,224,300
Budget Reduction	-752,000				
Salary Compensation Fund	42,700				
Total General Fund	10,245,000	12,629,300	12,946,200	9,196,800	9,224,300
Restricted Funds					
Balance Forward	3,065,100	2,809,400	2,778,600	2,733,000	1,610,300
Current Receipts	2,328,800	2,750,000	2,850,000	2,362,300	2,320,300
Non-Revenue Receipts	3,083,700	200,000	210,000	3,840,900	4,045,800
Fund Transfers	-292,200				
Total Restricted Funds	8,185,400	5,759,400	5,838,600	8,936,200	7,976,400
Federal Funds					
Current Receipts	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Federal Funds	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL SOURCE OF FUNDS	19,430,400	19,388,700	19,784,800	19,133,000	18,200,700
EXPENDITURES BY CLASS					
Personnel Cost	7,838,900	9,568,200	10,044,200	7,852,000	7,451,400
Operating Expenses	7,858,500	6,039,900	6,040,000	8,670,700	9,028,000
Grants, Loans or Benefits	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Debt Service		2,000	2,000		
TOTAL EXPENDITURES	16,697,400	16,610,100	17,086,200	17,522,700	17,479,400
EXPENDITURES BY FUND SOURCE					
General Fund	10,245,000	12,629,300	12,946,200	9,196,800	9,224,300
Restricted Funds	5,452,400	2,980,800	3,140,000	7,325,900	7,255,100
Federal Funds	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL EXPENDITURES	16,697,400	16,610,100	17,086,200	17,522,700	17,479,400
EXPENDITURES BY UNIT					
Controller	5,316,200	5,905,000	5,867,100	4,572,000	4,500,000
Local Government Services	1,115,500	1,344,000	1,430,200	1,115,500	1,115,500
Rural Empowerment Zone	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Financial Management	3,794,500	4,182,200	4,324,200	4,544,900	4,300,600
Procurement Services	1,716,700	2,071,700	2,203,700	1,715,500	1,781,500
Customer Resource Center	2,905,000	932,200	1,000,200	3,715,900	3,898,700
Policy and Audit	849,500	1,175,000	1,260,800	858,900	883,100
TOTAL EXPENDITURES	16,697,400	16,610,100	17,086,200	17,522,700	17,479,400

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

The Division of Local Government Services administers, for the benefit of state employees and political subdivisions within the Commonwealth, the Old Age and Survivors Insurance program under Section 218 of the federal Social Security Act. This program is responsible for ensuring that the social security obligations of the state and its political subdivisions are met. To fulfill this

responsibility, the State Office for Social Security periodically visits each of the political subdivisions for a procedural, compliance, and fiscal audit pursuant to KRS 61.410 - 61.500. The Division also provides personnel, accounting, and other administrative services to counties through the County Costs, County Fees, and PVA programs.

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

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

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

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

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

Finance and Administration

Debt Service

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	327,397,800	413,394,000	404,966,100	412,196,000	404,968,100
Total General Fund	327,397,800	413,394,000	404,966,100	412,196,000	404,968,100
Tobacco Settlement-Phase I					
Tobacco Settlement - I	17,847,400	15,416,500	15,417,900	15,416,500	15,417,900
Continuing Appropriation	9,017,500	9,017,500	9,017,500		
Total Tobacco Settlement-Phase I	26,864,900	24,434,000	24,435,400	15,416,500	15,417,900
TOTAL SOURCE OF FUNDS	354,262,700	437,828,000	429,401,500	427,612,500	420,386,000
EXPENDITURES BY CLASS					
Debt Service	249,560,200	428,810,500	420,384,000	427,612,500	420,386,000
TOTAL EXPENDITURES	249,560,200	428,810,500	420,384,000	427,612,500	420,386,000
EXPENDITURES BY FUND SOURCE					
General Fund	234,112,800	413,394,000	404,966,100	412,196,000	404,968,100
Tobacco Settlement-Phase I	15,447,400	15,416,500	15,417,900	15,416,500	15,417,900
TOTAL EXPENDITURES	249,560,200	428,810,500	420,384,000	427,612,500	420,386,000

Previously authorized State Property and Buildings Commission General Fund debt service for all agencies is consolidated in the Finance and Administration Cabinet. All new 2008-2010 State Property and Buildings Commission General Fund debt service (except that which directly affects the Finance and Administration Cabinet's programs) is reflected in budgets of the affected agencies.

Included in the above General Fund appropriation is \$1,200,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act for budget units within the Finance and Administration Cabinet.

**Finance and Administration
Facilities and Support Services**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,526,800	11,359,100	15,714,500	6,193,400	6,294,600
Budget Reduction	-149,000				
Salary Compensation Fund	83,800				
Total General Fund	7,461,600	11,359,100	15,714,500	6,193,400	6,294,600
Restricted Funds					
Balance Forward	3,491,700	3,121,000	1,854,100	3,158,900	2,041,500
Current Receipts	31,211,000	34,088,300	34,088,300	34,088,300	34,088,300
Fund Transfers	-583,400			-750,000	-750,000
Total Restricted Funds	34,119,300	37,209,300	35,942,400	36,497,200	35,379,800
TOTAL SOURCE OF FUNDS	41,580,900	48,568,400	51,656,900	42,690,600	41,674,400
EXPENDITURES BY CLASS					
Personnel Cost	21,444,000	25,508,000	26,838,100	21,901,500	22,406,900
Operating Expenses	16,208,300	19,306,300	19,421,600	16,847,600	16,838,900
Debt Service			2,902,000		
Capital Outlay	162,000				
Construction	607,700	1,900,000	1,900,000	1,900,000	1,834,200
TOTAL EXPENDITURES	38,422,000	46,714,300	51,061,700	40,649,100	41,080,000
EXPENDITURES BY FUND SOURCE					
General Fund	7,461,600	11,359,100	15,714,500	6,193,400	6,294,600
Restricted Funds	30,960,400	35,355,200	35,347,200	34,455,700	34,785,400
TOTAL EXPENDITURES	38,422,000	46,714,300	51,061,700	40,649,100	41,080,000
EXPENDITURES BY UNIT					
Commissioner's Office	413,800	797,100	3,517,300	512,200	526,300
Engineering and Contract Administration	4,538,700	5,452,600	5,820,400	4,466,500	4,567,700
Real Property	1,376,700	1,648,200	1,757,400	1,389,400	1,389,400
Historic Properties	440,700	491,800	612,800	415,400	415,400
Building and Mechanical Services	30,679,900	37,231,400	38,201,200	32,927,000	33,215,700
State Surplus Property	546,600	599,200	632,800	497,400	514,500
Federal Surplus Property	425,600	494,000	519,800	441,200	451,000
TOTAL EXPENDITURES	38,422,000	46,714,300	51,061,700	40,649,100	41,080,000

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

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

The Division of Engineering and Contract Administration provides professional and technical engineering and architectural services to state agencies, reviews capital construction design documents, acts as a liaison between the Department and state agencies on new construction and major maintenance projects, and monitors construction and maintenance contracts for compliance with plans and specifications. The Division is also responsible for administering the procurement process for construction projects of the Commonwealth of Kentucky, excluding roads and bridges, as prescribed by the Kentucky Model Procurement Code (KRS 45A)

and the related administrative regulations. The Division prepares invitations to bid, opens and evaluates those bids, and awards contracts. The General Contracting Branch provides general construction procurement, administers the advertising and awarding of state general construction projects and related support systems, provides procurement information to state agencies, and administers procurement programs for new building construction, renovation, and mechanical, electrical, and HVAC systems. The Specialized Contracting Branch administers the advertising and awarding of state specialized construction projects and related support systems, provides procurement information to state agencies, administers programs such as reclamation under the Abandoned Mines Lands program, the procurement of state-owned telephone switching systems, asbestos abatement projects, and master agreements for maintenance of elevators, escalators, and similar services. The Administrative Services Branch and the Pre-Audit Branch provide support services to the Division and Department.

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

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

The Office of Building and Mechanical Services, which includes the Division of Building Services and the Division of Mechanical Services, as authorized by KRS 42.027, provides services for all Finance and Administration Cabinet-operated buildings and for the state agencies occupying those facilities.

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

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

Finance and Administration
County Costs

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	20,481,500	17,581,500	17,581,500	16,581,500	16,581,500
Total General Fund	20,481,500	17,581,500	17,581,500	16,581,500	16,581,500
Restricted Funds					
Balance Forward	206,400	125,700	62,900	125,700	62,900
Current Receipts	1,869,300	1,869,300	1,869,300	1,869,300	1,869,300
Total Restricted Funds	2,075,700	1,995,000	1,932,200	1,995,000	1,932,200
TOTAL SOURCE OF FUNDS	22,557,200	19,576,500	19,513,700	18,576,500	18,513,700
EXPENDITURES BY CLASS					
Personnel Cost	1,735,000	1,717,100	1,717,000	1,717,100	1,717,000
Operating Expenses	16,371,500	16,371,500	16,371,500	15,371,500	15,371,500
Grants, Loans or Benefits	4,325,000	1,425,000	1,425,000	1,425,000	1,425,000
TOTAL EXPENDITURES	22,431,500	19,513,600	19,513,500	18,513,600	18,513,500
EXPENDITURES BY FUND SOURCE					
General Fund	20,481,500	17,581,500	17,581,500	16,581,500	16,581,500
Restricted Funds	1,950,000	1,932,100	1,932,000	1,932,100	1,932,000
TOTAL EXPENDITURES	22,431,500	19,513,600	19,513,500	18,513,600	18,513,500
EXPENDITURES BY UNIT					
Public Defender Program	1,695,000	1,677,100	1,677,000	1,677,100	1,677,000
Witnesses	130,000	130,000	130,000	130,000	130,000
DUI Service Fees	1,425,000	1,425,000	1,425,000	1,425,000	1,425,000
Sheriffs Fees'	10,334,000	10,334,000	10,334,000	9,834,000	9,834,000
County Clerks (Make Tax Bills)	305,000	305,000	305,000	305,000	305,000
Board Of Assessment Appeals	60,000	60,000	60,000	60,000	60,000
Fugitive From Justice	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Jury Fund	3,600,000	3,600,000	3,600,000	3,100,000	3,100,000
Sheriffs Expense Allowance	466,600	466,600	466,600	466,600	466,600
Premium On Sheriffs' Bonds	15,900	15,900	15,900	15,900	15,900
Access to Justice	2,900,000				
TOTAL EXPENDITURES	22,431,500	19,513,600	19,513,500	18,513,600	18,513,500

The County Costs program pays local officials for the performance of functions required by state statutes. For example, a sheriff is paid by the state for services rendered to the state for enforcing state laws. This falls within the Criminal Prosecutions program. A witness in a state court trial is paid by the state for performing a function required by state statute. This is an example of the Miscellaneous Fee program. Payments under the County Costs program are statutorily mandated and are regarded as a necessary governmental expense.

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

Policy

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

Under KRS 27A.630, as amended by House Bill 163 in the 2003 session of the General Assembly, filing fees for civil actions include \$20 in Circuit Court and \$10 in District Court to support access to justice by indigent clients. The fees are paid to the General Fund, and the Finance and Administration Cabinet distributes them monthly to non-profit agencies designated by the Chief Justice in each judicial district to provide the legal services. In previous years these have been accounted for as expenditures requiring an appropriation upon recommendation of the Finance Cabinet. These will be considered as reductions to revenue and accounted for solely on the revenue side of the ledger.

**Finance and Administration
Commonwealth Office of Technology**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		7,550,000	9,149,700		
Total General Fund		7,550,000	9,149,700		
Restricted Funds					
Balance Forward	12,135,000	7,245,300	4,633,000	7,245,300	6,150,000
Current Receipts	70,246,400	66,779,100	66,779,100	66,670,300	66,608,900
Non-Revenue Receipts	-7,318,700				
Fund Transfers				-1,500,000	-1,500,000
Total Restricted Funds	75,062,700	74,024,400	71,412,100	72,415,600	71,258,900
Federal Funds					
Balance Forward	159,600				
Current Receipts	615,400	400,000	400,000	400,000	400,000
Total Federal Funds	775,000	400,000	400,000	400,000	400,000
TOTAL SOURCE OF FUNDS	75,837,700	81,974,400	80,961,800	72,815,600	71,658,900
EXPENDITURES BY CLASS					
Personnel Cost	40,150,900	49,520,100	51,239,100	40,467,900	41,374,700
Operating Expenses	21,890,000	22,236,100	22,241,100	22,112,500	22,122,200
Debt Service			1,611,000		
Capital Outlay	1,185,200	1,185,200	1,185,200	1,185,200	1,185,200
Construction	5,366,300	4,400,000	4,400,000	2,900,000	2,900,000
TOTAL EXPENDITURES	68,592,400	77,341,400	80,676,400	66,665,600	67,582,100
EXPENDITURES BY FUND SOURCE					
General Fund		7,550,000	9,149,700		
Restricted Funds	67,817,400	69,391,400	71,126,700	66,265,600	67,182,100
Federal Funds	775,000	400,000	400,000	400,000	400,000
TOTAL EXPENDITURES	68,592,400	77,341,400	80,676,400	66,665,600	67,582,100
EXPENDITURES BY UNIT					
Commonwealth Office of Technology	7,825,500	8,842,600	9,298,000	5,663,000	5,678,800
Application Development	11,780,100	13,946,200	14,775,400	11,272,300	11,520,200
Infrastructure Services	46,688,200	51,973,000	53,915,100	47,423,000	48,039,800
Enterprise Policy and Project Management	2,298,600	2,579,600	2,687,900	2,307,300	2,343,300
TOTAL EXPENDITURES	68,592,400	77,341,400	80,676,400	66,665,600	67,582,100

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

The Commonwealth Office of Technology provides support for major management systems throughout state government.

- Enhanced Management Administrative Reporting System (eMARS)
- Kentucky Vehicle Registration and Information System (KVIS and AVIS)
- Department of Revenue's tax systems
- Driver's license system
- Uniform Payroll and Personnel System (UPPS)
- Kentucky State Police systems
- Education technology system
- Kentucky's Electronic Workplace for Employment Services (KEWES)

COT consists of four units for budgetary purposes: the Office of the Commissioner, Application Development, Infrastructure Services, and Enterprise Policy and Project Management.

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

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

The Office of Infrastructure Services operates the Commonwealth's enterprise computing and communications environment. This Office includes the daily operation of the Commonwealth Data Center, operation and maintenance of the Kentucky Information Highway, and all communication services, including data, voice, video and wireless. Other responsibilities include providing help desk assistance to end-users and ensuring the security of client information in the areas of electronic commerce and network computing. The Division of Printing provides agencies with hard copy access to information, especially for high volume, color, and wide-format documents, as well as print project planning, consulting and electronic forms design.

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

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

Policy

The Budget of the Commonwealth directs that \$1.5 million be transferred from the computer services fund to the General Fund each fiscal year.

Finance and Administration

Revenue

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	73,234,300	98,546,400	104,250,500	69,397,300	71,363,400
Salary Compensation Fund	708,900				
Total General Fund	73,943,200	98,546,400	104,250,500	69,397,300	71,363,400
Tobacco Settlement-Phase I					
Tobacco Settlement - I	175,000	175,000	175,000	275,000	275,000
Total Tobacco Settlement-Phase I	175,000	175,000	175,000	275,000	275,000
Restricted Funds					
Balance Forward	4,638,100	2,006,000	1,003,000	3,851,500	1,918,500
Current Receipts	5,260,200	5,235,300	5,235,300	5,283,300	5,283,200
Non-Revenue Receipts		-1,317,300	-1,317,300		
Total Restricted Funds	9,898,300	5,924,000	4,921,000	9,134,800	7,201,700
Road Fund					
Regular Appropriation	2,000,000	2,000,000	2,000,000	2,325,000	2,325,000
Total Road Fund	2,000,000	2,000,000	2,000,000	2,325,000	2,325,000
TOTAL SOURCE OF FUNDS	86,016,500	106,645,400	111,346,500	81,132,100	81,165,100
EXPENDITURES BY CLASS					
Personnel Cost	51,504,300	68,434,600	71,901,400	48,134,400	49,800,100
Operating Expenses	30,660,700	37,207,800	37,612,100	31,079,200	31,365,000
Debt Service			1,833,000		
TOTAL EXPENDITURES	82,165,000	105,642,400	111,346,500	79,213,600	81,165,100
EXPENDITURES BY FUND SOURCE					
General Fund	73,943,200	98,546,400	104,250,500	69,397,300	71,363,400
Tobacco Settlement-Phase I	175,000	175,000	175,000	275,000	275,000
Restricted Funds	6,046,800	4,921,000	4,921,000	7,216,300	7,201,700
Road Fund	2,000,000	2,000,000	2,000,000	2,325,000	2,325,000
TOTAL EXPENDITURES	82,165,000	105,642,400	111,346,500	79,213,600	81,165,100
EXPENDITURES BY UNIT					
Commissioner's Office	31,120,100	38,292,900	39,534,200	30,208,600	30,360,400
Property Valuation	5,116,300	6,838,900	7,327,900	5,129,800	5,278,000
Field Operations	13,008,300	16,872,300	18,050,500	11,279,500	11,650,100
Income Taxation	6,480,100	8,940,700	9,363,800	6,071,300	6,295,500
Sales and Excise Taxes	6,278,700	7,709,500	8,163,300	6,774,500	6,909,900
Processing and Enforcement	20,161,500	26,988,100	28,906,800	19,749,900	20,671,200
TOTAL EXPENDITURES	82,165,000	105,642,400	111,346,500	79,213,600	81,165,100

The Department of Revenue is responsible for the thorough and equitable administration of all state revenue laws, and for the assessment and collection of 43 separate state taxes. The Department aims to ensure the taxpayer's voluntary compliance with the revenue laws, to enforce such laws in those instances where necessary, and to supervise and assist county property valuation administrators in their implementation of the property tax laws.

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

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

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

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

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

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

Policy

The Budget of the Commonwealth includes \$275,000 in tobacco settlement funds in each year of the biennium to enhance the enforcement of KRS 131.600, 131.602, and 131.604 - 131.630. These funds are provided to safeguard the Tobacco Master Settlement Agreement, the fiscal soundness of the state, and the public health.

The enacted budget includes \$3 million in General Fund in each year of the biennium for the additional operating costs of the new comprehensive tax system. An additional \$1 million in General Fund is provided each year to support the on-going operations of the Department.

Finance and Administration
Property Valuation Administrators

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	33,399,300	45,163,700	48,543,600	35,345,100	35,354,200
Budget Reduction	-1,159,500				
Salary Compensation Fund	931,100				
Total General Fund	33,170,900	45,163,700	48,543,600	35,345,100	35,354,200
Restricted Funds					
Balance Forward	1,871,400	1,097,800	548,900		
Current Receipts	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Total Restricted Funds	5,371,400	4,597,800	4,048,900	3,500,000	3,500,000
TOTAL SOURCE OF FUNDS	38,542,300	49,761,500	52,592,500	38,845,100	38,854,200
EXPENDITURES BY CLASS					
Personnel Cost	38,110,300	48,780,600	52,160,500	38,413,100	38,422,200
Operating Expenses	432,000	432,000	432,000	432,000	432,000
TOTAL EXPENDITURES	38,542,300	49,212,600	52,592,500	38,845,100	38,854,200
EXPENDITURES BY FUND SOURCE					
General Fund	33,170,900	45,163,700	48,543,600	35,345,100	35,354,200
Restricted Funds	5,371,400	4,048,900	4,048,900	3,500,000	3,500,000
TOTAL EXPENDITURES	38,542,300	49,212,600	52,592,500	38,845,100	38,854,200
EXPENDITURES BY UNIT					
Property Valuation Administrators	38,542,300	49,212,600	52,592,500	38,845,100	38,854,200
TOTAL EXPENDITURES	38,542,300	49,212,600	52,592,500	38,845,100	38,854,200

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

Policy

The Budget of the Commonwealth provides additional General Fund support for the Property Valuation Administrators of \$3 million in fiscal year 2009 and \$1.8 million in fiscal year 2010.

Notwithstanding KRS 132.590 and KRS 132.597, Property Valuation Administrators may take necessary actions to manage expenditures within the budgeted amounts.

