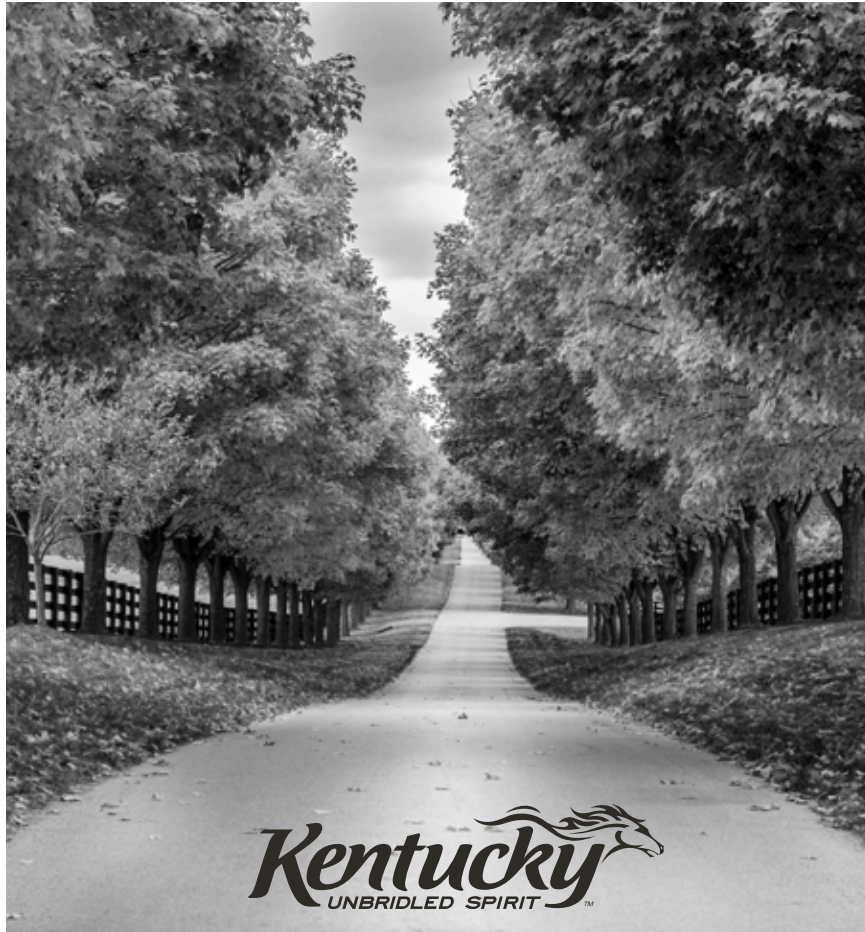


# Commonwealth of Kentucky 2016 - 2018 Budget of the Commonwealth

Matthew G. Bevin  
Governor

*Volume I*

John E. Chilton  
State Budget Director



***Commonwealth of Kentucky***  
**2016 – 2018**  
**Budget of the Commonwealth**  
***Volume I***

# TABLE OF CONTENTS

	<u>PAGE</u>
<b>COMMONWEALTH OF KENTUCKY</b> .....	1
<b>EXECUTIVE BRANCH</b> .....	3
<b>GENERAL GOVERNMENT</b> .....	5
Office of the Governor .....	7
Office of State Budget Director .....	9
State Planning Fund.....	10
Homeland Security .....	11
Veterans' Affairs .....	12
Governor's Office of Agricultural Policy .....	14
Kentucky Infrastructure Authority.....	16
Military Affairs .....	18
Commission on Human Rights .....	20
Commission on Women .....	21
Department for Local Government .....	22
Local Government Economic Assistance Fund .....	24
Local Government Economic Development Fund .....	28
Area Development Fund .....	29
Executive Branch Ethics Commission .....	30
Secretary of State .....	31
Board of Elections .....	33
Registry of Election Finance .....	35
Attorney General .....	36
Commonwealth's Attorneys .....	38
County Attorneys .....	39
Treasury .....	40
Agriculture.....	43
Auditor of Public Accounts .....	44
Personnel Board.....	46
Kentucky Retirement Systems.....	47
Occupational and Professional Boards and Commissions.....	49
Kentucky River Authority .....	51
School Facilities Construction Commission .....	53
Teachers' Retirement System.....	55
Appropriations Not Otherwise Classified .....	57
KY Communications Network Authority.....	58