Health and Family Services

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Health and Family Services

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,777,534,400	2,226,643,400	2,428,246,100	1,924,136,800	2,024,940,500
Special Appropriation	2,000,000				
Current Year Appropriation	116,409,600				
Continuing Appropriation	426,100				
Budget Reduction	-2,751,400				
Salary Compensation Fund	4,377,500				
Base Deduction	-198,500				
Total General Fund	1,897,797,700	2,226,643,400	2,428,246,100	1,924,136,800	2,024,940,500
Tobacco Settlement-Phase I					
Tobacco Settlement - I	23,393,500	30,341,700	30,861,300	30,121,700	30,641,600
Continuing Appropriation	6,009,000				
Other	5,861,900				
Total Tobacco Settlement-Phase I	35,264,400	30,341,700	30,861,300	30,121,700	30,641,600
Restricted Funds					
Balance Forward	19,804,300	9,551,000	12,271,900	4,501,800	7,263,500
Current Receipts	555,836,300	585,909,600	580,748,000	567,535,600	559,659,600
Non-Revenue Receipts	309,461,700	310,872,900	294,371,300	309,528,500	294,060,600
Fund Transfers	-4,522,700			-43,700	-43,700
Total Restricted Funds	880,579,600	906,333,500	887,391,200	881,522,200	860,940,000
Federal Funds					
Balance Forward	37,975,600				
Current Receipts	4,282,653,400	4,705,813,100	4,918,372,200	4,456,748,400	4,647,901,200
Total Federal Funds	4,320,629,000	4,705,813,100	4,918,372,200	4,456,748,400	4,647,901,200
TOTAL SOURCE OF FUNDS	7,134,270,700	7,869,131,700	8,264,870,800	7,292,529,100	7,564,423,300
EXPENDITURES BY CLASS					
Personnel Cost	598,529,300	781,239,200	832,737,100	591,393,700	603,720,200
Operating Expenses	115,712,600	137,475,100	139,924,400	115,383,700	115,609,200
Grants, Loans or Benefits	6,414,145,000	6,934,332,900	7,243,666,200	6,578,374,200	6,841,180,500
Debt Service	1,172,000		37,941,000		1,179,000
Capital Outlay	114,000	3,812,600	2,873,300	114,000	114,000
TOTAL EXPENDITURES	7,129,672,900	7,856,859,800	8,257,142,000	7,285,265,600	7,561,802,900
EXPENDITURES BY FUND SOURCE					
General Fund	1,897,701,700	2,226,643,400	2,428,246,100	1,924,136,800	2,024,940,500
Tobacco Settlement-Phase I	35,264,400	30,341,700	30,861,300	30,121,700	30,641,600
Restricted Funds	876,077,800	894,061,600	879,662,400	874,258,700	858,319,600
Federal Funds	4,320,629,000	4,705,813,100	4,918,372,200	4,456,748,400	4,647,901,200
TOTAL EXPENDITURES	7,129,672,900	7,856,859,800	8,257,142,000	7,285,265,600	7,561,802,900
EXPENDITURES BY UNIT					
General Administration and Program Support	89,570,500	121,123,600	164,704,800	84,129,500	86,008,000
Comm for Children with Special Health Care Needs	17,065,800	21,687,500	22,718,900	16,454,600	16,774,000
Medicaid Services	5,044,905,000	5,464,032,600	5,730,236,400	5,200,501,900	5,464,877,600
Mental Health and Mental Retardation Services	462,371,700	530,226,400	541,161,100	471,771,500	469,635,800
Public Health	356,851,300	375,429,600	377,883,500	357,637,000	358,392,900
Health Policy	2,014,400	7,915,000	14,160,200	1,131,700	1,162,000
Human Support Services	17,348,000	18,028,500	18,186,800	12,238,300	12,266,000
Ombudsman	5,948,600	8,348,200	8,927,000	5,430,400	5,601,100
Disability Determination Services	46,598,800	56,257,600	58,608,500	50,498,700	51,531,000

Community Based Services	1,021,876,800	1,179,026,700	1,240,933,300	1,029,741,300	1,039,749,100
Aging and Independent Living	65,122,000	74,784,100	79,621,500	55,730,700	55,805,400
TOTAL EXPENDITURES	7,129,672,900	7,856,859,800	8,257,142,000	7,285,265,600	7,561,802,900

The Cabinet for Health and Family Services is the primary state agency responsible for leadership in protecting and promoting the health and well being of all Kentuckians through the delivery of quality health and human services. The following departments and/or offices comprise the Cabinet for Health and Family Services: Office of the Secretary, Office of Legislative and Public Affairs, Office of the Inspector General, Office of Legal Services, Office of Technology, Office of Human Resource Management, Office of Fiscal Services, Office of Contract Oversight, Governor's Office of Wellness and Physical Activity, Office of the Ombudsman, Office of Health Policy, Department for Medicaid Services, Department for Mental Health/Mental Retardation Services, Department for Public Health, Department for Aging and Independent Living, Department for Community Based Services, Department for Disability Determination Services, Department for Human Support Services, and the Commission for Children with Special Health Care Needs.

Health and Family Services
General Administration and Program Support

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	36,100,000	56,196,400	99,067,600	33,076,700	34,526,100
Continuing Appropriation	426,100				
Budget Reduction	-1,084,400				
Salary Compensation Fund	266,400				
Total General Fund	35,708,100	56,196,400	99,067,600	33,076,700	34,526,100
Tobacco Settlement-Phase I					
Tobacco Settlement - I		2,987,900	3,035,100	2,793,000	2,840,300
Continuing Appropriation	806,900				
Reorganization Adjustments	2,345,600				
Other	394,400				
Total Tobacco Settlement-Phase I	3,546,900	2,987,900	3,035,100	2,793,000	2,840,300
Restricted Funds					
Balance Forward	989,900	233,500	49,900		
Current Receipts	4,882,700	4,882,700	4,882,700	4,882,700	4,882,700
Non-Revenue Receipts	5,479,800	5,428,400	5,428,400	5,428,400	5,428,400
Fund Transfers	-324,500				
Total Restricted Funds	11,027,900	10,544,600	10,361,000	10,311,100	10,311,100
Federal Funds					
Balance Forward	971,000				
Current Receipts	38,316,600	51,444,600	52,241,100	37,948,700	38,330,500
Total Federal Funds	39,287,600	51,444,600	52,241,100	37,948,700	38,330,500
TOTAL SOURCE OF FUNDS	89,570,500	121,173,500	164,704,800	84,129,500	86,008,000
EXPENDITURES BY CLASS					
Personnel Cost	56,353,300	79,678,000	86,817,900	51,160,200	52,774,500
Operating Expenses	28,972,200	34,104,000	33,496,400	29,799,400	29,812,300
Grants, Loans or Benefits	4,025,000	3,643,000	3,690,200	3,169,900	3,217,200
Debt Service	220,000		37,941,000		204,000
Capital Outlay		3,698,600	2,759,300		
TOTAL EXPENDITURES	89,570,500	121,123,600	164,704,800	84,129,500	86,008,000
EXPENDITURES BY FUND SOURCE					
General Fund	35,708,100	56,196,400	99,067,600	33,076,700	34,526,100
Tobacco Settlement-Phase I	3,546,900	2,987,900	3,035,100	2,793,000	2,840,300
Restricted Funds	11,027,900	10,494,700	10,361,000	10,311,100	10,311,100
Federal Funds	39,287,600	51,444,600	52,241,100	37,948,700	38,330,500
TOTAL EXPENDITURES	89,570,500	121,123,600	164,704,800	84,129,500	86,008,000
EXPENDITURES BY UNIT					
Administrative Support	62,877,400	85,986,000	127,897,500	59,054,900	60,237,900
Governor's Office of Wellness & Physical Activity	5,336,800	7,560,600	7,672,400	4,036,400	4,106,400
Inspector General	21,356,300	27,577,000	29,134,900	21,038,200	21,663,700
TOTAL EXPENDITURES	89,570,500	121,123,600	164,704,800	84,129,500	86,008,000

General Administration and Program Support consists of Administrative Support, the Office of the Inspector General, and the Governor's Office of Wellness and Physical Activity.

The Administrative Support area includes the Office of the Secretary, the Office of Legal Services, the Office of Legislative and Public Affairs, the Office of Fiscal Services, the Office of Technology, the Office of Human Resource Management, and the Office of Contract Oversight. These offices provide policy, administrative, legal, financial, and personnel support services to the program areas of the Cabinet.

The Office of the Inspector General provides support to other programs in the Cabinet for Health and Family Services through the Division of Audits and Detection, the Division of Special Investigations, the Division of Regulated Child Care, the Division of Health Care Facilities and Services, and the Division of Fraud, Waste, and Abuse Identification and Prevention.

The Governor's Office of Wellness and Physical Activity is responsible for establishing and implementing a health wellness and fitness program for Kentucky and to promote a healthy lifestyle for all citizens of the Commonwealth.

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

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	28,174,100	42,002,300	83,894,800	25,852,900	26,654,100
Budget Reduction	-42,900				
Salary Compensation Fund	155,300				
Total General Fund	28,286,500	42,002,300	83,894,800	25,852,900	26,654,100
Restricted Funds					
Balance Forward	597,200	12,200			
Current Receipts	3,093,800	3,093,800	3,093,800	3,093,800	3,093,800
Non-Revenue Receipts	5,203,400	5,453,400	5,453,400	5,453,400	5,453,400
Fund Transfers	-324,500				
Total Restricted Funds	8,569,900	8,559,400	8,547,200	8,547,200	8,547,200
Federal Funds					
Current Receipts	26,021,000	35,424,300	35,455,500	24,654,800	25,036,600
Total Federal Funds	26,021,000	35,424,300	35,455,500	24,654,800	25,036,600
TOTAL SOURCE OF FUNDS	62,877,400	85,986,000	127,897,500	59,054,900	60,237,900
EXPENDITURES BY CLASS					
Personnel Cost	35,753,400	51,198,200	56,481,800	31,581,600	32,548,400
Operating Expenses	26,846,000	31,265,100	30,657,400	27,415,300	27,427,500
Grants, Loans or Benefits	58,000	58,000	58,000	58,000	58,000
Debt Service	220,000		37,941,000		204,000
Capital Outlay		3,464,700	2,759,300		
TOTAL EXPENDITURES	62,877,400	85,986,000	127,897,500	59,054,900	60,237,900
EXPENDITURES BY FUND SOURCE					
General Fund	28,286,500	42,002,300	83,894,800	25,852,900	26,654,100
Restricted Funds	8,569,900	8,559,400	8,547,200	8,547,200	8,547,200
Federal Funds	26,021,000	35,424,300	35,455,500	24,654,800	25,036,600
TOTAL EXPENDITURES	62,877,400	85,986,000	127,897,500	59,054,900	60,237,900

Administrative Support provides funding for seven organizational units within the Cabinet for Health and Family Services including the Office of the Secretary, the Office of Legal Services, the Office of Legislative and Public Affairs, the Office of Fiscal Services, the Office of Technology, the Office of Human Resource Management, and the Office of Contract Oversight.

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

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

The Office of Legislative and Public Affairs is responsible for providing qualified administrative law judges/hearing officials to conduct administrative hearings related to Cabinet matters, overseeing and monitoring legislative activities, and

representing the Cabinet in matters of public information, including media inquiries, open records requests, press releases, public relations, and internal communications.

The Office of Fiscal Affairs provides overall administrative support including designing, coordinating, and documenting all activities related to budget; reporting and management analysis; providing and tracking accounting and payment services, including travel, for the Cabinet; filing required financial reports; responding to audits of the Cabinet's programs; providing maintenance and security of the accounting systems; monitoring all facilities of the Cabinet, including space design and utilization, establishment, monitoring, and reporting on safety programs, property insurance, claims processing, preparation and maintenance of the Cabinet's Six-Year Capital Plan; coordinating, tracking, and monitoring capital construction projects; tracking and reporting on the Cabinet's physical assets and public records.

The Office of Technology is responsible for providing strategic direction and oversight of technology resources for the Cabinet, including technical support services, system security, statewide system services, monitoring technology purchase requests, and other technology-related services and initiatives. The Office is also responsible for maintaining high quality technology, managing and maintaining the Cabinet's network, installing and supporting voice communication systems, and supervising the development, operation, and security of the extensive statewide application systems that support direct delivery of statewide services.

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

The Office of Contract Oversight is responsible for monitoring Cabinet contracts, overseeing the procurement process, providing technical support to Cabinet staff in procurement and contracting procedures, and ensuring compliance with statutes, regulations, policy, and procedures related to procurement and contracting.

Policy

The Budget of the Commonwealth includes debt service from the General Fund in the amount of \$204,000 in fiscal year 2010 to support \$3,000,000 in bonds for the cabinet's 2008-2010 Maintenance Pool project.

Health and Family Services
General Administration and Program Support
Governor's Office of Wellness & Physical Activity

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,500,000	3,670,800	3,735,400	341,500	364,200
Continuing Appropriation	426,100				
Budget Reduction	-1,041,500				
Salary Compensation Fund	3,400				
Total General Fund	888,000	3,670,800	3,735,400	341,500	364,200
Tobacco Settlement-Phase I					
Tobacco Settlement - I		2,987,900	3,035,100	2,793,000	2,840,300
Continuing Appropriation	806,900				
Reorganization Adjustments	2,345,600				
Other	394,400				
Total Tobacco Settlement-Phase I	3,546,900	2,987,900	3,035,100	2,793,000	2,840,300
Federal Funds					
Current Receipts	901,900	901,900	901,900	901,900	901,900
Total Federal Funds	901,900	901,900	901,900	901,900	901,900
TOTAL SOURCE OF FUNDS	5,336,800	7,560,600	7,672,400	4,036,400	4,106,400
EXPENDITURES BY CLASS					
Personnel Cost	1,211,600	3,737,700	3,802,300	766,300	789,000
Operating Expenses	158,200	237,900	237,900	158,200	158,200
Grants, Loans or Benefits	3,967,000	3,585,000	3,632,200	3,111,900	3,159,200
TOTAL EXPENDITURES	5,336,800	7,560,600	7,672,400	4,036,400	4,106,400
EXPENDITURES BY FUND SOURCE					
General Fund	888,000	3,670,800	3,735,400	341,500	364,200
Tobacco Settlement-Phase I	3,546,900	2,987,900	3,035,100	2,793,000	2,840,300
Federal Funds	901,900	901,900	901,900	901,900	901,900
TOTAL EXPENDITURES	5,336,800	7,560,600	7,672,400	4,036,400	4,106,400

The Governor's Office of Wellness and Physical Activity is responsible for creating a strategic plan to design Kentucky's wellness efforts, implementing and operating the Governor's Challenge Program, providing assistance to the Governor's Council on Wellness and Physical Activity in accomplishing its mission and charge, developing and implementing all physical activity and wellness related programs for residents of the Commonwealth, developing a comprehensive statewide strategy that coordinates state and local efforts to promote wellness and physical activity, and designing campaigns to raise public awareness and promote citizen engagement regarding the critical nature of wellness in the state and to increase the will to make quality resources and services more widely available.

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

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,425,900	10,523,300	11,437,400	6,882,300	7,507,800
Salary Compensation Fund	107,700				
Total General Fund	6,533,600	10,523,300	11,437,400	6,882,300	7,507,800
Restricted Funds					
Balance Forward	392,700	221,300	49,900		
Current Receipts	1,788,900	1,788,900	1,788,900	1,788,900	1,788,900
Non-Revenue Receipts	276,400	-25,000	-25,000	-25,000	-25,000
Total Restricted Funds	2,458,000	1,985,200	1,813,800	1,763,900	1,763,900
Federal Funds					
Balance Forward	971,000				
Current Receipts	11,393,700	15,118,400	15,883,700	12,392,000	12,392,000
Total Federal Funds	12,364,700	15,118,400	15,883,700	12,392,000	12,392,000
TOTAL SOURCE OF FUNDS	21,356,300	27,626,900	29,134,900	21,038,200	21,663,700
EXPENDITURES BY CLASS					
Personnel Cost	19,388,300	24,742,100	26,533,800	18,812,300	19,437,100
Operating Expenses	1,968,000	2,601,000	2,601,100	2,225,900	2,226,600
Capital Outlay		233,900			
TOTAL EXPENDITURES	21,356,300	27,577,000	29,134,900	21,038,200	21,663,700
EXPENDITURES BY FUND SOURCE					
General Fund	6,533,600	10,523,300	11,437,400	6,882,300	7,507,800
Restricted Funds	2,458,000	1,935,300	1,813,800	1,763,900	1,763,900
Federal Funds	12,364,700	15,118,400	15,883,700	12,392,000	12,392,000
TOTAL EXPENDITURES	21,356,300	27,577,000	29,134,900	21,038,200	21,663,700

The Office of the Inspector General has five divisions: the Division of Audits and Detection, the Division of Special Investigations, the Division of Regulated Child Care, the Division of Fraud, Waste and Abuse/Identification and Prevention, and the Division of Health Care Facilities and Services. The general authority for the Office of the Inspector General is codified within KRS 194A.030.

The Division of Audits and Detection (DOAD) examine Cabinet programs to assess contractor compliance with state and federal laws and regulations. In accordance with KRS 194A.030, the Division is responsible for the conduct of audits of programs within the Cabinet for Health and Family Services, their grantees and contractors. These include audits of nursing homes, home health agencies, Mental Health/Mental Retardation Boards, primary care centers, psychiatric hospitals, adult day care facilities, spouse abuse centers, child care centers, the Supports for Community Living Program, community action agencies, and child support programs. The DOAD also conducts preliminary investigations of alleged fraud and abuse, which are received over the Medicaid fraud hotline (mandated by KRS 205.8483 and 42 CFR 455) and other Medicaid fraud referrals. The Division also acts as an independent appraisal function within the Cabinet to examine and evaluate its financial and management activities.

The Division of Special Investigations conducts investigations to detect fraud or abuse of any program by any client, or by any vendor of services with whom the Cabinet has contracted. It conducts special investigations requested by the Secretary, commissioners, or agency heads into matters related to the Cabinet and its programs. The Division notifies and forwards any

information relevant to possible criminal violations to the appropriate prosecuting authority. The Division operates a toll-free welfare and Medicaid fraud and abuse hotline, conducts investigations of Women, Infants, and Children program vendors, and collects and reports data on assistance program fraud investigations by the Office of the Inspector General and the Office of the Attorney General.

The Division of Regulated Child Care is charged with licensing certified Family Day Care homes, licensed day care centers (Type I and II), child caring facilities, child-placing agencies, and private adoptive service agencies. This includes initial licensure surveys, yearly re-licensure surveys, and complaint surveys. The Division also rates child care centers as part of the voluntary STARS for KIDS NOW quality initiative.

The Division of Fraud, Waste and Abuse/Identification and Prevention is responsible for planning, developing, and directing agency efforts to identify and prevent fraud, waste and abuse in the Medicaid program, and all other assistance programs administered by the Cabinet for Health and Family Services. The Division is responsible for Medicaid and health care provider, and Medicaid and welfare recipient, surveillance and utilization review, and notification on all issues of administrative compliance and enforcement including recovery of funds. The Division is responsible for administering the enhanced KASPER (Kentucky All Schedule Prescription Enforcement Reporting) system by fully utilizing this database for all purposes under the law and maximizing the potential for this monitoring system. The Division is also responsible for specialized regulatory enforcement matters involving the dispensing of controlled substances in the Commonwealth, and provides policy analysis for recommendations to the respective programs within the Cabinet.

The Division of Health Care Facilities and Services conducts on-site inspections of all health facilities and services throughout the state (including over 2,600 laboratories) to determine compliance with state licensing standards and federal Medicare and Medicaid certification requirements. The Division also investigates allegations of abuse and neglect that may occur in a licensed health facility.

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

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,917,000	10,358,100	9,952,200	5,719,000	6,038,400
Budget Reduction	-136,800				
Salary Compensation Fund	84,100				
Total General Fund	5,864,300	10,358,100	9,952,200	5,719,000	6,038,400
Tobacco Settlement-Phase I					
Tobacco Settlement - I	352,000	352,000	352,000	352,000	352,000
Total Tobacco Settlement-Phase I	352,000	352,000	352,000	352,000	352,000
Restricted Funds					
Current Receipts	6,773,400	6,773,400	8,210,700	6,254,900	6,254,900
Non-Revenue Receipts	-50,000	-50,000	-50,000	-50,000	-50,000
Fund Transfers	-177,600				
Total Restricted Funds	6,545,800	6,723,400	8,160,700	6,204,900	6,204,900
Federal Funds					
Current Receipts	4,303,700	4,254,000	4,254,000	4,178,700	4,178,700
Total Federal Funds	4,303,700	4,254,000	4,254,000	4,178,700	4,178,700
TOTAL SOURCE OF FUNDS	17,065,800	21,687,500	22,718,900	16,454,600	16,774,000
EXPENDITURES BY CLASS					
Personnel Cost	10,267,900	14,670,400	15,751,800	10,600,800	10,919,400
Operating Expenses	1,566,500	1,899,700	1,852,500	1,511,400	1,512,200
Grants, Loans or Benefits	5,231,400	5,117,400	5,114,600	4,342,400	4,342,400
TOTAL EXPENDITURES	17,065,800	21,687,500	22,718,900	16,454,600	16,774,000
EXPENDITURES BY FUND SOURCE					
General Fund	5,864,300	10,358,100	9,952,200	5,719,000	6,038,400
Tobacco Settlement-Phase I	352,000	352,000	352,000	352,000	352,000
Restricted Funds	6,545,800	6,723,400	8,160,700	6,204,900	6,204,900
Federal Funds	4,303,700	4,254,000	4,254,000	4,178,700	4,178,700
TOTAL EXPENDITURES	17,065,800	21,687,500	22,718,900	16,454,600	16,774,000
EXPENDITURES BY UNIT					
Children's Health Services	17,065,800	21,687,500	22,718,900	16,454,600	16,774,000
TOTAL EXPENDITURES	17,065,800	21,687,500	22,718,900	16,454,600	16,774,000

The Commission for Children with Special Health Care Needs (CCSHCN) has over 80 years experience in providing care for children with a variety of special needs. Through the years, the Commission has evolved from providing surgeries for "crippled children" to offering comprehensive medical care for children with a range of complex needs. A family-centered approach ensures that the family is valued as an integral part of the care plan and services are provided to assist the family in meeting children's needs.

The Commission is charged with planning, developing, providing, and evaluating the public statewide system of care for children with special health care needs and providing early intervention services. The Commission for Children with Special Health Care Needs works collaboratively with other agencies to assure services to children with disabilities are

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

The family's financial status plays a role in determining whether the child is accepted into the Children with Special Health Care Needs Program and the Hemophilia Program. All families with incomes at or below 200 percent of the federal poverty level are accepted. A sliding fee scale based on income and number in household determines what percentage of the cost each family pays for treatment. Individuals who fall outside the program's income guidelines can also receive services through the Commission if they reside in medically under-served areas of the state, though the family is required to reimburse the Commission for treatment costs. This allows the Commission to further assist in communities where specialized medical care is unavailable.

Policy

The Budget of the Commonwealth directs that \$2,000 in Tobacco Settlement - Phase I funding be transferred to the General Fund each year.

**Health and Family Services
Medicaid Services**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,077,538,700	1,314,047,100	1,410,249,900	1,223,700,300	1,319,141,200
Current Year Appropriation	112,000,000				
Salary Compensation Fund	46,900				
Total General Fund	1,189,585,600	1,314,047,100	1,410,249,900	1,223,700,300	1,319,141,200
Restricted Funds					
Balance Forward	5,519,500				
Current Receipts	88,143,800	79,213,200	79,000,000	83,313,200	83,223,000
Non-Revenue Receipts	317,174,100	316,431,600	296,473,100	316,431,600	296,473,100
Total Restricted Funds	410,837,400	395,644,800	375,473,100	399,744,800	379,696,100
Federal Funds					
Balance Forward	19,006,100				
Current Receipts	3,425,475,900	3,754,340,700	3,944,513,400	3,577,056,800	3,766,040,300
Total Federal Funds	3,444,482,000	3,754,340,700	3,944,513,400	3,577,056,800	3,766,040,300
TOTAL SOURCE OF FUNDS	5,044,905,000	5,464,032,600	5,730,236,400	5,200,501,900	5,464,877,600
EXPENDITURES BY CLASS					
Personnel Cost	65,846,600	89,213,600	90,070,700	62,401,700	62,360,500
Operating Expenses	1,089,500	1,445,500	1,414,200	1,373,000	1,414,200
Grants, Loans or Benefits	4,977,968,900	5,373,373,500	5,638,751,500	5,136,727,200	5,401,102,900
TOTAL EXPENDITURES	5,044,905,000	5,464,032,600	5,730,236,400	5,200,501,900	5,464,877,600
EXPENDITURES BY FUND SOURCE					
General Fund	1,189,585,600	1,314,047,100	1,410,249,900	1,223,700,300	1,319,141,200
Restricted Funds	410,837,400	395,644,800	375,473,100	399,744,800	379,696,100
Federal Funds	3,444,482,000	3,754,340,700	3,944,513,400	3,577,056,800	3,766,040,300
TOTAL EXPENDITURES	5,044,905,000	5,464,032,600	5,730,236,400	5,200,501,900	5,464,877,600
EXPENDITURES BY UNIT					
Medicaid Administration	99,445,000	126,662,100	129,714,300	98,140,100	98,140,100
Medicaid Benefits	4,945,460,000	5,337,370,500	5,600,522,100	5,102,361,800	5,366,737,500
TOTAL EXPENDITURES	5,044,905,000	5,464,032,600	5,730,236,400	5,200,501,900	5,464,877,600

Two major programs operate within the Department for Medicaid Services: the Kentucky Medical Assistance program (regular Medicaid program) and the Kentucky Children's Health Insurance program (K-CHIP). The Medical Assistance program provides for comprehensive physical and behavioral health services by reimbursing providers for health care provided to medically indigent Kentuckians. Eligibility for services is determined by staff in county Department for Community Based Services offices. Individuals may automatically qualify for benefits if they are eligible for Supplemental Security Income benefits administered by the Social Security Administration. K-CHIP provides for comprehensive physical and behavioral health services for uninsured children who are not eligible for Medicaid up to 200 percent of the federal poverty level.

**Health and Family Services
Medicaid Services
Medicaid Administration**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	36,441,700	51,000,400	52,522,000	36,488,600	36,488,600
Salary Compensation Fund	46,900				
Total General Fund	36,488,600	51,000,400	52,522,000	36,488,600	36,488,600
Restricted Funds					
Balance Forward	1,115,500				
Non-Revenue Receipts	15,095,100	13,080,000	13,080,000	13,080,000	13,080,000
Total Restricted Funds	16,210,600	13,080,000	13,080,000	13,080,000	13,080,000
Federal Funds					
Balance Forward	3,282,000				
Current Receipts	43,463,800	62,581,700	64,112,300	48,571,500	48,571,500
Total Federal Funds	46,745,800	62,581,700	64,112,300	48,571,500	48,571,500
TOTAL SOURCE OF FUNDS	99,445,000	126,662,100	129,714,300	98,140,100	98,140,100
EXPENDITURES BY CLASS					
Personnel Cost	65,846,600	89,213,600	90,070,700	62,401,700	62,360,500
Operating Expenses	1,089,500	1,445,500	1,414,200	1,373,000	1,414,200
Grants, Loans or Benefits	32,508,900	36,003,000	38,229,400	34,365,400	34,365,400
TOTAL EXPENDITURES	99,445,000	126,662,100	129,714,300	98,140,100	98,140,100
EXPENDITURES BY FUND SOURCE					
General Fund	36,488,600	51,000,400	52,522,000	36,488,600	36,488,600
Restricted Funds	16,210,600	13,080,000	13,080,000	13,080,000	13,080,000
Federal Funds	46,745,800	62,581,700	64,112,300	48,571,500	48,571,500
TOTAL EXPENDITURES	99,445,000	126,662,100	129,714,300	98,140,100	98,140,100
EXPENDITURES BY UNIT					
Medical Assistance Administration	97,830,600	125,769,800	129,056,100	97,289,800	97,539,800
KCHIP Administration	1,614,400	892,300	658,200	850,300	600,300
TOTAL EXPENDITURES	99,445,000	126,662,100	129,714,300	98,140,100	98,140,100

Administrative functions of the Medicaid program and the Kentucky Children's Health Insurance program (KCHIP) include determining applicant eligibility, formulating policy, processing claims, assuring appropriate utilization and collecting third party liabilities, overpayments and cost reimbursement settlements. Claims are paid through contracts with a fiscal agent and a pharmacy benefits administrator. The Medicaid program contracts for medical review of acute care admissions, level of care determinations for long-term care patients, and care reviews for recipients in mental hospitals and psychiatric facilities. The Department for Community Based Services performs the eligibility determination function through contract. The Department also administers KCHIP, a program to provide health care services for uninsured children with family incomes below 200 percent of the federal poverty level but above the federal income level for the Medicaid Program.

Policy

A breakdown of the Medicaid Eligibility contract between the Department for Medicaid Services and the Department for Community Based Services is as follows:

	Fiscal Year 2009	Fiscal Year 2010
State Funds	17,420,800	17,951,900
Federal Funds	17,701,800	18,241,400
Total	<u>35,122,600</u>	<u>36,193,300</u>

Health and Family Services
Medicaid Services
Medicaid Benefits

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,041,097,000	1,263,046,700	1,357,727,900	1,187,211,700	1,282,652,600
Current Year Appropriation	112,000,000				
Total General Fund	1,153,097,000	1,263,046,700	1,357,727,900	1,187,211,700	1,282,652,600
Restricted Funds					
Balance Forward	4,404,000				
Current Receipts	88,143,800	79,213,200	79,000,000	83,313,200	83,223,000
Non-Revenue Receipts	302,079,000	303,351,600	283,393,100	303,351,600	283,393,100
Total Restricted Funds	394,626,800	382,564,800	362,393,100	386,664,800	366,616,100
Federal Funds					
Balance Forward	15,724,100				
Current Receipts	3,382,012,100	3,691,759,000	3,880,401,100	3,528,485,300	3,717,468,800
Total Federal Funds	3,397,736,200	3,691,759,000	3,880,401,100	3,528,485,300	3,717,468,800
TOTAL SOURCE OF FUNDS	4,945,460,000	5,337,370,500	5,600,522,100	5,102,361,800	5,366,737,500
EXPENDITURES BY CLASS					
Grants, Loans or Benefits	4,945,460,000	5,337,370,500	5,600,522,100	5,102,361,800	5,366,737,500
TOTAL EXPENDITURES	4,945,460,000	5,337,370,500	5,600,522,100	5,102,361,800	5,366,737,500
EXPENDITURES BY FUND SOURCE					
General Fund	1,153,097,000	1,263,046,700	1,357,727,900	1,187,211,700	1,282,652,600
Restricted Funds	394,626,800	382,564,800	362,393,100	386,664,800	366,616,100
Federal Funds	3,397,736,200	3,691,759,000	3,880,401,100	3,528,485,300	3,717,468,800
TOTAL EXPENDITURES	4,945,460,000	5,337,370,500	5,600,522,100	5,102,361,800	5,366,737,500
EXPENDITURES BY UNIT					
Medicaid Benefits	4,841,075,500	5,229,867,800	5,490,371,500	4,994,859,100	5,256,586,900
KCHIP Benefits	104,384,500	107,502,700	110,150,600	107,502,700	110,150,600
TOTAL EXPENDITURES	4,945,460,000	5,337,370,500	5,600,522,100	5,102,361,800	5,366,737,500

The Kentucky Medicaid program, under Title XIX of the Social Security Act and KRS 205.520, provides for preventive and remedial medical care for financially and medically indigent citizens in Kentucky who meet the income and resource criteria for eligibility. The following services are currently provided by Kentucky's Medicaid program: inpatient hospital, physician services, nursing facility services, outpatient hospital, home health, family planning, screening, lab, dental, transportation (both non-emergency and emergency), vision care, hearing care, intermediate care facilities for the mentally retarded, pharmacy, Medicare premiums, community mental health, mental hospitals, psychiatric residential treatment facilities, renal dialysis services, primary care/rural health, podiatry, alternative intermediate services for mentally retarded (Supports for Community Living), ambulatory surgical centers, home and community-based waiver, adult day care, nurse midwife, nurse anesthetist, Hospice, preventive services, targeted case management, school-based services, home-based services for children who are ventilator dependent, durable medical equipment, portable x-ray, nurse practitioners, chiropractor, and other medically necessary diagnostic and treatment services for children in the Early Periodic Screening Diagnostic and Treatment Program. In addition, co-payments and deductibles are paid for qualified Medicare beneficiaries receiving the following services: physical therapy, occupational therapy, psychological, licensed clinical social worker, physician assistant, and comprehensive outpatient rehabilitative facility services.

Kentucky Medical Assistance Program (KMAP) Recipient Groups

Individuals who are eligible for KMAP benefits are classified into two groups: those who already qualify for some type of financial assistance due to eligibility for another program (categorically eligible) and those eligible for medical assistance only (medically needy).

Categorically Eligible: This group includes the following individuals: needy families with dependent children, foster care children, adults 65 years of age or older with income below eligibility thresholds, the needy blind, and the needy permanently and totally disabled. Individuals in this group may receive grant money from Temporary Assistance to Needy Families (TANF), State Supplementation, or the Supplemental Security Income (SSI) programs. Any SSI or State Supplementation recipient as well as individuals who meet the technical and financial requirements of the Aid to Families with Dependent Children program as it existed on July 16, 1996, can qualify for Medicaid.

Medically Needy: Individuals in this group have incomes above the established level to qualify for financial assistance to meet basic needs, but have insufficient income to meet all or part of their medical needs. This group includes: pregnant women and infants in households with income less than 185 percent of the Federal Poverty Level (FPL); children under age six with household income under 133 percent of FPL; and children, ages six to 19 years in families with income not exceeding 100 percent of the FPL.

2007 Poverty Guidelines	
<u>Family Size</u>	<u>Monthly Income</u>
1	\$851
2	\$1,141
3	\$1,431
4	\$1,721
5	\$2,011
6	\$2,301
7	\$2,591
8	\$2,881

Although the aged, blind, and disabled (both categorically and medically needy) represent only 33 percent of the recipient population, they account for approximately 64 percent of expenditures. The recommended budget assumes average monthly Medicaid eligibles of 670,980 in fiscal year 2009 and 675,150 in fiscal year 2010, and 51,750 each year for KCHIP eligibles.

Projecting Benefits Cost

Several forecasting models were combined in the preparation of the Medicaid Benefits projections. Both the Office of State Budget Director (OSBD) and the Department for Medicaid Services (DMS) prepared service-by-service cash forecasts. These forecasts examine past trends in categorical spending to generate projections for future cash expenditures for each classification of medical service (the hypothesis is that the best predictor of future expenditures is past expenditures – adjusted for policy changes). In addition to the cash models, DMS and OSBD operate a more elaborate proprietary model developed by a third-party consulting firm, PriceWaterhouseCoopers (PWC). That model includes a separate forecast of eligibility for each class of Medicaid recipient: Aged, Blind, Disabled; TANF/SOBRA children (with and without Medicaid); TANF/SOBRA adults (with and without Medicare); categorical eligibility associated with foster care; and a residual category for all other eligibility categories. Eligibility is used to transform the expenditure data into a “cost per eligible” for seven bundles of Medicaid services.

Provider Taxes

Although the majority of the funds that the Commonwealth uses to match federal Medicaid dollars are derived from the General Fund, approximately 20 percent of the program’s fiscal year 2009 and 2010 expenditure match will be secured from dedicated provider assessments. The assessments are levied on hospitals, home health agencies, alternative community services, long-term care facilities and the Passport Managed Care organization. The enacted budget assumes continuation of the current level of provider tax collections to maintain existing reimbursement levels for hospitals established in state fiscal year 2006.

Disproportionate Share Hospital (DSH) Payments

The fiscal year 2008 budget includes funding for Disproportionate Share Hospital (DSH) payments of \$194,833,096 and \$195,726,569 in fiscal years 2009 and 2010. Disproportionate Share Hospital payments to state mental hospitals are budgeted at approximately \$34,457,900 in fiscal year 2008 and \$34,300,600 in each year of the biennium. This budget includes matches from the university teaching hospitals in order to access the portion of DSH funds for those facilities.

Passport Managed Care Plan

The enacted budget assumes that the Region Three Medicaid managed care partnership (Jefferson and surrounding counties) will continue to operate.

Benefit Match Rate

The enacted budget assumes a federal medical assistance percentage of 70.02 percent for state fiscal year 2009 and 70.10 percent for state fiscal year 2010. The federal Medicaid match rate assumed for KCHIP is 79.02 percent in fiscal year 2009 and 79.07 percent in fiscal year 2010.

Quality and Charity Care Trust Fund

To the extent that all parties agree, the General Fund appropriation of the Quality and Charity Care Trust Fund may be transferred to the Department for Medicaid Services Benefits.

Kentucky Children's Health Insurance Program (KCHIP)

The Kentucky Children's Health Insurance program was initiated under Title XXI of the Social Security Act and serves eligible children up to 200 percent of the federal poverty level.

The requested budget anticipates the continued spend-down of state funds from the "Kentucky Children's Health Insurance Program Trust Fund" as established in KRS 205.6478 and reallocated Federal Funds from other states' unspent CHIP allocations. This would carry Kentucky's CHIP program through the 2008-2010 biennium. However, as other states' CHIP programs accelerate, there will be fewer funds available for reallocation in future periods, which could leave Kentucky's CHIP program seriously underfunded in future biennia.

Policy

The enacted budget includes a current year General Fund appropriation of \$112,000,000, an additional Restricted Fund appropriation of \$5,821,700, and an additional Federal Fund appropriation of \$185,455,300 to balance the budget for fiscal year 2008 due to higher spending than originally budgeted. Due to the financial shortfall in the Medicaid program, Medicaid benefits were exempt from any fiscal year 2008 General Fund budget reductions.

The enacted budget provides additional funds totaling \$2,700,000 (50 slots) in fiscal year 2009 and \$6,400,000 (50 slots) in fiscal year 2010 for a total of 100 slots by the end of fiscal year 2010 to continue the roll-out of the Supports for Community Living program.

The enacted budget provides additional funds totaling \$17,500,000 in fiscal year 2009 and \$17,500,000 in fiscal year 2010 for services provided under the Michelle P Waiver.

The enacted budget provides additional funds totaling \$6,500,000 (50 slots) in fiscal year 2009 and \$18,750,000 (100 slots) in fiscal year 2010 for a total of 150 slots by the end of fiscal year 2010 for the Acquired Brain Injury Long-term Care Waiver.