	<u>PAGE</u>
<b>ECONOMIC DEVELOPMENT</b> .....	60
Economic Development .....	60
<b>DEPARTMENT OF EDUCATION</b> .....	62
Support Education Excellence in Kentucky (SEEK).....	63
Operations and Support Services .....	65
Commissioner’s Office/Board of Education.....	66
Administration and Support.....	67
Guiding Support Services .....	69
Knowledge, Information and Data Services .....	70
Learning and Results Services .....	72
Next Generation Schools .....	73
Next Generation Learners.....	74
Assessment and Accountability .....	77
State Schools.....	78
Career and Technical Education .....	80
Local District Health Insurance .....	81
<b>EDUCATION AND WORKFORCE DEVELOPMENT</b> .....	82
General Administration and Program Support .....	84
Proprietary Education.....	86
Deaf and Hard of Hearing .....	87
Kentucky Educational Television .....	88
Environmental Education Council.....	90
Libraries and Archives.....	91
Libraries and Archives.....	92
Direct Local Aid.....	95
Office for the Blind .....	97
Employment and Training .....	99
Employer and Placement Services.....	101
Unemployment Insurance .....	102
Workforce Innovation and Opportunity Act.....	104
Vocational Rehabilitation.....	105
Education Professional Standards Board.....	107

<b>ENERGY AND ENVIRONMENT .....</b>	<b>108</b>
Secretary.....	110
Environmental Protection .....	112
Commissioner.....	113
Water.....	114
Waste Management .....	115
Air Quality .....	117
Environmental Program Support .....	118
Enforcement .....	119
Compliance Assistance.....	120
Petroleum Storage Tank Environmental Assurance Fund .....	121
Natural Resources.....	122
Commissioner.....	124
Forestry.....	125
Technical and Administrative Support .....	126
Conservation.....	127
Oil and Gas.....	128
Mine Permits.....	129
Mine Reclamation and Enforcement .....	130
Abandoned Mine Lands .....	131
Bond Pool Reclamation Fund .....	132
Reclamation Guaranty Fund.....	133
Abandoned Mine Land Reclamation Projects .....	134
Mine Safety Review Commission .....	135
Mine Safety.....	136
Energy Development and Independence.....	137
Kentucky Nature Preserves Commission.....	139
Public Service Commission.....	140
<b>FINANCE AND ADMINISTRATION .....</b>	<b>142</b>
General Administration .....	144
Controller .....	146
Debt Service .....	148
Facilities and Support Services.....	149
County Costs .....	152
Commonwealth Office of Technology.....	154
Revenue.....	156