Health and Family Services
Mental Health and Mental Retardation Services

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	194,117,600	256,610,800	267,842,200	199,831,300	199,035,300
Current Year Appropriation	4,409,600				
Salary Compensation Fund	1,154,100				
Total General Fund	199,681,300	256,610,800	267,842,200	199,831,300	199,035,300
Tobacco Settlement-Phase I					
Tobacco Settlement - I	800,000	975,000	975,000	975,000	975,000
Continuing Appropriation	113,300				
Total Tobacco Settlement-Phase I	913,300	975,000	975,000	975,000	975,000
Restricted Funds					
Balance Forward	1,252,400				
Current Receipts	207,217,100	219,489,500	221,349,800	219,489,500	221,349,800
Non-Revenue Receipts	7,392,000	8,982,100	9,432,500	8,355,100	8,355,100
Total Restricted Funds	215,861,500	228,471,600	230,782,300	227,844,600	229,704,900
Federal Funds					
Balance Forward	24,800				
Current Receipts	45,890,800	44,169,000	41,561,600	43,120,600	39,920,600
Total Federal Funds	45,915,600	44,169,000	41,561,600	43,120,600	39,920,600
TOTAL SOURCE OF FUNDS	462,371,700	530,226,400	541,161,100	471,771,500	469,635,800
EXPENDITURES BY CLASS					
Personnel Cost	120,859,600	144,144,100	149,915,800	112,520,000	112,597,000
Operating Expenses	21,402,800	21,501,900	21,576,800	21,368,800	21,338,100
Grants, Loans or Benefits	319,894,300	364,466,400	369,554,500	337,768,700	334,702,700
Debt Service	101,000				884,000
Capital Outlay	114,000	114,000	114,000	114,000	114,000
TOTAL EXPENDITURES	462,371,700	530,226,400	541,161,100	471,771,500	469,635,800
EXPENDITURES BY FUND SOURCE					
General Fund	199,681,300	256,610,800	267,842,200	199,831,300	199,035,300
Tobacco Settlement-Phase I	913,300	975,000	975,000	975,000	975,000
Restricted Funds	215,861,500	228,471,600	230,782,300	227,844,600	229,704,900
Federal Funds	45,915,600	44,169,000	41,561,600	43,120,600	39,920,600
TOTAL EXPENDITURES	462,371,700	530,226,400	541,161,100	471,771,500	469,635,800
EXPENDITURES BY UNIT					
Community Mental Health & Substance Abuse Svcs	120,168,500	124,844,600	121,890,900	117,589,700	113,858,100
Community Mental Retardation Services	34,734,300	40,551,200	44,282,400	34,213,500	33,860,600
General Mental Health/Mental Retardation Support	30,013,100	40,376,500	45,534,800	29,464,900	29,175,400
Residential Mental Health/Mental Retardation	277,455,800	324,454,100	329,453,000	290,503,400	292,741,700
TOTAL EXPENDITURES	462,371,700	530,226,400	541,161,100	471,771,500	469,635,800

The Department for Mental Health/Mental Retardation Services operates mental health, mental retardation, substance abuse, developmental disability, and brain injury programs. Services are provided in the community and in state-owned, state-operated and contracted residential facilities. Approximately 1,300 inpatients are cared for daily in the facilities operated or contracted by the cabinet, and several thousand more are treated as outpatients in the community setting by the 14 Regional Mental Health and Mental Retardation Boards.

**Health and Family Services
Mental Health and Mental Retardation Services
Community Mental Health & Substance Abuse Svcs**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	47,940,600	54,636,400	54,870,000	47,415,100	46,883,500
Total General Fund	47,940,600	54,636,400	54,870,000	47,415,100	46,883,500
Tobacco Settlement-Phase I					
Tobacco Settlement - I	800,000	975,000	975,000	975,000	975,000
Continuing Appropriation	113,300				
Total Tobacco Settlement-Phase I	913,300	975,000	975,000	975,000	975,000
Restricted Funds					
Balance Forward	1,218,700				
Current Receipts	24,751,400	24,966,600	24,966,600	24,966,600	24,966,600
Non-Revenue Receipts	4,634,800	5,647,300	5,650,800	5,638,300	5,638,300
Total Restricted Funds	30,604,900	30,613,900	30,617,400	30,604,900	30,604,900
Federal Funds					
Balance Forward	24,800				
Current Receipts	40,684,900	38,619,300	35,428,500	38,594,700	35,394,700
Total Federal Funds	40,709,700	38,619,300	35,428,500	38,594,700	35,394,700
TOTAL SOURCE OF FUNDS	120,168,500	124,844,600	121,890,900	117,589,700	113,858,100
EXPENDITURES BY CLASS					
Personnel Cost	6,148,200	6,905,700	7,152,000	5,843,800	5,879,600
Operating Expenses	454,400	454,400	454,400	443,900	413,200
Grants, Loans or Benefits	113,565,900	117,484,500	114,284,500	111,302,000	107,565,300
TOTAL EXPENDITURES	120,168,500	124,844,600	121,890,900	117,589,700	113,858,100
EXPENDITURES BY FUND SOURCE					
General Fund	47,940,600	54,636,400	54,870,000	47,415,100	46,883,500
Tobacco Settlement-Phase I	913,300	975,000	975,000	975,000	975,000
Restricted Funds	30,604,900	30,613,900	30,617,400	30,604,900	30,604,900
Federal Funds	40,709,700	38,619,300	35,428,500	38,594,700	35,394,700
TOTAL EXPENDITURES	120,168,500	124,844,600	121,890,900	117,589,700	113,858,100

Community Mental Health Services

The Community Mental Health Services program provides services and support to Kentuckians with mental health problems in an effort to improve their ability to function in the community. The Department for Mental Health and Mental Retardation Services contracts with 14 regional Mental Health/Mental Retardation Boards that oversee the community mental health centers and other local entities. In addition, the Community Mental Health Services program has targeted funds to the most vulnerable. These are:

- Adults with severe mental illness (KRS 210, KRS 202A),
- Children and youth with severe emotional disabilities (KRS 200.500 to KRS 200.509), and
- Persons with acquired traumatic brain injury (KRS 211.470 to KRS 211.478).

In accordance with KRS 210.410, community mental health centers must provide persons suffering from mental health problems with specific services such as: consultation and educational services to help individuals understand their

illnesses and treatment options; therapeutic rehabilitation programs, where individuals with mental illness may receive services to assist them to live independently within the community; outpatient services; emergency services; and inpatient services, which are generally made available through referrals to state or community hospitals.

State and federal funds are used to provide case management services, psychotropic medications, housing, and vocational support services for adults with severe mental illness. Funds are also provided for unique services that “wrap around” a child or adult who is at risk of psychiatric hospitalization. These funds are used to purchase goods and services that are individualized and can include peer mentoring, respite, and social skills training.

The Community Mental Health program assists in statewide mental health planning, monitors services, provides technical assistance and training, and procures and administers federal and other funds for the mental health community.

Community Alcohol and Drug Services

The Community Alcohol and Drug Services Program provides quality treatment, prevention, and education services to citizens suffering from, or at-risk of, alcohol and drug addiction. Services are provided primarily through contracts with 14 regional Mental Health/Mental Retardation Boards that oversee the Community Mental Health Centers. These substance abuse prevention and treatment services are provided pursuant to KRS 222 (Alcohol and Drug Education, Treatment, and Rehabilitation). The receipts from alcohol intoxication fines are received pursuant to KRS 431.100. Other statutes under which the program operates include: KRS 189A (Driving Under the Influence assessment, education, and treatment) and KRS 218A.410 (Drug Forfeiture).

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

Health and Family Services
Mental Health and Mental Retardation Services
Community Mental Retardation Services

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	27,843,700	32,243,800	34,944,700	27,547,900	27,195,000
Total General Fund	27,843,700	32,243,800	34,944,700	27,547,900	27,195,000
Restricted Funds					
Balance Forward	15,800				
Current Receipts	22,900	22,900	22,900	22,900	22,900
Non-Revenue Receipts	2,757,200	3,334,800	3,781,700	2,716,800	2,716,800
Total Restricted Funds	2,795,900	3,357,700	3,804,600	2,739,700	2,739,700
Federal Funds					
Current Receipts	4,094,700	4,949,700	5,533,100	3,925,900	3,925,900
Total Federal Funds	4,094,700	4,949,700	5,533,100	3,925,900	3,925,900
TOTAL SOURCE OF FUNDS	34,734,300	40,551,200	44,282,400	34,213,500	33,860,600
EXPENDITURES BY CLASS					
Personnel Cost	4,647,600	5,294,000	5,536,000	4,302,200	4,300,300
Operating Expenses	686,900	759,500	810,600	663,400	663,400
Grants, Loans or Benefits	29,399,800	34,497,700	37,935,800	29,247,900	28,896,900
TOTAL EXPENDITURES	34,734,300	40,551,200	44,282,400	34,213,500	33,860,600
EXPENDITURES BY FUND SOURCE					
General Fund	27,843,700	32,243,800	34,944,700	27,547,900	27,195,000
Restricted Funds	2,795,900	3,357,700	3,804,600	2,739,700	2,739,700
Federal Funds	4,094,700	4,949,700	5,533,100	3,925,900	3,925,900
TOTAL EXPENDITURES	34,734,300	40,551,200	44,282,400	34,213,500	33,860,600

Community Mental Retardation Services provides support and services to individuals with mental retardation and other developmental disabilities to help them live well within the greater community. Services are provided through contracts with the 14 Community Mental Health/Mental Retardation Boards, and with for-profit and non-profit agencies which provide residential services, vocational training, and social support. Some of the residential services include support to family homes, group home placement, apartment living supervision, residence staffing, and help with other living arrangements. Individuals with disabilities have additional opportunities for self-determination through Supported Living grants, which help them to live as independently as possible in their homes and participate in the community to the fullest extent possible.

The Kentucky Council on Developmental Disabilities is administratively attached to Community Mental Retardation Services. The Council is made up of 26 members and includes consumers, parents, and local agency representatives appointed by the Governor (PL 106-402 and KRS 194.135). The Council promotes systems change, capacity building and advocacy for people with developmental disabilities. The Council on Developmental Disabilities represents the interests of approximately 122,000 Kentuckians who have developmental disabilities. The Council funds time-limited demonstration projects and engages in outreach activities to assist individuals with developmental disabilities and their families.

Health and Family Services
Mental Health and Mental Retardation Services
General Mental Health/Mental Retardation Support

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	29,870,900	40,376,500	45,534,800	29,464,900	29,175,400
Total General Fund	29,870,900	40,376,500	45,534,800	29,464,900	29,175,400
Federal Funds					
Current Receipts	142,200				
Total Federal Funds	142,200				
TOTAL SOURCE OF FUNDS	30,013,100	40,376,500	45,534,800	29,464,900	29,175,400
EXPENDITURES BY CLASS					
Personnel Cost	3,346,600	4,185,400	4,493,700	3,086,900	3,130,000
Operating Expenses	650,200	650,200	650,200	650,200	650,200
Grants, Loans or Benefits	26,016,300	35,540,900	40,390,900	25,727,800	25,395,200
TOTAL EXPENDITURES	30,013,100	40,376,500	45,534,800	29,464,900	29,175,400
EXPENDITURES BY FUND SOURCE					
General Fund	29,870,900	40,376,500	45,534,800	29,464,900	29,175,400
Federal Funds	142,200				
TOTAL EXPENDITURES	30,013,100	40,376,500	45,534,800	29,464,900	29,175,400

General Mental Health/Mental Retardation Support includes the Commissioner's Office, the Division of Administration and Financial Management, and Community Care Grants. This unit's activities include policy and budget development, program monitoring, standards development, and management decision-making for the overall direction of the Department. The Department contracts with the University of Kentucky for technical and information support services.

The Community Care Grants provide the funding for the "safety net" for individuals needing mental health, mental retardation, substance abuse services, and the infrastructure that supports and provides these services. Kentucky Revised Statute 210.420 sets the distribution formula for these funds to local community mental health centers. Local boards determine which program areas and which services will be funded based on local needs.

Health and Family Services
Mental Health and Mental Retardation Services
Residential Mental Health/Mental Retardation

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	88,462,400	129,354,100	132,492,700	95,403,400	95,781,400
Current Year Appropriation	4,409,600				
Salary Compensation Fund	1,154,100				
Total General Fund	94,026,100	129,354,100	132,492,700	95,403,400	95,781,400
Restricted Funds					
Balance Forward	17,900				
Current Receipts	182,442,800	194,500,000	196,360,300	194,500,000	196,360,300
Total Restricted Funds	182,460,700	194,500,000	196,360,300	194,500,000	196,360,300
Federal Funds					
Current Receipts	969,000	600,000	600,000	600,000	600,000
Total Federal Funds	969,000	600,000	600,000	600,000	600,000
TOTAL SOURCE OF FUNDS	277,455,800	324,454,100	329,453,000	290,503,400	292,741,700
EXPENDITURES BY CLASS					
Personnel Cost	106,717,200	127,759,000	132,734,100	99,287,100	99,287,100
Operating Expenses	19,611,300	19,637,800	19,661,600	19,611,300	19,611,300
Grants, Loans or Benefits	150,912,300	176,943,300	176,943,300	171,491,000	172,845,300
Debt Service	101,000				884,000
Capital Outlay	114,000	114,000	114,000	114,000	114,000
TOTAL EXPENDITURES	277,455,800	324,454,100	329,453,000	290,503,400	292,741,700
EXPENDITURES BY FUND SOURCE					
General Fund	94,026,100	129,354,100	132,492,700	95,403,400	95,781,400
Restricted Funds	182,460,700	194,500,000	196,360,300	194,500,000	196,360,300
Federal Funds	969,000	600,000	600,000	600,000	600,000
TOTAL EXPENDITURES	277,455,800	324,454,100	329,453,000	290,503,400	292,741,700

Residential Mental Health/Mental Retardation Services provides residential services in the areas of psychiatric hospitalization, intermediate care for persons with mental retardation, nursing facility care, forensic psychiatry, and substance abuse. The Department provides care in this program to approximately 1,300 individuals each day.

Inpatient psychiatric services are provided for adults through three psychiatric hospitals: Eastern State Hospital in Lexington with an average daily census (ADC) of 173; Central State Hospital in Louisville with an ADC of 101; and Western State Hospital in Hopkinsville with an ADC of 135. The Hazard Psychiatric Facility, with an ADC of 94, provides acute inpatient psychiatric services through a contract with Appalachian Regional Healthcare, Inc. Eastern State Hospital is operated under a management contract with Bluegrass Regional Mental Health/Mental Retardation Board, Inc.

Glasgow Nursing Facility with an ADC of 68 and Western State Nursing Facility with an ADC of 126 provide nursing facility services for adults with mental illness who are admitted from state psychiatric hospitals.

Seven facilities provide intermediate care for individuals with mental retardation who are unable to live unassisted in their communities: the Oakwood Community Center in Somerset with an ADC of 229, Outwood in Dawson Springs with an ADC of 66, Hazelwood in Louisville with an ADC of 143, Central State Intermediate Care Facility for the Mentally Retarded on the campus of Central State Hospital with an ADC of 31, Del Maria in Fern Creek with an ADC of 8, the Meadows in Mount Washington with an ADC of 8, and Windsong in Crestwood with an ADC of 8. Residents are assisted in self-care skills and appropriate social behavior and are provided specialized services to promote their personal growth.

Numerous initiatives are underway to improve the overall quality of service provided to the residents at the Oakwood Community Center. The cabinet has contracted with Bluegrass Regional Mental Health Mental Retardation Board, Inc. to operate the Oakwood Community Center. The vendor is making improvements in the care rendered at the facility while ensuring the safety and welfare of clients at Oakwood as the Department continues to downsize the facility.

Volta House, a facility with an ADC of 26 on the campus of Western State Hospital in Hopkinsville, provides a 28-day inpatient program for individuals suffering from chronic or acute alcoholism.

Forensic psychiatric services are provided at the Kentucky Correctional Psychiatric Center within the Luther Lockett Correctional Complex in LaGrange (85 beds). Pretrial services are provided for persons with felony charges who are referred by district and circuit courts for evaluation of competency to stand trial. The correctional component serves post-convicted females in need of acute inpatient psychiatric treatment who are transferred from various institutions within the Department of Corrections.

Policy

Included in the General Fund is \$884,000 in fiscal year 2010 for debt service to construct a new residential facility on the campus of the existing Hazelwood Intermediate Care Facility for the Mentally Retarded.

Included in the General Fund is \$400,000 in fiscal year 2009 for site preparation of the Hazelwood Intermediate Care Facility for the Mentally Retarded.

Included in the enacted budget for fiscal year 2008 is a General Fund current year appropriation in the amount of \$4,409,600 to offset a projected deficit in the Residential Services budget.

The enacted budget includes a capital project appropriation of \$129,005,000 in fiscal year 2009 to construct a new Eastern State Hospital. The Finance and Administration Cabinet is authorized to enter into an agreement with the Lexington-Fayette Urban-County Government, or its public properties corporation, to provide the financing for the new facility on the University of Kentucky's Coldstream Research Campus on Newtown Pike in Lexington, Kentucky. The Cabinet for Health and Family Services is authorized to make lease-rental payments to the Lexington-Fayette Urban-County Government, or its public properties corporation, upon the Cabinet's occupancy of the new mental health facility.

The Secretary of the Cabinet for Health and Family Services is directed to submit a plan by December 1, 2008, to the Legislative Research Commission, to replace the Glasgow State Nursing Facility. The Finance and Administration Cabinet is authorized to transfer the Eastern State Hospital property to the Kentucky Community and Technical College System at the appropriate time.

Health and Family Services

Public Health

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	72,479,000	84,718,100	86,225,900	71,409,200	71,609,200
Budget Reduction	-1,511,100				
Salary Compensation Fund	222,500				
Base Deduction	-181,200				
Total General Fund	71,009,200	84,718,100	86,225,900	71,409,200	71,609,200
Tobacco Settlement-Phase I					
Tobacco Settlement - I	14,721,100	16,881,400	17,103,800	16,856,300	17,078,900
Continuing Appropriation	3,757,500				
Reorganization Adjustments	-2,345,600				
Other	4,417,500				
Total Tobacco Settlement-Phase I	20,550,500	16,881,400	17,103,800	16,856,300	17,078,900
Restricted Funds					
Balance Forward	3,737,700	2,880,900	2,820,400	2,630,900	2,320,400
Current Receipts	83,862,300	88,148,400	88,820,300	84,648,200	85,270,900
Non-Revenue Receipts	79,900	79,900	79,900	79,900	79,900
Fund Transfers	-3,733,900				
Total Restricted Funds	83,946,000	91,109,200	91,720,600	87,359,000	87,671,200
Federal Funds					
Current Receipts	183,976,500	185,541,300	186,153,600	184,332,900	184,604,000
Total Federal Funds	183,976,500	185,541,300	186,153,600	184,332,900	184,604,000
TOTAL SOURCE OF FUNDS	359,482,200	378,250,000	381,203,900	359,957,400	360,963,300
EXPENDITURES BY CLASS					
Personnel Cost	48,841,300	55,203,700	57,436,000	48,781,000	49,561,300
Operating Expenses	15,978,400	20,892,600	20,892,400	16,098,900	16,299,300
Grants, Loans or Benefits	291,565,600	299,333,300	299,555,100	292,757,100	292,532,300
Debt Service	466,000				
TOTAL EXPENDITURES	356,851,300	375,429,600	377,883,500	357,637,000	358,392,900
EXPENDITURES BY FUND SOURCE					
General Fund	71,009,200	84,718,100	86,225,900	71,409,200	71,609,200
Tobacco Settlement-Phase I	20,550,500	16,881,400	17,103,800	16,856,300	17,078,900
Restricted Funds	81,315,100	88,288,800	88,400,200	85,038,600	85,100,800
Federal Funds	183,976,500	185,541,300	186,153,600	184,332,900	184,604,000
TOTAL EXPENDITURES	356,851,300	375,429,600	377,883,500	357,637,000	358,392,900
EXPENDITURES BY UNIT					
General Health Support	50,860,700	52,388,100	52,681,200	50,914,300	50,792,800
Women's Physical and Mental Health	13,360,100	14,438,900	14,478,200	13,403,800	13,437,900
Prevention and Quality Improvement	15,070,700	17,055,100	17,279,200	15,257,400	15,309,900
Epidemiology and Health Planning	47,414,900	52,314,400	52,967,900	46,392,200	46,654,500
Adult and Child Health	213,392,200	219,548,600	220,141,100	214,592,700	214,906,400
Laboratory Services	6,547,900	7,243,700	7,453,900	6,657,800	6,723,000
Public Health Protection and Safety	10,204,800	12,440,800	12,882,000	10,418,800	10,568,400
TOTAL EXPENDITURES	356,851,300	375,429,600	377,883,500	357,637,000	358,392,900

The Department for Public Health (DPH) as authorized by KRS 211.025 and 211.180 supervises and assists all local boards of health and local health departments in an effort to protect and improve the health of the citizens of the Commonwealth. There are 56 local health departments units (654 sites) serving all 120 counties in Kentucky.

The Department is responsible for programs that affect the quality of life of all four million Kentuckians each and every day. Public health organizations are accountable to the populations they serve, and public health officials are primarily responsible for the health of the population living in their jurisdiction (county, group of counties, state) through both personal preventive as well as population based services. Private health providers are primarily responsible for the health of only the patients who come to them for services.