Property Valuation Administrators ..... 158

**HEALTH AND FAMILY SERVICES ..... 159**

    General Administration and Program Support ..... 161

        Administrative Support ..... 163

        Inspector General ..... 165

    Commission for Children with Special Health Care Needs ..... 167

    Medicaid Services ..... 169

        Medicaid Administration ..... 170

        Medicaid Benefits ..... 172

    Behavioral Health, Developmental and Intellectual Disabilities ..... 176

        Community Behavioral Health ..... 177

        Community Developmental and Intellectual Disabilities ..... 179

        General Support ..... 181

        Residential ..... 182

    Public Health ..... 184

        General Health Support ..... 186

        Women’s Health ..... 188

        Prevention and Quality Improvement ..... 190

        Epidemiology and Health Planning ..... 192

        Maternal and Child Health ..... 194

        Laboratory Services ..... 196

        Public Health Protection and Safety ..... 197

    Health Policy ..... 199

    Family Resource Centers and Volunteer Services ..... 201

        Family Resource and Youth Services Center ..... 202

        Kentucky Commission on Community Volunteerism and Service ..... 203

    Income Support ..... 204

        Disability Determinations ..... 205

        Child Support ..... 206

    Community Based Services ..... 207

        Family Support ..... 209

        Energy ..... 211

        Child Care ..... 212

        Family and Community Services ..... 215

    Aging and Independent Living ..... 219

        Aging and Independent Living ..... 220

        Guardianship ..... 223

	<u>PAGE</u>
Health Benefit and Information Exchange .....	225
<b>JUSTICE AND PUBLIC SAFETY</b> .....	<b>226</b>
Justice Administration .....	228
Criminal Justice Training .....	230
Juvenile Justice .....	232
State Police.....	235
Corrections.....	237
Corrections Management.....	239
Adult Correctional Institutions .....	241
Community Services and Local Facilities.....	244
Local Jail Support.....	246
Public Advocacy .....	247
<b>LABOR</b> .....	<b>249</b>
Secretary.....	251
General Administration and Program Support .....	252
Workplace Standards.....	253
Workers' Claims.....	255
Occupational Safety and Health Review Commission.....	256
Workers' Compensation Funding Commission .....	257
<b>PERSONNEL</b> .....	<b>259</b>
General Operations .....	260
Public Employees Deferred Compensation Authority.....	262
Workers' Compensation Benefits and Reserve .....	263
State Group Health Insurance Fund.....	264
<b>POSTSECONDARY EDUCATION</b> .....	<b>265</b>
Council on Postsecondary Education.....	266
Agency Operations.....	268
Licensure .....	269
Pass Through Programs .....	270
Federal Programs.....	272
Strategic Investment and Incentive Funding Program.....	273
Kentucky Higher Education Assistance Authority .....	275
Postsecondary Education Institutions.....	278
Eastern Kentucky University .....	279

	<u>PAGE</u>
Kentucky State University .....	280
Morehead State University .....	282
Murray State University .....	284
Northern Kentucky University .....	285
University of Kentucky .....	287
University of Louisville .....	289
Western Kentucky University .....	291
Kentucky Community and Technical College System .....	293
Postsecondary Education Performance Fund.....	295
<b>PUBLIC PROTECTION</b> .....	<b>296</b>
Secretary .....	297
Boxing and Wrestling Authority .....	298
Alcoholic Beverage Control .....	299
Charitable Gaming .....	301
Board of Claims/Crime Victims' Compensation Board .....	302
Financial Institutions .....	303
Horse Racing Commission .....	304
Housing, Buildings and Construction .....	306
Insurance .....	308
Tax Appeals .....	310
<b>TOURISM, ARTS AND HERITAGE</b> .....	<b>311</b>
Secretary .....	313
Artisans Center .....	315
Travel .....	316
Parks .....	318
Horse Park Commission .....	321
State Fair Board .....	322
Fish and Wildlife Resources .....	324
Historical Society .....	326
Arts Council .....	328
Heritage Council .....	329
Kentucky Center for the Arts .....	330



<b>TRANSPORTATION .....</b>	<b>331</b>
General Administration and Support.....	333
Aviation .....	335
Debt Service .....	337
Highways .....	339
Research.....	341
Construction.....	342
Maintenance .....	344
Engineering Administration .....	345
Planning .....	347
Highway Operations .....	348
Equipment Services .....	349
Highway Safety.....	350
Public Transportation.....	351
Revenue Sharing.....	353
Vehicle Regulation.....	355
<b>STATEWIDE</b>	
Budget Reserve Trust Fund .....	357
<b>LEGISLATIVE BRANCH.....</b>	<b>358</b>
<b>JUDICIAL BRANCH .....</b>	<b>359</b>