In fiscal year 2007, the public health departments of Kentucky reported the following accomplishments:

- Provided adult health preventive visits to 205,000 people
- Provided cancer related clinical visits (primarily breast and cervical cancer) to 28,154 people
- Provided 28,172 diabetes health promotion education activities to high-risk populations
- Provided family planning services to 112,187 people
- Provided maternity services to 54,930 women
- Provided 321,430 medical home health units/visits to 8,447 patients
- Provided 168,097 units/visits of Medicaid Home and Community Based Services to 1,194 people
- Provided children's preventive services to 579,129
- Enrolled 128,319 WIC participants (Women, Infants and Children program)
- Referred 494 infants with positive or inconclusive results from newborn metabolic screening (approximately 30 disorders) to university diagnostic centers
- Performed genetic testing, counseling and education for 1,420 families
- Provided 767,080 doses of vaccine to Kentuckians. Data recently released by the Centers for Disease Control (CDC) and Prevention show that 92 percent of Kentucky's two-year-olds have received the required immunizations
- Immunized 506,740 persons
- Immunized 96 percent of kindergarten entrants adequately (50,674 children)
- Inspected 48,884 food establishments, 1,391 X-ray and other radiation-producing machines, 8,048 dairies, and performed 109,000 sanitation inspections
- Performed 2,210,884 laboratory tests
- Provided 492,269 copies of vital statistics records to the public
- Served 45,752 walk-in customers for vital statistics requests for information/certificates

The Cabinet for Health and Family Services and the Department for Public Health have relied on local health departments to carry out two important functions for the state: core public health activities required by statute or regulation, and preventive services to specific populations mandated by budget appropriations. The seven core functions are: enforcement of public health regulations, surveillance of public health, communicable disease control, public health education, public health policy development, reduction of risk to families and children, and disaster preparedness. Preventive services for specific populations include family planning, prenatal care, pediatric preventive check-ups, Women, Infants, and Children (WIC) supplemental nutrition services, adult preventive services, and chronic disease monitoring, and support services.

Local health departments may provide additional services depending on the availability of alternative revenue sources. Examples of these services include home health services, physician based ambulatory primary care services, and expanded school health services.

**Health and Family Services
Public Health
General Health Support**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	22,112,400	22,482,800	22,750,900	21,026,200	20,901,000
Budget Reduction	-1,050,000				
Salary Compensation Fund	100,000				
Total General Fund	21,162,400	22,482,800	22,750,900	21,026,200	20,901,000
Restricted Funds					
Balance Forward	127,000				
Current Receipts	30,968,300	31,162,300	31,187,300	31,145,100	31,148,800
Non-Revenue Receipts	-1,257,000	-1,257,000	-1,257,000	-1,257,000	-1,257,000
Fund Transfers	-200,000				
Total Restricted Funds	29,638,300	29,905,300	29,930,300	29,888,100	29,891,800
Federal Funds					
Current Receipts	60,000				
Total Federal Funds	60,000				
TOTAL SOURCE OF FUNDS	50,860,700	52,388,100	52,681,200	50,914,300	50,792,800
EXPENDITURES BY CLASS					
Personnel Cost	6,333,000	6,165,700	6,458,700	5,307,400	5,389,400
Operating Expenses	195,900	248,900	249,600	195,900	195,900
Grants, Loans or Benefits	43,865,800	45,973,500	45,972,900	45,411,000	45,207,500
Debt Service	466,000				
TOTAL EXPENDITURES	50,860,700	52,388,100	52,681,200	50,914,300	50,792,800
EXPENDITURES BY FUND SOURCE					
General Fund	21,162,400	22,482,800	22,750,900	21,026,200	20,901,000
Restricted Funds	29,638,300	29,905,300	29,930,300	29,888,100	29,891,800
Federal Funds	60,000				
TOTAL EXPENDITURES	50,860,700	52,388,100	52,681,200	50,914,300	50,792,800

General Health Support provides funding to two organizational units within the Department for Public Health: the Office of the Commissioner and the Division of Administration and Financial Management.

The Commissioner's Office is responsible for the leadership, management, oversight, and policy direction of the Department for Public Health. The Commissioner advises the heads of major agencies in state government on policies, plans, and programs relating to matters of public health. This includes actions necessary to respond to extraordinary events in order to safeguard the health of the citizens of the Commonwealth. The Commissioner serves as the State Health Officer for the Commonwealth. The Commissioner's role continues to expand in the statewide management of anti-terrorist (nuclear, biologic, chemical) activities and the coordination of emergency response capabilities with federal and other state agencies. The Deputy Commissioner serves as the Senior Deputy Health Officer and Chief Operating Officer (COO) of the Department. This physician position is responsible for the day-to-day operations for the Department including oversight of 100+ preventive programs.

The Chief Nurse for Public Health, located in the Commissioner's Office, provides professional consultation, support, and technical assistance to the commissioner, executive staff, and state and local health departments including approximately 1,500 nurses practicing in local health departments. The Chief Nurse helps administer the nurse-managed employee health centers in

Frankfort that provide direct care, blood pressure monitoring, flu shots, health education, and HIV/AIDS and CPR classes for state employees.

The Division of Administration and Financial Management provides all resource support to the Department for Public Health. This includes approximately 381 Cabinet-level personnel and nearly 4,000 personnel represented by the 56 local health departments in all 120 counties. The Division provides all budget and accounting support, payments, grant allocation, fee collection, procurement, and contracting support. The Division develops the Department's biennial budget and oversees local health departments' fiscal planning and administrative management functions. The Division works in concert with the other divisions in the Department to plan, program, execute, manage, and report the financial activities of the Department and local health departments.

The Division is also responsible for overseeing the day-to-day operation of the 56 local health departments across the state. This responsibility includes conducting training on medical coding and billing practices, local health personnel procedures, and financial operations. Additionally, this Division has the responsibilities for personnel management; medical records and forms management, reporting of clinical and community-based services, operating the online local health network that tracks approximately 7.4 million services to 848,000 patients, policy interpretation, and the Local Board of Health nomination process. The Division is the primary liaison between the Department for Public Health and local health departments.

Health and Family Services
Public Health
Women's Physical and Mental Health

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,661,300	4,714,200	4,731,400	3,679,100	3,691,100
Salary Compensation Fund	9,500				
Total General Fund	3,670,800	4,714,200	4,731,400	3,679,100	3,691,100
Tobacco Settlement-Phase I					
Tobacco Settlement - I	400,000	400,000	400,000	400,000	400,000
Continuing Appropriation	24,400				
Total Tobacco Settlement-Phase I	424,400	400,000	400,000	400,000	400,000
Restricted Funds					
Balance Forward	6,100				
Current Receipts	96,900	103,000	103,000	103,000	103,000
Total Restricted Funds	103,000	103,000	103,000	103,000	103,000
Federal Funds					
Current Receipts	9,161,900	9,221,700	9,243,800	9,221,700	9,243,800
Total Federal Funds	9,161,900	9,221,700	9,243,800	9,221,700	9,243,800
TOTAL SOURCE OF FUNDS	13,360,100	14,438,900	14,478,200	13,403,800	13,437,900
EXPENDITURES BY CLASS					
Personnel Cost	793,000	901,800	941,100	866,800	901,000
Operating Expenses	101,000	95,400	95,400	95,100	95,100
Grants, Loans or Benefits	12,466,100	13,441,700	13,441,700	12,441,900	12,441,800
TOTAL EXPENDITURES	13,360,100	14,438,900	14,478,200	13,403,800	13,437,900
EXPENDITURES BY FUND SOURCE					
General Fund	3,670,800	4,714,200	4,731,400	3,679,100	3,691,100
Tobacco Settlement-Phase I	424,400	400,000	400,000	400,000	400,000
Restricted Funds	103,000	103,000	103,000	103,000	103,000
Federal Funds	9,161,900	9,221,700	9,243,800	9,221,700	9,243,800
TOTAL EXPENDITURES	13,360,100	14,438,900	14,478,200	13,403,800	13,437,900

The mission of the Women's Physical and Mental Health Division is to provide leadership, in partnership with key stakeholders, to improve the physical, socio-emotional health, safety, and well-being of Kentucky's women, including those with low incomes, diverse ethnic or racial backgrounds, and isolated populations with limited access to care. The Division also serves to represent Kentucky to the Health Resources Service Administration (HRSA) Office of Women's Health. Programs included in the Division are as follows:

The Kentucky Women's Cancer Screening program is supported by approximately \$2.6 million of General Fund and \$2.4 million Federal Funds from the Centers for Disease Control (CDC). The program provides breast and cervical cancer screening, diagnostic, case management, and treatment referral services to reduce morbidity and mortality from breast and cervical cancer among thousands medically underserved, low income, and uninsured women in Kentucky. The federal grant requires the program to provide breast and cervical cancer screening, referrals, follow-up, and case management with rigorous data collection and evaluation elements.

The Breast Cancer Research and Education Trust Fund was created in 2005 and is funded by sale of the breast cancer

license plates. Funds collected are distributed to breast cancer affiliates through an annual RFP process. The first six grants were awarded in 2007. Projects are to support breast cancer research, education, treatment, screening, and awareness in Kentucky.

The Folic Acid Counseling and Supplementation program services are provided in every health department (120) in Kentucky and six sub-delegates, which include three university clinic sites, Bluegrass Farm Workers, and Planned Parenthoods in Lexington and Louisville. Research has shown that when women consume adequate folic acid, the incidence of neural tube defects such as spina bifida can be decreased by as much as 70%. Since the inception of this program, the number of neural tube defects in infants in Kentucky has declined. The Folic Acid program has been funded by Tobacco Settlement funds.

The Abstinence Education Program offers adolescent abstinence-only education programs throughout the state. The goal of this federal program is to lower teen pregnancy in Kentucky by teaching values with community support through a Positive Youth Development approach, which suggests that the best way to prevent involvement in risky behavior (sexual activity and pregnancy in teens) is to help adolescents achieve their full potential. The U.S. Congress did not reauthorize Title V Section 510B funding legislation on several occasions but have maintained the program on quarterly emergency extensions. The program is currently approved with an extension to 6/30/08. An estimated total of 55,000 adolescents aged 10-19 through school and community-based abstinence education initiatives are served annually in KY, and teen births have decreased.

The Family Planning program plays a critical role in ensuring access to voluntary confidential family planning services. Charges to participants will be at no cost or at a reduced cost for families between 100 percent and 250 percent of the most recent federal Income Poverty Guidelines. The program provides preventative and reproductive services to 112,000 Kentucky women in need, and assisted 241,290 Kentucky women with contraceptives. Family Planning services are currently offered in 162 delegate local health departments and eight sub-delegate clinics targeting special populations (i.e. males, Hispanics, and adolescents).

Health and Family Services
Public Health
Prevention and Quality Improvement

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,307,700	11,126,200	11,279,000	9,418,300	9,435,600
Salary Compensation Fund	17,100				
Total General Fund	9,324,800	11,126,200	11,279,000	9,418,300	9,435,600
Tobacco Settlement-Phase I					
Tobacco Settlement - I	2,345,600				
Reorganization Adjustments	-2,345,600				
Total Tobacco Settlement-Phase I					
Restricted Funds					
Balance Forward	26,100				
Current Receipts	2,333,900	2,411,500	2,431,600	2,411,500	2,431,600
Total Restricted Funds	2,360,000	2,411,500	2,431,600	2,411,500	2,431,600
Federal Funds					
Current Receipts	3,385,900	3,517,400	3,568,600	3,427,600	3,442,700
Total Federal Funds	3,385,900	3,517,400	3,568,600	3,427,600	3,442,700
TOTAL SOURCE OF FUNDS	15,070,700	17,055,100	17,279,200	15,257,400	15,309,900
EXPENDITURES BY CLASS					
Personnel Cost	3,210,100	3,812,800	4,036,900	3,342,800	3,405,800
Operating Expenses	233,200	231,400	231,400	476,600	676,600
Grants, Loans or Benefits	11,627,400	13,010,900	13,010,900	11,438,000	11,227,500
TOTAL EXPENDITURES	15,070,700	17,055,100	17,279,200	15,257,400	15,309,900
EXPENDITURES BY FUND SOURCE					
General Fund	9,324,800	11,126,200	11,279,000	9,418,300	9,435,600
Restricted Funds	2,360,000	2,411,500	2,431,600	2,411,500	2,431,600
Federal Funds	3,385,900	3,517,400	3,568,600	3,427,600	3,442,700
TOTAL EXPENDITURES	15,070,700	17,055,100	17,279,200	15,257,400	15,309,900

The Division of Prevention and Quality Improvement is comprised of four branches which include: Chronic Disease Prevention, Health Care Access, Education and Workforce Development and Public Health Improvement Branch.

The mission of the Prevention and Quality Improvement program is to deliver programs and services, including chronic disease management, clinical and community education/promotion, quality improvement, employee health, health access for low income Kentuckians, staff education/development, and health risk behavior data analysis in order to promote more healthy behaviors by Kentuckians. The Division's activities cover the spectrum of population-based and personal preventive health services.

The Chronic Disease Prevention and Control program is responsible for decreasing the morbidity and mortality from chronic diseases. Emphasis is on prevention and risk factors that can be reduced through healthy lifestyles. Prevention programs include asthma, arthritis, cardiovascular health, comprehensive cancer, diabetes, osteoporosis and health promotion. The program provides funding to local health departments for community-based services aimed at individuals and at bringing about policy and environmental changes that will improve the health status of Kentuckians.

A goal of the Kentucky Diabetes Prevention and Control program is to reduce the incidence rate for diabetes and to reduce the complications of those with this chronic disease. Six "Diabetes Centers of Excellence" were added in fiscal year 2007 to help persons with diabetes better manage their disease.

The primary goal of the Behavioral Risk Factor Surveillance System is to collect, analyze, and interpret locally relevant data on risk behaviors and preventive health measures for use in planning, implementing and measuring the progress of the Department's risk-reduction programs, and for developing policies and legislation.

The Education and Workforce Development Branch coordinates all training programs, workshops, courses, and seminar conferences. The Branch has, by leveraging technology and managing the Department's learning management system, known as the TrainingFinder Real-time Affiliate Integrated Network (TRAIN), seen a significant increase in the number of staff participating in on-line module learning and satellite programming. Responsible for ensuring a well-trained competent workforce at the state and local level, the Branch has set in place an electronic process for continuing education. The branch delivers training by means of the web, satellite and video conferencing.

The Health Care Access program provides focus on primary care and the administration of federal grants and programs relative to primary care. Through these programs, approximately 150 additional physicians are serving Kentucky's medically underserved population. The Program is responsible for determining areas of Kentucky that meet Health Professional Shortage Area criteria and Medically Underserved Area criteria.

The Public Health Improvement program is responsible for the publication and maintenance of the Public Health Practice Reference. These documents are critical to help local health departments provide clinical and health education/promotion activities. The program seeks to strengthen and improve the quality of the practice of public health to include but not limited to the implementation of policies that assure the system can fulfill the role of protecting the safety and health of Kentuckians. The employee health service of the Program provides health care via employee health centers in Frankfort, Kentucky.

The Division will work with the other divisions within the Department for Public Health, local health departments, and other public health system participants in the areas of continuous quality/performance improvement, strategic planning and accreditation.

Policy

The enacted budget includes additional General Funds of \$400,000 in fiscal year 2008-2009 and \$600,000 in fiscal year 2010 to continue the Kentucky Prescription Drug Patient Assistance program. The Cabinet is directed to make available grants of \$150,000 each year to local agencies and organizations that are providing these services that have the potential for expansion or adoption on a statewide basis.

Health and Family Services
Public Health
Epidemiology and Health Planning

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,604,700	10,819,800	11,151,800	5,231,100	5,266,400
Budget Reduction	-411,100				
Total General Fund	5,193,600	10,819,800	11,151,800	5,231,100	5,266,400
Tobacco Settlement-Phase I					
Tobacco Settlement - I	1,750,000	2,313,400	2,313,400	2,313,400	2,313,400
Continuing Appropriation	268,000				
Other	500,000				
Total Tobacco Settlement-Phase I	2,518,000	2,313,400	2,313,400	2,313,400	2,313,400
Restricted Funds					
Balance Forward	1,820,400	2,328,800	2,820,400	2,078,800	2,320,400
Current Receipts	4,488,400	4,489,200	4,504,300	4,489,200	4,504,300
Non-Revenue Receipts	-274,800	-274,800	-274,800	-274,800	-274,800
Total Restricted Funds	6,034,000	6,543,200	7,049,900	6,293,200	6,549,900
Federal Funds					
Current Receipts	35,748,100	35,458,400	35,773,200	34,874,900	35,095,200
Total Federal Funds	35,748,100	35,458,400	35,773,200	34,874,900	35,095,200
TOTAL SOURCE OF FUNDS	49,493,700	55,134,800	56,288,300	48,712,600	49,224,900
EXPENDITURES BY CLASS					
Personnel Cost	18,727,600	20,659,900	21,314,000	19,071,700	19,336,200
Operating Expenses	9,855,500	14,314,800	14,314,200	9,513,900	9,513,300
Grants, Loans or Benefits	18,831,800	17,339,700	17,339,700	17,806,600	17,805,000
TOTAL EXPENDITURES	47,414,900	52,314,400	52,967,900	46,392,200	46,654,500
EXPENDITURES BY FUND SOURCE					
General Fund	5,193,600	10,819,800	11,151,800	5,231,100	5,266,400
Tobacco Settlement-Phase I	2,518,000	2,313,400	2,313,400	2,313,400	2,313,400
Restricted Funds	3,955,200	3,722,800	3,729,500	3,972,800	3,979,500
Federal Funds	35,748,100	35,458,400	35,773,200	34,874,900	35,095,200
TOTAL EXPENDITURES	47,414,900	52,314,400	52,967,900	46,392,200	46,654,500

The mission of the Epidemiology and Health Planning program is to assess the occurrence of, and risk factors for, preventable and reportable diseases and injuries in the Commonwealth; to develop health policies related to the Division's and Department's objectives; to prepare for public health threats; to collect, safeguard, and report vital event records; and to assure the provision of core public health services. To discharge these responsibilities, the Division conducts activities in five areas:

- Communicable Disease, which includes immunizations, sexually transmitted diseases, tuberculosis (TB), and other communicable diseases,
- HIV/AIDS, which includes prevention activities, services, and surveillance for HIV/AIDS,
- Surveillance and Health Data, which includes reportable disease surveillance, emerging infections, health status and health risk factor studies, injury epidemiology, and the collection and analysis of data relating to community health systems planning and development,

- Vital Statistics, which collects and preserves mandatory records of all vital events including births, deaths, marriages, and divorces, and
- Public Health Preparedness, which includes the development, implementation, and exercising of statewide emergency preparedness plans for both terrorist (nuclear, biologic, chemical) threats as well as naturally occurring disease outbreaks.

Epidemiology and Health Planning makes financial support and vaccines available to local health departments and other providers for the provision of over one million immunizations each year (more in years when outbreaks occur) to about 400,000 persons. Immunization rates in schools, day care, health department clinics, and among the general child population are tracked. The Tuberculosis Control program reduces the number of cases and deaths due to tuberculosis by preventing non-infected individuals from becoming infected, keeping those infected without disease from progressing to disease, and by rendering infected individuals with disease non-infectious. Kentucky's TB case rate remains below the national average. Sexually transmitted disease and other communicable disease control assistance and consultation are provided across the Commonwealth as required.

Epidemiology and Health Planning is the designated State Center for Health Statistics. The Health Data and Vital Statistics program is responsible for the collection, analysis, and dissemination of health data from many sources to policy makers, health planners and consumers with the goal of developing policy that will improve the health of the population and ensure access to (and the benefit of) public health services to all Kentuckians. The maintenance of all vital records (birth, death, marriage, and divorce certificates) and the response to all requests for vital statistics data are also carried out by this program.

Epidemiology and Health Planning is partially funded through federal emergency preparedness and response to bioterrorism grants and has the responsibility of developing, coordinating, and overseeing the public health response to terrorism (nuclear, biologic, chemical). These funds are used to prepare the Commonwealth for disease outbreaks and other public health threats, increase the integration of local public health system assets, upgrade the State Laboratory to the capacity required by the Centers for Disease Control and Prevention, and provide hospitals across the state with funding to ensure preparedness for events attributable to terrorism.

**Health and Family Services
Public Health
Adult and Child Health**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	24,609,300	25,727,300	25,869,700	24,688,200	24,768,600
Budget Reduction	-50,000				
Base Deduction	-55,200				
Total General Fund	24,504,100	25,727,300	25,869,700	24,688,200	24,768,600
Tobacco Settlement-Phase I					
Tobacco Settlement - I	10,225,500	14,168,000	14,390,400	14,142,900	14,365,500
Continuing Appropriation	3,465,100				
Other	3,917,500				
Total Tobacco Settlement-Phase I	17,608,100	14,168,000	14,390,400	14,142,900	14,365,500
Restricted Funds					
Balance Forward	1,362,500	394,700		394,700	
Current Receipts	37,335,500	41,219,300	41,657,500	37,770,500	38,165,200
Non-Revenue Receipts	2,111,700	2,111,700	2,111,700	2,111,700	2,111,700
Fund Transfers	-3,439,300				
Total Restricted Funds	37,370,400	43,725,700	43,769,200	40,276,900	40,276,900
Federal Funds					
Current Receipts	134,304,300	135,927,600	136,111,800	135,484,700	135,495,400
Total Federal Funds	134,304,300	135,927,600	136,111,800	135,484,700	135,495,400
TOTAL SOURCE OF FUNDS	213,786,900	219,548,600	220,141,100	214,592,700	214,906,400
EXPENDITURES BY CLASS					
Personnel Cost	12,113,600	13,168,800	13,539,200	12,177,500	12,300,500
Operating Expenses	488,400	734,800	734,500	677,200	676,900
Grants, Loans or Benefits	200,790,200	205,645,000	205,867,400	201,738,000	201,929,000
TOTAL EXPENDITURES	213,392,200	219,548,600	220,141,100	214,592,700	214,906,400
EXPENDITURES BY FUND SOURCE					
General Fund	24,504,100	25,727,300	25,869,700	24,688,200	24,768,600
Tobacco Settlement-Phase I	17,608,100	14,168,000	14,390,400	14,142,900	14,365,500
Restricted Funds	36,975,700	43,725,700	43,769,200	40,276,900	40,276,900
Federal Funds	134,304,300	135,927,600	136,111,800	135,484,700	135,495,400
TOTAL EXPENDITURES	213,392,200	219,548,600	220,141,100	214,592,700	214,906,400

The Adult and Child Health Improvement Program promotes and safeguards the health of all Kentuckians, as well as helps them achieve the highest level of health and wellness possible. Its activities include public health education, nutrition, injury prevention, coordinated school health, perinatal care, early childhood intervention and promotion, well child care, oral health and selected primary and preventive care activities.

The Maternal and Child Health subprogram provides oversight to the services and activities which focus on these populations, including prenatal, child, and adolescent preventive health; lead poisoning prevention; child fatality and injury prevention; oral health; and coordinated school health. These services and activities help to improve quality of life and provide positive health outcomes.

Early childhood development legislation, passed by the 2000 General Assembly, requires the Early Childhood Development subprogram to provide early childhood initiatives such as home visitation (Healthy Access Nurturing Development Services or HANDS), childcare consultation (Healthy Start in Child Care), and early childhood mental health services for children. The Early Childhood Development subprogram also identifies children in Kentucky at-risk for serious medical conditions and developmental delays through the newborn metabolic screening program and Kentucky Birth Surveillance Registry (KBSR).

First Steps (Kentucky Early Intervention System) provides case management developmental services, physical therapy, occupational therapy, speech therapy, hearing and vision services, health and diagnostic services, and nursing and nutrition services to infants and toddlers between birth and three years of age with developmental disabilities or developmental delays (approximately 10,000 children). First Steps services are provided in the home or other community setting, unless it is not feasible to do so, and are subject to a sliding fee scale unless the family has documented an inability to pay. Families and other interested parties access the First Steps program locally through 15 system Points of Entry covering the 15 Area Development Districts (ADDs).

The Nutrition subprogram administers the Special Supplemental Nutrition Program for Women, Infants and Children (WIC); the Nutrition Program; the Breastfeeding Peer Counselor Program; and the Obesity, Nutrition, and Physical Activity Grant.

Policy

The General Assembly directed a fund transfer of Tobacco Settlement - Phase I funds to the General Fund in the amount of \$4,255,900 in fiscal year 2008-2009 and \$4,478,300 in fiscal year 2009-2010.

**Health and Family Services
Public Health
Laboratory Services**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,050,000	4,605,000	4,807,900	4,110,200	4,175,400
Base Deduction	-71,600				
Total General Fund	3,978,400	4,605,000	4,807,900	4,110,200	4,175,400
Restricted Funds					
Balance Forward	259,700	92,000		92,000	
Current Receipts	2,951,800	3,046,700	3,146,000	2,955,600	3,047,600
Non-Revenue Receipts	-500,000	-500,000	-500,000	-500,000	-500,000
Fund Transfers	-50,000				
Total Restricted Funds	2,661,500	2,638,700	2,646,000	2,547,600	2,547,600
TOTAL SOURCE OF FUNDS	6,639,900	7,243,700	7,453,900	6,657,800	6,723,000
EXPENDITURES BY CLASS					
Personnel Cost	2,598,900	3,241,100	3,451,300	2,674,200	2,739,500
Operating Expenses	3,794,300	3,846,900	3,846,900	3,828,800	3,828,800
Grants, Loans or Benefits	154,700	155,700	155,700	154,800	154,700
TOTAL EXPENDITURES	6,547,900	7,243,700	7,453,900	6,657,800	6,723,000
EXPENDITURES BY FUND SOURCE					
General Fund	3,978,400	4,605,000	4,807,900	4,110,200	4,175,400
Restricted Funds	2,569,500	2,638,700	2,646,000	2,547,600	2,547,600
TOTAL EXPENDITURES	6,547,900	7,243,700	7,453,900	6,657,800	6,723,000

The Laboratory Services program provides essential examinations of clinical and environmental specimens required to support other state programs and local health department programs. The laboratory performs reference diagnostic testing not typically performed by private sector laboratories. Examples of testing performed by Laboratory Services are: testing for newborn metabolic heritable and genetic disorders, sexually transmitted diseases, TB, West Nile, SARS, rabies, influenza subtyping, bioterrorism, and select agents; environmental samples for water fluoride levels; milk, food, and water for evidence of contamination; pesticide analyses; and occupational safety and health chemistry.

The State Laboratory is a certified high complexity laboratory, which requires it to meet the most stringent federal requirements for quality assurance, quality control, and personnel qualifications. The program is responsible for approximately 210 local health department sites licensed on multiple-site certificates under Clinical Laboratory Improvement Act (CLIA). The program's staff provides technical direction, training sessions, on-site consultations, procedure manuals, forms for documentation, and other necessary tools.

Laboratory Services performs tests for patients in the Department for Mental Health and Mental Retardation Services' facilities, local health departments, hospitals, clinics, doctor's offices, and provides occupational health chemistry analysis for the Kentucky Occupational Safety and Health Program.

General Fund support is the primary source of funding for Laboratory Services. Other funds are received from federal grants, newborn metabolic screening fees, and a cooperative agreement with OSHA.

Health and Family Services
Public Health
Public Health Protection and Safety

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,133,600	5,242,800	5,635,200	3,256,100	3,371,100
Salary Compensation Fund	95,900				
Base Deduction	-54,400				
Total General Fund	3,175,100	5,242,800	5,635,200	3,256,100	3,371,100
Restricted Funds					
Balance Forward	135,900	65,400		65,400	
Current Receipts	5,687,500	5,716,400	5,790,600	5,773,300	5,870,400
Fund Transfers	-44,600				
Total Restricted Funds	5,778,800	5,781,800	5,790,600	5,838,700	5,870,400
Federal Funds					
Current Receipts	1,316,300	1,416,200	1,456,200	1,324,000	1,326,900
Total Federal Funds	1,316,300	1,416,200	1,456,200	1,324,000	1,326,900
TOTAL SOURCE OF FUNDS	10,270,200	12,440,800	12,882,000	10,418,800	10,568,400
EXPENDITURES BY CLASS					
Personnel Cost	5,065,100	7,253,600	7,694,800	5,340,600	5,488,900
Operating Expenses	1,310,100	1,420,400	1,420,400	1,311,400	1,312,700
Grants, Loans or Benefits	3,829,600	3,766,800	3,766,800	3,766,800	3,766,800
TOTAL EXPENDITURES	10,204,800	12,440,800	12,882,000	10,418,800	10,568,400
EXPENDITURES BY FUND SOURCE					
General Fund	3,175,100	5,242,800	5,635,200	3,256,100	3,371,100
Restricted Funds	5,713,400	5,781,800	5,790,600	5,838,700	5,870,400
Federal Funds	1,316,300	1,416,200	1,456,200	1,324,000	1,326,900
TOTAL EXPENDITURES	10,204,800	12,440,800	12,882,000	10,418,800	10,568,400

The Public Health Protection and Safety Program provides a variety of environmental services, from monitoring exposure to radiation to ensuring sanitation of food, milk, and public facilities. This division provides consultation and guidance to some 500 local health department environmental-public health specialists/registered sanitarians, and provides regulatory oversight to many of Kentucky's businesses. The Division mission statement is: promoting a healthier, safer public through prevention, education, communication, and regulation.

The Radiation program inspects and issues over 675 specific licenses to users of radioactive materials, and registers and inspects over 200 users of radiation sources. The program monitors the transportation of radioactive waste, within and through the Commonwealth, and is mandated and equipped to respond to radiological emergencies 24 hours per day. The program registers and inspects 4,008 facilities with 9,415 X-Ray tubes, conducts reviews and inspects approximately 164 mammography facilities and shielding plans for facilities, and issues certificates and inspects approximately 5,600 operators of sources of radiation. The program monitors Paducah Gaseous Diffusion Plant and monitors nuclear waste disposal sites (such as Maxey Flats) along with the Environmental and Public Protection Cabinet.

The Milk Safety program inspects dairy farms, dairy plants, transfer and hauler facilities, and milk processors, conducting 8,048 inspections of 1,900 dairies annually. The program provides safety education to milk haulers, pasteurization equipment operators and other industry professionals. The program investigates complaints, responds to federal Food & Drug Administration notices regarding dairy recalls or events, and serves as a first responder for dairy industry events.

The Food Safety program is responsible for overseeing Kentucky's multi-billion dollar food industry. The program trains local health department employees who inspect food service establishments, retail food stores, vending machine companies, tattoo studios, body piercing facilities, boarding homes, tanning facilities, and bed and breakfast establishments. The program oversees food manufacturing and storage programs and the farmer's market program compliance. The program collects representative samples from the state's raw agricultural producers and fish markets to test for pesticide residues and other contaminants. The Food Safety program also oversees quarantines and the destruction of food, drugs, and alcohol which have been contaminated by disasters such as floods.

The Sanitation program establishes sanitary and safety standards for the construction and operation of public facilities including regulatory oversight for the sanitary operation of public pools, public restrooms, hotels/motels, state confinement facilities, schools, mobile home parks, day camps, and many other public facilities for 7,200 permitted facilities and 5,000 onsite installers. The program oversees construction of onsite sewage disposal systems for new homes not on city sewers and trains and certifies inspectors and operators. The program manages the state Consumer Product Safety program and Radon Mitigation program. The program responds to public health complaints related to dog bites, septic systems, pool malfunctions, recreational lake health issues, and other environmental health issues. The program has approximately 109,000 reported activities annually and responds to over 13,000 nuisance control/complaints annually.

The Public Safety program conducts lead abatement activities, especially in areas occupied by children. The program investigates unsafe products and provides education on safety issues. The program also provides engineering oversight for all public pools in the commonwealth, approving plans for all new construction, change, and/or renovation. The program provides the functional quality assurance process for monitoring trends and performance in environmental health programs.

Health and Family Services

Health Policy

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	625,600	7,292,600	13,537,800	553,000	583,300
Budget Reduction	-19,100				
Salary Compensation Fund	11,500				
Base Deduction	-17,300				
Total General Fund	600,700	7,292,600	13,537,800	553,000	583,300
Restricted Funds					
Balance Forward	1,035,000				
Current Receipts	647,400	647,400	647,400	647,400	647,400
Non-Revenue Receipts	-25,000	-25,000	-25,000	-25,000	-25,000
Fund Transfers	-243,700			-43,700	-43,700
Total Restricted Funds	1,413,700	622,400	622,400	578,700	578,700
TOTAL SOURCE OF FUNDS	2,014,400	7,915,000	14,160,200	1,131,700	1,162,000
EXPENDITURES BY CLASS					
Personnel Cost	1,622,500	2,142,700	2,240,900	1,036,000	1,066,300
Operating Expenses	63,400	229,000	248,800	60,500	60,500
Grants, Loans or Benefits	328,500	5,543,300	11,670,500	35,200	35,200
TOTAL EXPENDITURES	2,014,400	7,915,000	14,160,200	1,131,700	1,162,000
EXPENDITURES BY FUND SOURCE					
General Fund	600,700	7,292,600	13,537,800	553,000	583,300
Restricted Funds	1,413,700	622,400	622,400	578,700	578,700
TOTAL EXPENDITURES	2,014,400	7,915,000	14,160,200	1,131,700	1,162,000
EXPENDITURES BY UNIT					
Office of Health Policy	2,014,400	7,915,000	14,160,200	1,131,700	1,162,000
TOTAL EXPENDITURES	2,014,400	7,915,000	14,160,200	1,131,700	1,162,000

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

The Division of Health Policy Planning and Development provides coordination among state agencies and programs including:

- Medicaid
- Insurance
- Mental Health/Mental Retardation
- State Employee Health Insurance
- Public Health

The Division of Health Policy Planning and Development coordinates health policy and health insurance issues that cross departmental or cabinet lines, oversees legislative and regulatory efforts to ensure that proposed statutes and regulations are consistent across departments and consistent with the overall goals of the administration, develops health insurance policy in coordination with the Kentucky Office of Insurance, and leads the efforts related to policy coordination and benefit design for state employee health insurance in coordination with the Personnel Cabinet.

The Division of Certificate of Need (CON) is responsible for preventing the proliferation and/or duplication of health care facilities, health services and major medical equipment that increase the cost of health care within the Commonwealth.

A certificate of need is required to establish a health facility; to change bed capacity of health facility; to make a substantial change in a project (a change which results in an increase in bed capacity, a change in location, or an increase in costs greater than the allowable amount as prescribed by regulation, etc.); to add a health service for which there are review criteria in the state health plan (open heart surgery, cardiac catheterization, MRI, mega-voltage radiation equipment, organ transplantation, special care neonatal beds, etc.), and to add a service subject to licensure (personal care beds, rehabilitation agencies, etc.); to obligate a capital expenditure or acquire major medical equipment which exceeds a specific threshold; or to change the geographic area which has been designated on a certificate of need or license.

**Health and Family Services
Human Support Services**

	<u>Revised FY 2008</u>	<u>Requested FY 2009</u>	<u>Requested FY 2010</u>	<u>Enacted FY 2009</u>	<u>Enacted FY 2010</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	12,538,400	13,294,400	13,451,400	7,534,600	7,555,300
Salary Compensation Fund	23,200				
Total General Fund	12,561,600	13,294,400	13,451,400	7,534,600	7,555,300
Tobacco Settlement-Phase I					
Tobacco Settlement - I	100,000	175,000	175,000	175,000	175,000
Continuing Appropriation	130,900				
Total Tobacco Settlement-Phase I	230,900	175,000	175,000	175,000	175,000
Restricted Funds					
Balance Forward	51,400	50,000	50,000	50,000	50,000
Non-Revenue Receipts	624,600	629,600	630,900	626,000	626,000
Total Restricted Funds	676,000	679,600	680,900	676,000	676,000
Federal Funds					
Balance Forward	1,300				
Current Receipts	3,928,200	3,929,500	3,929,500	3,902,700	3,909,700
Total Federal Funds	3,929,500	3,929,500	3,929,500	3,902,700	3,909,700
TOTAL SOURCE OF FUNDS	17,398,000	18,078,500	18,236,800	12,288,300	12,316,000
EXPENDITURES BY CLASS					
Personnel Cost	906,800	1,415,600	1,577,000	779,000	806,700
Operating Expenses	241,200	324,900	321,800	228,500	228,500
Grants, Loans or Benefits	16,200,000	16,288,000	16,288,000	11,230,800	11,230,800
TOTAL EXPENDITURES	17,348,000	18,028,500	18,186,800	12,238,300	12,266,000
EXPENDITURES BY FUND SOURCE					
General Fund	12,561,600	13,294,400	13,451,400	7,534,600	7,555,300
Tobacco Settlement-Phase I	230,900	175,000	175,000	175,000	175,000
Restricted Funds	626,000	629,600	630,900	626,000	626,000
Federal Funds	3,929,500	3,929,500	3,929,500	3,902,700	3,909,700
TOTAL EXPENDITURES	17,348,000	18,028,500	18,186,800	12,238,300	12,266,000
EXPENDITURES BY UNIT					
Family Resource and Youth Services Center	6,143,700	6,415,200	6,482,300	846,200	846,200
Child Abuse and Domestic Violence	7,834,000	8,136,200	8,185,500	8,025,400	8,039,000
Kentucky Com. Community Volunteerism and Serv.	3,370,300	3,477,100	3,519,000	3,366,700	3,380,800
TOTAL EXPENDITURES	17,348,000	18,028,500	18,186,800	12,238,300	12,266,000

The Department for Human Support Services is made up of three separate divisions: Family Resource and Youth Service Centers, Child Abuse and Domestic Violence Services, and the Kentucky Commission on Community Volunteerism and Services.

**Health and Family Services
Human Support Services
Family Resource and Youth Services Center**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,418,200	5,704,000	5,771,100	135,000	135,000
Salary Compensation Fund	14,300				
Total General Fund	5,432,500	5,704,000	5,771,100	135,000	135,000
Restricted Funds					
Balance Forward	50,000	50,000	50,000	50,000	50,000
Non-Revenue Receipts	500,000	500,000	500,000	500,000	500,000
Total Restricted Funds	550,000	550,000	550,000	550,000	550,000
Federal Funds					
Balance Forward	1,300				
Current Receipts	209,900	211,200	211,200	211,200	211,200
Total Federal Funds	211,200	211,200	211,200	211,200	211,200
TOTAL SOURCE OF FUNDS	6,193,700	6,465,200	6,532,300	896,200	896,200
EXPENDITURES BY CLASS					
Personnel Cost	14,300	185,800	252,900		
Operating Expenses		87,000	87,000		
Grants, Loans or Benefits	6,129,400	6,142,400	6,142,400	846,200	846,200
TOTAL EXPENDITURES	6,143,700	6,415,200	6,482,300	846,200	846,200
EXPENDITURES BY FUND SOURCE					
General Fund	5,432,500	5,704,000	5,771,100	135,000	135,000
Restricted Funds	500,000	500,000	500,000	500,000	500,000
Federal Funds	211,200	211,200	211,200	211,200	211,200
TOTAL EXPENDITURES	6,143,700	6,415,200	6,482,300	846,200	846,200

The Kentucky Education Reform Act (KERA) of 1990, KRS 156.497 and KRS 156.4977 as amended, created the Family Resource and Youth Services Centers (FRYSC). The Division of Family Resource and Youth Services Centers, created by Executive Order 2004-726, provides administrative, technical assistance, and training support to the local school-based FRYSC. The primary goal of these centers is to enhance student ability to succeed in school by developing and sustaining partnerships that promote early learning and successful transition into school, academic achievement and well-being, graduation, and transition into adult life.