**Commonwealth of Kentucky**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	9,779,620,200	10,040,549,900	10,261,330,800	11,065,480,500	11,316,078,900
Surplus Expenditure Plan	25,600,851		82,514,310		
Special Appropriation		13,259,000	78,959,000	10,000,000	10,000,000
Current Year Appropriation	32,884,900		32,257,500		
Continuing Approp-General Fund	156,424,066	101,767,098	104,162,436	222,521,200	164,015,100
Budget Reduction-General Fund	-25,946,592				
Mandated Allotments	49,596,862	51,352,174	16,800,000		
Other	-125,031,543	-5,521,916	-43,938,700		
<b>Total General Fund</b>	<b>9,893,148,744</b>	<b>10,201,406,256</b>	<b>10,532,085,346</b>	<b>11,298,001,700</b>	<b>11,490,094,000</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	93,093,500	101,879,500	97,725,600	89,151,400	95,018,000
Special Appropriation			23,506,600		
Continuing Approp-Tob Settlement	46,012,046	37,614,362	22,551,200	20,706,200	15,817,000
Other	68,570,657				
<b>Total Tobacco Fund</b>	<b>207,676,203</b>	<b>139,493,862</b>	<b>143,783,400</b>	<b>109,857,600</b>	<b>110,835,000</b>
<b>Restricted Funds</b>					
Balance Forward	670,730,721	1,385,279,515	932,021,502	919,146,802	1,008,179,599
Current Receipts	5,434,922,315	5,871,165,312	6,843,004,767	7,272,000,700	7,676,790,900
Non-Revenue Receipts	1,834,877,797	786,556,410	1,117,124,433	1,085,795,097	987,481,297
Fund Transfers	-112,333,841	-89,600,051	-63,741,000	-66,770,600	-43,677,000
<b>Total Restricted Funds</b>	<b>7,828,196,993</b>	<b>7,953,401,186</b>	<b>8,828,409,702</b>	<b>9,210,171,999</b>	<b>9,628,774,796</b>
<b>Federal Fund</b>					
Balance Forward	188,702,466	980,447,834	92,820,381	40,063,000	37,529,500
Current Receipts	10,557,548,606	11,194,226,454	12,703,630,519	12,969,213,000	13,297,361,100
Non-Revenue Receipts	-246,401,303	-358,711,681	1,094,500	6,930,200	6,877,900
<b>Total Federal Fund</b>	<b>10,499,849,769</b>	<b>11,815,962,607</b>	<b>12,797,545,400</b>	<b>13,016,206,200</b>	<b>13,341,768,500</b>
<b>Road Fund</b>					
Regular Appropriation	1,572,761,700	1,588,346,400	1,545,167,600	1,453,846,200	1,473,941,300
Surplus Expenditure Plan	17,718,003		6,338,100		
Continuing Approp-Road Fund	697,317,189	616,086,784			
Budget Reduction-Road Fund	-3,688,207		-30,832,500		
Other	-4,933,814	-13,714,628	-61,952,200		
<b>Total Road Fund</b>	<b>2,279,174,871</b>	<b>2,190,718,556</b>	<b>1,458,721,000</b>	<b>1,453,846,200</b>	<b>1,473,941,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>30,708,046,581</b>	<b>32,300,982,467</b>	<b>33,760,544,848</b>	<b>35,088,083,699</b>	<b>36,045,413,596</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,401,612,292	6,719,281,572	6,932,118,470	7,353,410,200	7,532,663,800
Operating Expenses	2,461,883,997	2,652,773,992	3,392,486,130	3,536,867,300	3,733,638,800
Grants Loans Benefits	15,656,061,443	18,036,579,564	19,624,133,000	20,467,769,500	20,962,316,200
Debt Service	1,013,770,720	1,039,449,734	1,111,913,700	1,140,278,700	1,257,493,900
Capital Outlay	240,297,306	254,590,734	254,138,000	276,385,700	289,564,700
Construction	1,473,703,738	1,630,656,222	1,099,249,900	987,641,100	1,012,213,600
<b>TOTAL EXPENDITURES</b>	<b>27,247,329,496</b>	<b>30,333,331,818</b>	<b>32,414,039,200</b>	<b>33,762,352,500</b>	<b>34,787,891,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	9,702,406,197	10,044,026,093	10,173,709,100	11,043,453,100	11,303,044,800
Tobacco Fund	99,190,121	98,633,974	136,897,700	87,867,100	89,528,500
Restricted Funds	6,301,902,978	6,741,491,541	7,909,262,900	8,201,992,400	8,622,808,600
Federal Fund	9,519,401,935	11,724,146,935	12,757,482,400	12,978,676,700	13,302,173,400
Road Fund	1,624,428,265	1,725,033,275	1,436,687,100	1,450,363,200	1,470,335,700
<b>TOTAL EXPENDITURES</b>	<b>27,247,329,496</b>	<b>30,333,331,818</b>	<b>32,414,039,200</b>	<b>33,762,352,500</b>	<b>34,787,891,000</b>

**EXPENDITURES BY UNIT**

Executive Branch	26,824,413,949	29,898,246,893	31,965,361,900	33,301,163,300	34,322,477,800
Legislative Branch	52,703,836	55,098,915	59,223,600	57,696,600	61,607,200
Judicial Branch	370,211,711	379,986,010	389,453,700	403,492,600	403,806,000
<b>TOTAL EXPENDITURES</b>	<u>27,247,329,496</u>	<u>30,333,331,818</u>	<u>32,414,039,200</u>	<u>33,762,352,500</u>	<u>34,787,891,000</u>

**Executive Branch**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	9,410,218,100	9,650,063,100	9,863,741,700	10,642,924,300	10,887,659,600
Surplus Expenditure Plan	25,600,851		82,514,310		
Special Appropriation		13,259,000	78,959,000	10,000,000	10,000,000
Current Year Appropriation	32,884,900		32,257,500		
Continuing Approp-General Fund	133,777,933	85,498,481	88,468,536	209,447,000	152,735,500
Budget Reduction-General Fund	-24,158,992				
Mandated Allotments	49,596,862	51,352,174	16,800,000		
Other	-125,031,543	-5,521,916	-43,938,700		
<b>Total General Fund</b>	<b>9,502,888,111</b>	<b>9,794,650,839</b>	<b>10,118,802,346</b>	<b>10,862,371,300</b>	<b>11,050,395,100</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	93,093,500	101,879,500	97,725,600	89,151,400	95,018,000
Special Appropriation			23,506,600		
Continuing Approp-Tob Settlement	46,012,046	37,614,362	22,551,200	20,706,200	15,817,000
Other	68,570,657				
<b>Total Tobacco Fund</b>	<b>207,676,203</b>	<b>139,493,862</b>	<b>143,783,400</b>	<b>109,857,600</b>	<b>110,835,000</b>
<b>Restricted Funds</b>					
Balance Forward	652,037,952	1,366,352,754	916,790,600	916,094,700	1,005,068,897
Current Receipts	5,402,822,011	5,846,433,197	6,820,484,767	7,250,435,700	7,655,787,400
Non-Revenue Receipts	1,821,332,223	773,588,496	1,104,874,433	1,069,571,997	971,644,197
Fund Transfers	-112,333,841	-89,073,180	-63,741,000	-66,770,600	-43,677,000
<b>Total Restricted Funds</b>	<b>7,763,858,346</b>	<b>7,897,301,267</b>	<b>8,778,408,800</b>	<b>9,169,331,797</b>	<b>9,588,823,494</b>
<b>Federal Fund</b>					
Balance Forward	188,702,466	980,447,834	92,819,481	40,063,000	37,529,500
Current Receipts	10,554,036,160	11,190,659,714	12,700,138,919	12,966,620,000	13,295,920,700
Non-Revenue Receipts	-246,401,303	-358,711,681	1,094,500	6,930,200	6,877,900
<b>Total Federal Fund</b>	<b>10,496,337,323</b>	<b>11,812,395,867</b>	<b>12,794,052,900</b>	<b>13,013,613,200</b>	<b>13,340,328,100</b>
<b>Road Fund</b>					
Regular Appropriation	1,572,761,700	1,588,346,400	1,545,167,600	1,453,846,200	1,473,941,300
Surplus Expenditure Plan	17,718,003		6,338,100		
Continuing Approp-Road Fund	697,317,189	616,086,784			
Budget Reduction-Road Fund	-3,688,207		-30,832,500		
Other	-4,933,814	-13,714,628	-61,952,200		
<b>Total Road Fund</b>	<b>2,279,174,871</b>	<b>2,190,718,556</b>	<b>1,458,721,000</b>	<b>1,453,846,200</b>	<b>1,473,941,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>30,249,934,855</b>	<b>31,834,560,392</b>	<b>33,293,314,446</b>	<b>34,609,020,097</b>	<b>35,564,322,994</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,156,986,354	6,458,664,103	6,663,230,570	7,068,849,100	7,243,798,200
Operating Expenses	2,283,744,194	2,479,149,407	3,213,771,730	3,360,579,200	3,557,431,200
Grants Loans Benefits	15,656,061,443	18,036,579,564	19,624,133,000	20,467,769,500	20,962,316,200
Debt Service	1,013,770,720	1,039,449,734	1,111,913,700	1,140,278,700	1,257,493,900
Capital Outlay	240,147,500	253,747,863	253,063,000	276,045,700	289,224,700
Construction	1,473,703,738	1,630,656,222	1,099,249,900	987,641,100	1,012,213,600
<b>TOTAL EXPENDITURES</b>	<b>26,824,413,949</b>	<b>29,898,246,893</b>	<b>31,965,361,900</b>	<b>33,301,163,300</b>	<b>34,322,477,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	9,328,414,982	9,654,894,564	9,775,473,100	10,622,586,400	10,876,399,900
Tobacco Fund	99,190,121	98,633,974	136,897,700	87,867,100	89,528,500
Restricted Funds	6,256,491,092	6,699,104,885	7,862,314,100	8,164,262,900	8,585,480,700
Federal Fund	9,515,889,489	11,720,580,195	12,753,989,900	12,976,083,700	13,300,733,000
Road Fund	1,624,428,265	1,725,033,275	1,436,687,100	1,450,363,200	1,470,335,700
<b>TOTAL EXPENDITURES</b>	<b>26,824,413,949</b>	<b>29,898,246,893</b>	<b>31,965,361,900</b>	<b>33,301,163,300</b>	<b>34,322,477,800</b>