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

**Health and Family Services
Human Support Services
Child Abuse and Domestic Violence**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,904,200	7,271,200	7,320,500	7,160,400	7,174,000
Salary Compensation Fund	8,900				
Total General Fund	6,913,100	7,271,200	7,320,500	7,160,400	7,174,000
Tobacco Settlement-Phase I					
Tobacco Settlement - I	100,000	175,000	175,000	175,000	175,000
Continuing Appropriation	130,900				
Total Tobacco Settlement-Phase I	230,900	175,000	175,000	175,000	175,000
Federal Funds					
Current Receipts	690,000	690,000	690,000	690,000	690,000
Total Federal Funds	690,000	690,000	690,000	690,000	690,000
TOTAL SOURCE OF FUNDS	7,834,000	8,136,200	8,185,500	8,025,400	8,039,000
EXPENDITURES BY CLASS					
Personnel Cost	454,300	679,200	731,600	381,700	395,300
Operating Expenses	15,800	18,100	15,000	15,800	15,800
Grants, Loans or Benefits	7,363,900	7,438,900	7,438,900	7,627,900	7,627,900
TOTAL EXPENDITURES	7,834,000	8,136,200	8,185,500	8,025,400	8,039,000
EXPENDITURES BY FUND SOURCE					
General Fund	6,913,100	7,271,200	7,320,500	7,160,400	7,174,000
Tobacco Settlement-Phase I	230,900	175,000	175,000	175,000	175,000
Federal Funds	690,000	690,000	690,000	690,000	690,000
TOTAL EXPENDITURES	7,834,000	8,136,200	8,185,500	8,025,400	8,039,000

The Division of Child Abuse and Domestic Violence Services was established in KRS 194A.092 to address the need to increase the financial and programmatic efficiency and accountability of state and community systems and other organizations that provide services to victims of child abuse, domestic violence and sexual assault. Division staff serve as program managers for both the state network of Children's Advocacy Centers and the state network of Rape Crisis Centers. The Division is further charged with providing new and progressive initiatives to improve and enhance the delivery of services to victims of child abuse, domestic violence, and rape or sexual assault.

Additionally, KRS 403.700 provides that the Governor's Council on Domestic Violence and Sexual Assault shall be attached to the Division of Child Abuse and Domestic Violence Services. The statute further provides that the secretaries for the Justice and Public Safety Cabinet and the Cabinet for Health and Family Services shall provide the necessary staff to assist the Council in carrying out its duties and responsibilities.

Policy

The Budget of the Commonwealth directs that \$75,000 Tobacco Settlement - Phase I funding be transferred to the General Fund each year.

**Health and Family Services
Human Support Services
Ky Commission on Community Volunteerism and Service**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	216,000	319,200	359,800	239,200	246,300
Total General Fund	216,000	319,200	359,800	239,200	246,300
Restricted Funds					
Balance Forward	1,400				
Non-Revenue Receipts	124,600	129,600	130,900	126,000	126,000
Total Restricted Funds	126,000	129,600	130,900	126,000	126,000
Federal Funds					
Current Receipts	3,028,300	3,028,300	3,028,300	3,001,500	3,008,500
Total Federal Funds	3,028,300	3,028,300	3,028,300	3,001,500	3,008,500
TOTAL SOURCE OF FUNDS	3,370,300	3,477,100	3,519,000	3,366,700	3,380,800
EXPENDITURES BY CLASS					
Personnel Cost	438,200	550,600	592,500	397,300	411,400
Operating Expenses	225,400	219,800	219,800	212,700	212,700
Grants, Loans or Benefits	2,706,700	2,706,700	2,706,700	2,756,700	2,756,700
TOTAL EXPENDITURES	3,370,300	3,477,100	3,519,000	3,366,700	3,380,800
EXPENDITURES BY FUND SOURCE					
General Fund	216,000	319,200	359,800	239,200	246,300
Restricted Funds	126,000	129,600	130,900	126,000	126,000
Federal Funds	3,028,300	3,028,300	3,028,300	3,001,500	3,008,500
TOTAL EXPENDITURES	3,370,300	3,477,100	3,519,000	3,366,700	3,380,800

The Kentucky Commission for Community Volunteerism and Services (KCCVS) was created in 1994 to serve as a conduit for federal funds that support AmeriCorps programs in the Commonwealth and to assume responsibility for the statewide coordination of volunteer activities. Executive Order 2004-726 reorganized the administrative support and oversight unit of the Commission from an office to a division.

KCCVS currently administers 11 federally-funded AmeriCorps programs. Six of these were awarded to Kentucky through a competitive application process while the remaining five are formula based. Federal funds are contracted to community organizations that, in turn, receive local matching funds, which include cash and in-kind services. AmeriCorps members provide household budget training, home renovation assistance, life skills training, and services to help senior citizens live independently. They train volunteers, serve the homeless, mentor at-risk youth, and offer assistance to victims of natural disasters. In addition, participants tutor children in elementary and secondary schools and assist parents in developing skills to help their children learn to read. Children tutored by AmeriCorps members tend to advance a minimum of two reading levels during the school year. AmeriCorps alumni in Kentucky have received more than \$14,000,000 in federal educational vouchers for their years of service.

**Health and Family Services
Ombudsman**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,534,400	5,086,400	5,446,800	3,287,400	3,391,200
Salary Compensation Fund	43,400				
Total General Fund	3,577,800	5,086,400	5,446,800	3,287,400	3,391,200
Restricted Funds					
Balance Forward	20,800				
Current Receipts	17,000	27,900	32,200	17,000	17,000
Total Restricted Funds	37,800	27,900	32,200	17,000	17,000
Federal Funds					
Balance Forward	71,000				
Current Receipts	2,262,000	3,233,900	3,448,000	2,126,000	2,192,900
Total Federal Funds	2,333,000	3,233,900	3,448,000	2,126,000	2,192,900
TOTAL SOURCE OF FUNDS	5,948,600	8,348,200	8,927,000	5,430,400	5,601,100
EXPENDITURES BY CLASS					
Personnel Cost	5,578,800	7,918,100	8,496,900	5,123,400	5,293,900
Operating Expenses	369,800	430,100	430,100	307,000	307,200
TOTAL EXPENDITURES	5,948,600	8,348,200	8,927,000	5,430,400	5,601,100
EXPENDITURES BY FUND SOURCE					
General Fund	3,577,800	5,086,400	5,446,800	3,287,400	3,391,200
Restricted Funds	37,800	27,900	32,200	17,000	17,000
Federal Funds	2,333,000	3,233,900	3,448,000	2,126,000	2,192,900
TOTAL EXPENDITURES	5,948,600	8,348,200	8,927,000	5,430,400	5,601,100
EXPENDITURES BY UNIT					
Office of the Ombudsman	5,948,600	8,348,200	8,927,000	5,430,400	5,601,100
TOTAL EXPENDITURES	5,948,600	8,348,200	8,927,000	5,430,400	5,601,100

The Office of the Ombudsman consists of the Complaint Review Branch, the Quality Control Branch, the Performance Enhancement Branch, the Long Term Care Ombudsman Program and the Institutional Review Board.

The Complaint Review Branch handles calls and correspondence concerning programs under the Department for Community Based Services, the Department for Medicaid Services, the Department for Mental Health/Mental Retardation Services and the Department for Public Health. The Branch issues reports to these agencies concerning complaint trends and patterns and recommends corrective action.

The Quality Control Branch consists of two sections, the Public Assistance Review Section and the Food Stamp Review Section.

The Public Assistance Review Section conducts statewide Medicaid quality control reviews to comply with state and federal Medicaid quality control standards. Reviews include Kentucky Works Program cases, Medicaid and adult medical cases. Reports are prepared for the federal government, the Cabinet, the Department for Community Based Services and the Department for Medicaid Services.

The Food Stamp Review Section conducts Food Stamp quality control reviews, provides information to the federal government, the Cabinet and the Department for Community Based Services and prepares the annual state Food Stamp Quality Control Sampling Plan.

The Performance Enhancement Branch consists of three sections, the Quality Assurance Section, the Management Evaluation Section, and the Program Access and Compliance Section.

The Quality Assurance Section determines administrative hearing eligibility for the Department for Community Based Services' Division of Protection and Permanency service and requests to appeal child abuse and/or child neglect substantiation. This section also coordinates, conducts, analyzes, and issues reports on the Kentucky Child and Family Services Review in accordance with the federally mandated Program Improvement Plan. The section coordinates record keeping for the Continuous Quality Improvement Peer Review process within the Division of Protection and Permanency.

The Management Evaluation Section conducts federal management evaluation reviews for the Food Stamp program. This section assists in writing county and regional corrective action plans and conducts exit conferences with field staff in all Kentucky counties. This section also prepares the federal food stamp corrective action state plan and ensures continuous error identifications and revises local and regional plans accordingly.

The Program Access and Compliance Section performs federally mandated Food Stamp access reviews of local offices to insure they comply with regulations to provide eligible clients access to services. Follow-up and exit interviews are conducted in each office. This section also seeks to identify potential barriers, works to resolve those problems and implements corrective action and continuous monitoring.

The Kentucky Long-Term Care Ombudsmen Program identifies, investigates and helps resolve complaints made by or on behalf of residents of long-term care facilities (including nursing homes, personal care homes and family care homes). The Long-Term Care Ombudsmen also advocate for changes to improve residents' quality of life and care.

The Cabinet for Health and Family Services Institutional Review Board for the Protection of Human Subjects reviews and approves all research projects involving CHFS clients or employees as subjects to ensure that the safety and welfare of the research subjects are protected.

**Health and Family Services
Disability Determination Services**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
Restricted Funds					
Non-Revenue Receipts	65,800	69,800	71,400	65,800	65,800
Total Restricted Funds	65,800	69,800	71,400	65,800	65,800
Federal Funds					
Balance Forward	138,400				
Current Receipts	46,394,600	56,187,800	58,537,100	50,432,900	51,465,200
Total Federal Funds	46,533,000	56,187,800	58,537,100	50,432,900	51,465,200
TOTAL SOURCE OF FUNDS	46,598,800	56,257,600	58,608,500	50,498,700	51,531,000
EXPENDITURES BY CLASS					
Personnel Cost	25,782,200	35,724,300	38,081,100	29,965,600	31,004,000
Operating Expenses	3,516,600	3,516,800	3,517,000	3,516,600	3,516,600
Grants, Loans or Benefits	17,300,000	17,016,500	17,010,400	17,016,500	17,010,400
TOTAL EXPENDITURES	46,598,800	56,257,600	58,608,500	50,498,700	51,531,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	65,800	69,800	71,400	65,800	65,800
Federal Funds	46,533,000	56,187,800	58,537,100	50,432,900	51,465,200
TOTAL EXPENDITURES	46,598,800	56,257,600	58,608,500	50,498,700	51,531,000
EXPENDITURES BY UNIT					
Disability Determinations	46,598,800	56,257,600	58,608,500	50,498,700	51,531,000
TOTAL EXPENDITURES	46,598,800	56,257,600	58,608,500	50,498,700	51,531,000

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

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

Policy

The Budget of the Commonwealth includes federal funds in the amount of \$3.5 million in fiscal year 2009 and \$3.8 million in fiscal year 2010 for 90 positions critical to the timely and accurate processing of disability applications and eligibility reviews.

**Health and Family Services
Community Based Services**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	341,729,700	436,925,400	475,308,400	346,147,200	350,145,700
Special Appropriation	2,000,000				
Salary Compensation Fund	2,513,500				
Total General Fund	346,243,200	436,925,400	475,308,400	346,147,200	350,145,700
Tobacco Settlement-Phase I					
Tobacco Settlement - I	7,420,400	8,970,400	9,220,400	8,970,400	9,220,400
Continuing Appropriation	1,200,400				
Other	1,050,000				
Total Tobacco Settlement-Phase I	9,670,800	8,970,400	9,220,400	8,970,400	9,220,400
Restricted Funds					
Balance Forward	6,758,800	6,386,600	9,351,600	1,820,900	4,893,100
Current Receipts	154,141,800	176,105,400	167,173,400	166,317,100	156,048,300
Non-Revenue Receipts	-21,829,500	-21,252,700	-18,249,100	-21,933,300	-17,442,700
Fund Transfers	-43,000				
Total Restricted Funds	139,028,100	161,239,300	158,275,900	146,204,700	143,498,700
Federal Funds					
Balance Forward	17,675,400				
Current Receipts	511,176,200	581,243,200	602,487,000	533,312,100	536,884,300
Total Federal Funds	528,851,600	581,243,200	602,487,000	533,312,100	536,884,300
TOTAL SOURCE OF FUNDS	1,023,793,700	1,188,378,300	1,245,291,700	1,034,634,400	1,039,749,100
EXPENDITURES BY CLASS					
Personnel Cost	260,343,200	348,081,700	378,958,700	267,049,700	275,297,500
Operating Expenses	42,292,700	52,544,200	55,581,400	40,921,000	40,921,700
Grants, Loans or Benefits	718,855,900	778,400,800	806,393,200	721,770,600	723,438,900
Debt Service	385,000				91,000
TOTAL EXPENDITURES	1,021,876,800	1,179,026,700	1,240,933,300	1,029,741,300	1,039,749,100
EXPENDITURES BY FUND SOURCE					
General Fund	346,147,200	436,925,400	475,308,400	346,147,200	350,145,700
Tobacco Settlement-Phase I	9,670,800	8,970,400	9,220,400	8,970,400	9,220,400
Restricted Funds	137,207,200	151,887,700	153,917,500	141,311,600	143,498,700
Federal Funds	528,851,600	581,243,200	602,487,000	533,312,100	536,884,300
TOTAL EXPENDITURES	1,021,876,800	1,179,026,700	1,240,933,300	1,029,741,300	1,039,749,100
EXPENDITURES BY UNIT					
Family Support	309,127,100	357,742,100	375,609,500	312,681,900	316,508,600
Child Support	56,133,900	67,789,500	70,791,600	56,293,200	56,508,600
Energy	34,079,900	34,151,500	34,180,400	29,800,200	29,989,800
Child Care	171,529,100	171,331,000	171,753,500	174,562,100	174,874,400
Family and Community Services	451,006,800	548,012,600	588,598,300	456,403,900	461,867,700
TOTAL EXPENDITURES	1,021,876,800	1,179,026,700	1,240,933,300	1,029,741,300	1,039,749,100

The Department for Community Based Services is responsible for administering the following programs: Family Support (including Temporary Assistance to Needy Families, Food Stamps, Medicaid Eligibility, and State Supplementation), Child Support, Energy Assistance, Child Care, and Family and Community Based Services (including Family Based Services, Adult Services and Alternatives for Children).

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

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

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	123,187,200	135,755,800	139,979,600	123,340,800	124,773,000
Salary Compensation Fund	949,900				
Total General Fund	124,137,100	135,755,800	139,979,600	123,340,800	124,773,000
Restricted Funds					
Balance Forward	1,294,600	1,234,600	1,174,600	496,900	60,000
Current Receipts	390,000	390,000	390,000	390,000	390,000
Non-Revenue Receipts	17,464,900	22,122,900	24,250,800	17,911,500	18,819,500
Total Restricted Funds	19,149,500	23,747,500	25,815,400	18,798,400	19,269,500
Federal Funds					
Balance Forward	15,499,400				
Current Receipts	150,838,000	199,413,400	210,929,100	170,602,700	172,466,100
Total Federal Funds	166,337,400	199,413,400	210,929,100	170,602,700	172,466,100
TOTAL SOURCE OF FUNDS	309,624,000	358,916,700	376,724,100	312,741,900	316,508,600
EXPENDITURES BY CLASS					
Personnel Cost	110,883,600	136,420,300	145,647,400	115,994,000	119,204,500
Operating Expenses	17,335,200	20,981,200	22,447,300	17,310,600	17,310,600
Grants, Loans or Benefits	180,908,300	200,340,600	207,514,800	179,377,300	179,993,500
TOTAL EXPENDITURES	309,127,100	357,742,100	375,609,500	312,681,900	316,508,600
EXPENDITURES BY FUND SOURCE					
General Fund	124,137,100	135,755,800	139,979,600	123,340,800	124,773,000
Restricted Funds	18,652,600	22,572,900	24,700,800	18,738,400	19,269,500
Federal Funds	166,337,400	199,413,400	210,929,100	170,602,700	172,466,100
TOTAL EXPENDITURES	309,127,100	357,742,100	375,609,500	312,681,900	316,508,600
EXPENDITURES BY UNIT					
Food Stamps	57,922,600	70,624,000	75,238,900	59,089,000	60,671,500
Medical Assistance	34,333,600	44,630,300	48,910,200	35,122,600	36,193,300
State Supplementation	22,055,600	26,303,300	28,219,600	20,523,300	21,164,300
TANF	194,815,300	216,184,500	223,240,800	197,947,000	198,479,500
TOTAL EXPENDITURES	309,127,100	357,742,100	375,609,500	312,681,900	316,508,600

The Family Support Program consists of the following programs: Temporary Assistance to Needy Families (TANF), Food Stamps, Medicaid Eligibility, and State Supplementation. The programs administered by the Division of Family Support are designed to promote self-sufficiency, job training assessment, and the delivery of basic essential services for families and children who need assistance. Access to these programs is available in every Kentucky county. Each local office has the responsibility to determine eligibility, provide facts and information of available benefits as well as the regulatory limitations of available benefits, and maintain case record information.

The National Voter Registration Act of 1993, also known as the Motor-Voter Act, requires agencies that deliver services to persons with disabilities or provide benefits under the Kentucky Transitional Assistance program, Women, Infants and Children program, Medicaid, or Food Stamps, as well as Armed Forces Recruiting Stations and driver licensing stations to make available voter registration applications to their clients. These agencies are mandated to distribute voter registration forms, provide assistance in completing these forms, and ensure completed forms reach the proper state election office

for processing.

Temporary Assistance for Needy Families (TANF)

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL 104-193) amended and combined Title IV-A (AFDC) and Title IV-F (JOBS) of the Social Security Act to provide block grants to states for TANF. These Federal Funds support the program's administrative and benefit expenditures that include personnel, operating, and indirect costs; contracts with partnering agencies; cash assistance subsidies; supportive services; child care; and transportation. A Maintenance of Effort requirement mandates that states spend an amount equal to or greater than 80 percent of fiscal year 1994 expenditures. For Kentucky, this amount is \$71.9 million.

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

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

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

The Family Alternatives Diversion Program (FAD) provides an alternative for families, who, while otherwise eligible, choose not to receive K-TAP cash assistance. A maximum of \$1,300 is available to assist the family with immediate needs such as food, shelter, transportation, etc. These benefits may be authorized for a three-month period. FAD may be approved once during a 24-month period.

The Kinship Care Program provides financial assistance and support services to non-parental relatives caring for children who cannot remain in the home of their parents due to abuse, neglect, or the death of both parents. An initial, one-time amount is available to address each child's immediate needs in this new environment.

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

Food Stamps

The Food Stamp program, authorized by the Food Stamp Act of 1997 (PL 95-113), helps low-income persons purchase food for a nutritional diet. It is designed to promote the general welfare and safeguard the health and well-being of the nation's population by raising nutritional levels among low-income households. A household, which is defined as any individual, family, or group of people living with each other who buy and prepare food together, must meet eligibility standards.

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

Medicaid Eligibility

The Department for Community Based Services (DCBS), using staff in field offices located in each Kentucky county, determines eligibility for the Medicaid program under a contract with the Department for Medicaid Services. The Medicaid program is authorized under Title XIX of the U.S. Social Security Act and KRS 205.520.

State Supplementation

The State Supplementation Program, authorized by KRS 205.245, provides financial support to aged, blind, or disabled individuals who have insufficient income to meet their needs in a licensed personal care home or family care home, or to

purchase caretaker services designed to prevent institutionalization. To be eligible, persons must meet the criteria of the Social Security Income program related to age, blindness or disability as well as additional requirements associated with citizenship, Kentucky residency, and special needs.

Policy

The Medicaid Eligibility contract between the Department for Community Based Services and the Department for Medicaid Services referenced above includes the following funding:

	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>
State Funds	\$17,420,800	\$17,951,900
Federal Funds	<u>17,701,800</u>	<u>18,241,400</u>
Total Medicaid Eligibility Contract	\$35,122,600	\$36,193,300

The state funded portion of the Medicaid Eligibility contract included above shall be transferred from the Department for Medicaid Services.