**EXPENDITURES BY UNIT**

General Government	1,063,030,569	1,075,422,855	1,117,705,200	1,715,735,100	1,714,728,700
Economic Development	26,060,395	24,060,979	44,535,000	21,157,900	22,066,500
Department of Education	4,676,297,665	4,833,050,039	5,014,629,000	5,052,402,900	5,043,783,000
Education and Workforce Development	840,856,634	602,590,899	836,366,100	835,488,300	853,413,400
Energy and Environment	216,852,025	218,146,027	258,295,100	240,973,600	236,569,700
Finance and Administration	780,460,159	808,934,138	832,433,700	855,345,200	903,747,400
Health and Family Services	9,331,227,202	11,862,621,886	12,613,140,100	12,984,137,300	13,471,498,000
Justice and Public Safety	916,323,139	939,527,705	989,930,900	1,041,577,000	1,045,117,600
Labor	192,059,768	206,958,934	221,717,400	233,335,300	237,745,100
Personnel	58,110,261	59,739,782	62,306,100	65,055,000	66,863,300
Postsecondary Education	5,700,793,103	5,989,434,043	7,299,278,800	7,666,253,300	8,099,429,300
Public Protection	82,232,549	85,846,201	98,791,600	107,437,500	108,370,500
Tourism, Arts and Heritage	216,647,382	229,590,735	235,399,800	234,641,900	238,571,100
Transportation	2,723,463,097	2,956,546,671	2,340,833,100	2,247,623,000	2,280,574,200
Statewide		5,776,000			
<b>TOTAL EXPENDITURES</b>	<b>26,824,413,949</b>	<b>29,898,246,893</b>	<b>31,965,361,900</b>	<b>33,301,163,300</b>	<b>34,322,477,800</b>

# General Government

---

**General Government**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	724,754,300	683,024,800	665,180,500	1,256,693,100	1,221,637,800
State Salary and Compensation	581,400				
Continuing Approp-General Fund	313,616	262,092	299,100		
Budget Reduction-General Fund	-919,123				
Mandated Allotments	26,949,150	21,187,089			
Other	-76,002,343	-5,521,916	-30,277,500		
<b>Total General Fund</b>	<b>675,677,000</b>	<b>698,952,065</b>	<b>635,202,100</b>	<b>1,256,693,100</b>	<b>1,221,637,800</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	16,291,800	33,614,100	35,833,200	28,008,000	31,100,200
Special Appropriation			16,000,000		
Continuing Approp-Tob Settlement	33,540,414	25,218,265	5,440,600	18,659,600	15,817,000
Other	43,152,708				
<b>Total Tobacco Fund</b>	<b>92,984,922</b>	<b>58,832,365</b>	<b>57,273,800</b>	<b>46,667,600</b>	<b>46,917,200</b>
<b>Restricted Funds</b>					
Balance Forward	92,845,337	84,127,662	97,278,401	98,608,500	86,723,000
Current Receipts	157,624,276	141,720,498	161,365,580	181,135,300	197,456,000
Non-Revenue Receipts	47,861,155	54,224,628	94,891,219	106,279,000	118,936,800
Fund Transfers	-6,100,000	-3,800,000	-1,750,000	-4,596,400	-700,000
<b>Total Restricted Funds</b>	<b>292,230,768</b>	<b>276,272,788</b>	<b>351,785,200</b>	<b>381,426,400</b>	<b>402,415,800</b>
<b>Federal Fund</b>					
Balance Forward	16,473,278	15,777,355	14,811,000	9,716,300	4,487,600
Current Receipts	175,477,045	161,465,771	172,834,900	131,762,200	130,132,800
Non-Revenue Receipts	98,124	-725,679	-574,200		
<b>Total Federal Fund</b>	<b>192,048,447</b>	<b>176,517,447</b>	<b>187,071,700</b>	<b>141,478,500</b>	<b>134,620,400</b>
<b>Road Fund</b>					
Regular Appropriation	500,000	510,100	512,500	519,200	520,400
<b>Total Road Fund</b>	<b>500,000</b>	<b>510,100</b>	<b>512,500</b>	<b>519,200</b>	<b>520,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,253,441,138</b>	<b>1,211,084,765</b>	<b>1,231,845,300</b>	<b>1,826,784,800</b>	<b>1,806,111,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	303,579,406	311,758,500	320,794,170	349,655,300	358,621,500
Operating Expenses	73,258,581	69,523,122	75,074,430	98,416,400	107,546,600
Grants Loans Benefits	458,146,134	465,600,444	456,095,400	992,003,700	949,905,300
Debt Service	220,991,655	224,304,550	259,786,900	269,443,700	292,285,100
Capital Outlay	6,391,900	4,204,486	5,954,300	6,216,000	6,370,200
Construction	662,893	31,753			
<b>TOTAL EXPENDITURES</b>	<b>1,063,030,569</b>	<b>1,075,422,855</b>	<b>1,117,705,200</b>	<b>1,715,735,100</b>	<b>1,714,728,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	653,549,997	697,064,714	632,046,400	1,256,693,100	1,221,637,800
Tobacco Fund	24,606,385	37,399,112	54,614,200	26,828,500	27,828,700
Restricted Funds	208,103,106	178,994,530	253,176,700	294,703,400	330,484,100
Federal Fund	176,271,092	161,454,399	177,355,400	136,990,900	134,257,700
Road Fund	499,988	510,100	512,500	519,200	520,400
<b>TOTAL EXPENDITURES</b>	<b>1,063,030,569</b>	<b>1,075,422,855</b>	<b>1,117,705,200</b>	<b>1,715,735,100</b>	<b>1,714,728,700</b>
<b>EXPENDITURES BY UNIT</b>					
Office of the Governor	7,953,839	8,617,061	11,200,000	11,307,300	10,109,400
Office of State Budget Director	3,170,067	3,405,495	3,293,900	3,364,200	3,407,800
State Planning Fund	158,700	150,800	150,800	137,200	137,200
Homeland Security	6,583,220	5,953,775	6,008,600	5,998,100	6,044,000