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

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,678,000	6,885,700	14,461,900	3,319,300	3,319,300
Total General Fund	4,678,000	6,885,700	14,461,900	3,319,300	3,319,300
Restricted Funds					
Balance Forward	5,189,200	3,785,000	3,300,100		
Current Receipts	11,943,400	19,115,800	12,996,200	19,435,300	19,508,700
Total Restricted Funds	17,132,600	22,900,800	16,296,300	19,435,300	19,508,700
Federal Funds					
Balance Forward	2,176,000				
Current Receipts	32,147,300	41,303,100	43,233,400	33,538,600	33,680,600
Total Federal Funds	34,323,300	41,303,100	43,233,400	33,538,600	33,680,600
TOTAL SOURCE OF FUNDS	56,133,900	71,089,600	73,991,600	56,293,200	56,508,600
EXPENDITURES BY CLASS					
Personnel Cost	7,105,400	9,304,600	9,902,200	7,263,400	7,477,600
Operating Expenses	3,474,400	3,919,400	3,919,400	3,475,700	3,476,900
Grants, Loans or Benefits	45,554,100	54,565,500	56,970,000	45,554,100	45,554,100
TOTAL EXPENDITURES	56,133,900	67,789,500	70,791,600	56,293,200	56,508,600
EXPENDITURES BY FUND SOURCE					
General Fund	4,678,000	6,885,700	14,461,900	3,319,300	3,319,300
Restricted Funds	17,132,600	19,600,700	13,096,300	19,435,300	19,508,700
Federal Funds	34,323,300	41,303,100	43,233,400	33,538,600	33,680,600
TOTAL EXPENDITURES	56,133,900	67,789,500	70,791,600	56,293,200	56,508,600

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

The core functions of the child support program include locating parents; establishing paternity; establishing, enforcing, and modifying child support orders; and collecting and disbursing child support payments. Program responsibilities include the establishment and enforcement of medical support. In addition to traditional judicial processes, state and federal laws allow the Child Support Program to accomplish its mission through administrative processes such as in-hospital paternity establishment, wage assignments, liens and levies on personal property and assets, and offsetting tax refunds and unemployment benefits. The Division of Child Support maintains program administration contracts with 114 county officials to provide child support collection locally.

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

Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, created new requirements

for the child support program. Through contracts with private vendors, this program receives new-hire information from employers and asset data from financial institutions. A state case registry has been established and data is transmitted to the federal case registry to assist in locating out-of-state parents. The State Disbursement Unit is a centralized collection site for all child support payments, including non-Title IV-D wages. These are private child support cases in which payments are withheld from the parent's wages. State services provided in these cases are limited to receiving payments from the employer, disbursing the payment to the family, and maintaining fiscal records.

The Personal Responsibility and Work Opportunity Reconciliation Act also revised the method for calculating incentive payments from one that focused solely on program processes to one based on program outcomes. Under this new plan, a pool of funds has been created for incentive payments to all states. However, only those states which meet the performance criteria in each of five program areas are eligible to receive a portion of the pool.

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

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		4,352,100	4,190,600		
Total General Fund		4,352,100	4,190,600		
Restricted Funds					
Balance Forward	800	800	800	800	
Total Restricted Funds	800	800	800	800	
Federal Funds					
Current Receipts	34,079,900	29,799,400	29,989,800	29,799,400	29,989,800
Total Federal Funds	34,079,900	29,799,400	29,989,800	29,799,400	29,989,800
TOTAL SOURCE OF FUNDS	34,080,700	34,152,300	34,181,200	29,800,200	29,989,800
EXPENDITURES BY CLASS					
Personnel Cost	297,300	372,200	401,100	304,800	315,200
Operating Expenses	67,500	68,900	69,000	65,500	64,300
Grants, Loans or Benefits	33,715,100	33,710,400	33,710,300	29,429,900	29,610,300
TOTAL EXPENDITURES	34,079,900	34,151,500	34,180,400	29,800,200	29,989,800
EXPENDITURES BY FUND SOURCE					
General Fund		4,352,100	4,190,600		
Restricted Funds				800	
Federal Funds	34,079,900	29,799,400	29,989,800	29,799,400	29,989,800
TOTAL EXPENDITURES	34,079,900	34,151,500	34,180,400	29,800,200	29,989,800
EXPENDITURES BY UNIT					
LIHEAP	25,956,300	25,965,500	25,969,200	21,974,600	22,100,000
Weatherization	8,123,600	8,186,000	8,211,200	7,825,600	7,889,800
TOTAL EXPENDITURES	34,079,900	34,151,500	34,180,400	29,800,200	29,989,800

The Low Income Home Energy Assistance program and the Weatherization Assistance program administered through the Department for Community Based Services are federally funded programs that help low-income households meet the cost of energy expenses through direct fuel bill subsidies or energy conservation repairs to their homes.

The Home Energy Assistance program, authorized by KRS 205.400, provides support with home heating/cooling costs for low-income households. Eligibility criteria include income that does not exceed 130 percent of the federal poverty level, resources that total less than \$2,000 (or \$3,000 if at least one person in the household is either age 60 or older or disabled, \$4,000 if there is a catastrophic illness in the household), and the responsibility for home heating expenses. This program is divided into two segments: Subsidy, which provides heating assistance benefits to eligible households, and Crisis, which is designed to assist any low-income family experiencing a home energy emergency. Services include accepting applications, determining eligibility, implementing an outreach component, and coordinating this program with other energy assistance initiatives.

The Weatherization Assistance Program is designed to reduce energy consumption, lower heating bills, and ensure the health and safety of families whose annual income is at or below 150 percent of the federal poverty level. Funds are provided to conduct energy audits and heat system safety tests and repairs, reduce air infiltration, install insulation, and perform other energy-related conservation measures.

**Health and Family Services
Community Based Services
Child Care**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	20,613,000	20,613,000	20,613,000	16,913,000	16,913,000
Total General Fund	20,613,000	20,613,000	20,613,000	16,913,000	16,913,000
Tobacco Settlement-Phase I					
Tobacco Settlement - I	7,420,400	8,970,400	9,220,400	8,970,400	9,220,400
Continuing Appropriation	1,200,400				
Other	1,050,000				
Total Tobacco Settlement-Phase I	9,670,800	8,970,400	9,220,400	8,970,400	9,220,400
Restricted Funds					
Balance Forward	274,000	197,000	120,000	154,000	77,000
Current Receipts	73,000	73,000	73,000	73,000	73,000
Fund Transfers	-43,000				
Total Restricted Funds	304,000	270,000	193,000	227,000	150,000
Federal Funds					
Current Receipts	141,095,300	141,597,600	141,770,100	148,528,700	148,591,000
Total Federal Funds	141,095,300	141,597,600	141,770,100	148,528,700	148,591,000
TOTAL SOURCE OF FUNDS	171,683,100	171,451,000	171,796,500	174,639,100	174,874,400
EXPENDITURES BY CLASS					
Personnel Cost	9,226,600	9,715,200	9,887,700	9,272,000	9,333,900
Operating Expenses	422,700	469,200	469,200	423,100	423,500
Grants, Loans or Benefits	161,879,800	161,146,600	161,396,600	164,867,000	165,117,000
TOTAL EXPENDITURES	171,529,100	171,331,000	171,753,500	174,562,100	174,874,400
EXPENDITURES BY FUND SOURCE					
General Fund	20,613,000	20,613,000	20,613,000	16,913,000	16,913,000
Tobacco Settlement-Phase I	9,670,800	8,970,400	9,220,400	8,970,400	9,220,400
Restricted Funds	150,000	150,000	150,000	150,000	150,000
Federal Funds	141,095,300	141,597,600	141,770,100	148,528,700	148,591,000
TOTAL EXPENDITURES	171,529,100	171,331,000	171,753,500	174,562,100	174,874,400

Under KRS Chapter 199, the Department for Community Based Services, through the Division of Child Care, manages day care services in the Commonwealth. The child care services are designed to promote, expand, and improve the quality of care for children in Kentucky and ensure that families most in need have access to high quality child care which is developmentally appropriate, affordable, and safe. In the context of comprehensive family services, child care is one of the support services directed at:

- Providing early educational opportunities for at-risk children,
- Strengthening and maintaining client families,
- Eliminating barriers to work and education for parents,
- Preventing or remedying abuse, neglect or exploitation of children,
- Preventing family dissolution, and
- Preventing out-of-home placements.

Priorities for allocation of available funds have been to meet protective services child care and child care needs for work

participation requirements for the families receiving benefits through the Kentucky Temporary Assistance Program (K-TAP). Failure to meet participation requirements would result in substantial penalties and the loss of Federal Funds. After these priorities are met, remaining funds are used to provide child care subsidies for low-income working parents. This includes families who are transitioning from K-TAP and those who would be at risk of becoming dependent on K-TAP if child care were not available.

The cost of services for working parents is partially offset by a sliding fee scale under which parents pay a portion of the expense based on their income and family size. Child care assistance provided to families as a result of protective services is available without regard to income.

The Cabinet's Division of Child Care collaborates with the Division of Early Childhood Development Services and other public and private entities in the development and implementation of the Early Childhood Development initiatives. A portion of the tobacco settlement funds may be used to match Federal Funds to support various quality initiatives. Early care and education have been enhanced through a voluntary, research based, four star child care quality rating system (STARS for KIDS NOW) for centers and certified family child care homes. This program includes quality incentives and achievement awards for participants. Increased quality, availability, and affordability of training for all early care and education professionals has been supported by a seamless statewide system of professional development that includes core content, credentials, scholarships, grants, awards, and articulation.

Policy

The Budget of the Commonwealth directs that \$1,550,000 in fiscal year 2008-2009 and \$1,800,000 in fiscal year 2009-2010 from Tobacco Settlement - Phase I funding be transferred to the General Fund.

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

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	193,251,500	269,318,800	296,063,300	202,574,100	205,140,400
Special Appropriation	2,000,000				
Salary Compensation Fund	1,563,600				
Total General Fund	196,815,100	269,318,800	296,063,300	202,574,100	205,140,400
Restricted Funds					
Balance Forward	200	1,169,200	4,756,100	1,169,200	4,756,100
Current Receipts	141,735,400	156,526,600	153,714,200	146,418,800	136,076,600
Non-Revenue Receipts	-39,294,400	-43,375,600	-42,499,900	-39,844,800	-36,262,200
Total Restricted Funds	102,441,200	114,320,200	115,970,400	107,743,200	104,570,500
Federal Funds					
Current Receipts	153,015,700	169,129,700	176,564,600	150,842,700	152,156,800
Total Federal Funds	153,015,700	169,129,700	176,564,600	150,842,700	152,156,800
TOTAL SOURCE OF FUNDS	452,272,000	552,768,700	588,598,300	461,160,000	461,867,700
EXPENDITURES BY CLASS					
Personnel Cost	132,830,300	192,269,400	213,120,300	134,215,500	138,966,300
Operating Expenses	20,992,900	27,105,500	28,676,500	19,646,100	19,646,400
Grants, Loans or Benefits	296,798,600	328,637,700	346,801,500	302,542,300	303,164,000
Debt Service	385,000				91,000
TOTAL EXPENDITURES	451,006,800	548,012,600	588,598,300	456,403,900	461,867,700
EXPENDITURES BY FUND SOURCE					
General Fund	196,719,100	269,318,800	296,063,300	202,574,100	205,140,400
Restricted Funds	101,272,000	109,564,100	115,970,400	102,987,100	104,570,500
Federal Funds	153,015,700	169,129,700	176,564,600	150,842,700	152,156,800
TOTAL EXPENDITURES	451,006,800	548,012,600	588,598,300	456,403,900	461,867,700
EXPENDITURES BY UNIT					
Family Based Services	97,525,900	150,549,100	168,066,000	105,928,000	107,056,500
Adult Services	34,351,100	38,276,700	39,848,900	34,554,400	34,759,000
Alternatives For Children	319,129,800	359,186,800	380,683,400	315,921,500	320,052,200
TOTAL EXPENDITURES	451,006,800	548,012,600	588,598,300	456,403,900	461,867,700

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

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

Family Based Services

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

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

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

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

The Preventative Assistance Program provides financial assistance to families facing a financial crisis that threatens the family or adult with disruption and out-of-home placement. The program provides a maximum of \$500 per family in a one-year period.

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

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

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

Adult Services

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

- Adult protection,
- Spouse abuse protection,
- Adult home safety services (which is the direct provision of home safety services to adults at risk or in need of protection),
- Interdisciplinary evaluations to determine an adult's degree of disability and need for guardianship,
- Services provided by spouse abuse centers and crisis centers,
- Alternate care (also called patient movement and placement) which involves assisting individuals with appropriate community and institutional placements, and
- Preventive services for adults which entails assessment, planning, and guidance to individuals referred by the courts, the Cabinet's ombudsman, neighbors, state and federal legislators or through a self-referral.

This often involves finding food, shelter, clothing, and medical treatment. Adult Self-Support includes the Community Services Block Grant, which provides funding for emergency needs of economically disadvantaged citizens. This program helps to alleviate the stresses on the family unit resulting from poverty while promoting self-sufficiency. Adult Guardianship services are provided for legally disabled adult residents of Kentucky for whom the Cabinet has been appointed guardian or conservator. The staff of the Guardianship Branch act as advocates to assure that each client's civil and human rights are preserved and protected, care needs are met, living arrangements are appropriate, entitlement eligibility is maintained, and financial matters are managed.

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

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

Interdisciplinary Evaluations are court-ordered evaluations pursuant to KRS 387.540 performed by a qualified social worker, a physician, and a psychologist to assess an adult's degree of disability and to report to the court regarding the need for guardianship.

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

Alternate Care (also referred to as Placement and Movement) services are essential in providing preventive and protective services. For individuals no longer able to care for themselves or be cared for at home, long term care facility placement is often the best alternative or only solution. The Department for Community Based Services is involved in placement and movement of individuals into, between, and out of facilities. Placement and Movement denotes assistance provided to Medicaid-eligible individuals. Alternate Care denotes assistance to non-Medicaid eligible individuals.

It is estimated that approximately 56,000 Kentuckians need alternate care or placement and movement services each year. The majority of these individuals have family or friends to assist them in finding alternate living arrangements. The Department assists those individuals who are not able to locate appropriate placements. Alternate Care Services help ensure that persons are not inappropriately placed in a level of care exceeding their need and thus promotes cost effectiveness. These services also help ensure that persons assisted receive the care they require.

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

Alternatives for Children

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

Family Foster Care takes place in the home of an agency-approved family. The development of alternative resources such as the Families and Children Together Services (FACTS), Family Preservation Program, Kinship Care, and Preventative Assistance has reduced the trend of more children placed in out-of-home care.

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

Care Plus Homes provide a setting whereby intensively trained foster parents furnish a viable alternative placement resource for children and youth who have serious emotional problems, are due to be released from treatment facilities, display aggressive or destructive behaviors or other disruptive behaviors, are at risk of being placed in more restrictive settings, are at risk of institutionalization, or have experienced numerous placement failures.

Medically Fragile Foster Care is specifically designed to serve children who need medical treatment and continuous monitoring but do not necessarily require the daily services of a nurse or doctor.

Independent Living services are specialized services, including classroom and experiential training, designed to enhance the self-sufficiency skills of older children in foster care, private child care, and other state funded living arrangements. Services are provided both directly by staff and by contract agencies. As they complete each phase of the training, youth receive a stipend. In

addition, youth ages 18-21 who were formerly in care may receive room and board assistance for a limited time.

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

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

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

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

The IMPACT Plus Program provides services for children who require treatment due to emotional diagnoses. Medicaid funds support these services through agreements with specific providers. This program seeks to divert services from inpatient settings to the community level. All children in the IMPACT Plus Program have a team of parents, educators, therapists, social services workers, and others who meet to identify services that will meet the children's unique treatment needs. A health benefits administrator, contracted by the Department for Medicaid Services, certifies children as IMPACT Plus eligible and approves payment for services.

Policy

The Budget of the Commonwealth includes General Fund in the amount of \$91,000 in fiscal year 2010 for debt service to support \$2,000,000 in new bonds for Brooklawn Child and Family Services.

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

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	32,954,000	42,114,100	47,163,900	32,878,100	32,914,800
Salary Compensation Fund	11,900				
Total General Fund	32,965,900	42,114,100	47,163,900	32,878,100	32,914,800
Restricted Funds					
Balance Forward	438,800				
Current Receipts	10,150,800	10,621,700	10,631,500	1,965,600	1,965,600
Non-Revenue Receipts	550,000	579,200	579,200	550,000	550,000
Total Restricted Funds	11,139,600	11,200,900	11,210,700	2,515,600	2,515,600
Federal Funds					
Balance Forward	87,600				
Current Receipts	20,928,900	21,469,100	21,246,900	20,337,000	20,375,000
Total Federal Funds	21,016,500	21,469,100	21,246,900	20,337,000	20,375,000
TOTAL SOURCE OF FUNDS	65,122,000	74,784,100	79,621,500	55,730,700	55,805,400
EXPENDITURES BY CLASS					
Personnel Cost	2,127,100	3,047,000	3,390,300	1,976,300	2,039,100
Operating Expenses	219,500	586,400	593,000	198,600	198,600
Grants, Loans or Benefits	62,775,400	71,150,700	75,638,200	53,555,800	53,567,700
TOTAL EXPENDITURES	65,122,000	74,784,100	79,621,500	55,730,700	55,805,400
EXPENDITURES BY FUND SOURCE					
General Fund	32,965,900	42,114,100	47,163,900	32,878,100	32,914,800
Restricted Funds	11,139,600	11,200,900	11,210,700	2,515,600	2,515,600
Federal Funds	21,016,500	21,469,100	21,246,900	20,337,000	20,375,000
TOTAL EXPENDITURES	65,122,000	74,784,100	79,621,500	55,730,700	55,805,400
EXPENDITURES BY UNIT					
Aging and Independent Living	65,122,000	74,784,100	79,621,500	55,730,700	55,805,400
TOTAL EXPENDITURES	65,122,000	74,784,100	79,621,500	55,730,700	55,805,400

The Department for Aging and Independent Living (DAIL) contributes to building self-sustaining families and improving the quality of life for Kentuckians through an array of community-based services designed to help older persons and adults with disabilities remain independent in the least restrictive environment. The Department also provides counseling and support services to family caregivers to enable them to provide quality care to older persons while fulfilling other family and employment responsibilities. In carrying out its functions, DAAIL emphasizes successful aging, planning for an aging society, and continued involvement of older persons and disabled adults in every aspect of the community.

The Department for Aging and Independent Living is designated as the State Unit on Aging by the Federal Administration on Aging. In accordance with the Older Americans Act Amendments of 1965 as amended through December 2000 and 45 CFR 1321, the Department is responsible for aging issues on behalf of all older persons in Kentucky. It is required to carry out a wide range of functions related to service delivery, advocacy, planning, coordination, interagency linkages, information-sharing, brokering, and evaluation. These functions are intended to focus on the development or enhancement of comprehensive and coordinated community-based service systems designed to help elderly and disabled adult Kentuckians maintain independence and dignity in their own homes and communities. This focus on community-based alternatives is consistent with Kentucky's plan developed in response to the Supreme Court's Olmstead decision and the Department's State Plan.

The Department for Aging and Independent Living administers statewide programs; develops the State Plan on Aging; allocates funds to the 15 Area Agencies on Aging (AAA); and approves AAA program plans, amendments, budgets, and contracts for local provision of aging services. It provides education, training, benefits counseling, information and assistance to respond to the needs of senior citizens and service providers. DAIL focuses on issues of Alzheimer's disease and works with other Alzheimer's disease agencies and associations to develop services, provide public education, and train and support caregivers. The Department provides opportunities for older persons and programs to participate in public policy development; prepares grant requests for current programs and new projects; and functions as a clearinghouse for the flow of information to senior citizens, disabled adults, policymakers, and the public.

Services and leadership provided by the Department for Aging and Independent Living in partnership with stakeholders promote and safeguard the health and well-being of all Kentuckians. The Department's role is to guide our citizens toward achievement of a health status and quality of life above the national norm through the design and implementation of an accessible, seamless, community-based health care system that addresses the needs of older persons and persons with disabilities, including those with long-term needs.

Policy

The Budget of the Commonwealth includes Restricted Funds in the amount of \$550,000 each fiscal year to continue the Long-Term Care Ombudsman program.