**EXPENDITURES BY UNIT**

Department of Veterans' Affairs	53,862,035	63,849,875	70,130,700	88,967,200	95,728,500
Governor's Office of Agricultural Policy	23,562,852	35,379,968	51,357,600	23,356,300	24,190,000
Kentucky Infrastructure Authority	31,536,840	31,410,909	62,879,400	68,681,700	84,928,500
Military Affairs	144,892,563	123,666,590	121,101,000	86,576,400	86,934,700
Commission on Human Rights	2,120,663	2,164,657	1,905,600	2,007,900	2,026,800
Commission on Women	212,741	226,399	221,600	235,000	237,400
Department for Local Government	43,507,219	46,337,107	49,924,000	58,120,000	57,041,800
Local Government Economic Assistance Fund	51,849,726	50,267,118	38,442,800	50,031,100	45,193,400
Local Government Economic Development Fund	29,432,931	23,364,066	8,395,900	11,400,000	11,400,000
Area Development Fund	498,500	473,600	452,300	431,000	431,000
Executive Branch Ethics Commission	544,467	562,257	534,600	735,700	740,200
Secretary of State	2,722,545	2,890,428	3,615,100	4,494,200	4,452,600
Board of Elections	3,145,382	4,864,725	9,389,400	9,437,600	8,280,200
Registry of Election Finance	1,138,573	1,200,741	1,165,900	1,221,400	1,231,700
Attorney General	57,580,501	26,742,312	38,542,900	34,340,300	34,853,200
Unified Prosecutorial System	76,459,217	85,328,916	89,034,000	93,272,700	94,422,800
Treasury	3,009,454	3,062,504	3,262,700	4,012,200	4,088,500
Agriculture	29,049,970	30,077,741	33,350,500	34,078,500	34,239,500
Auditor of Public Accounts	11,554,008	12,557,875	13,129,500	13,864,900	13,987,100
Personnel Board	728,421	769,529	856,000	888,000	913,800
Kentucky Retirement Systems	32,998,796	31,073,634	41,306,800	141,012,200	130,534,700
Occupational & Professional Boards & Commissions	20,315,443	21,837,142	23,779,700	25,625,700	25,795,900
Kentucky River Authority	3,032,042	3,549,192	3,614,500	3,763,900	7,139,500
School Facilities Construction Commission	96,704,619	99,634,000	109,054,000	122,516,300	134,918,000
Teachers' Retirement System	305,558,154	337,514,156	311,515,000	792,182,000	758,352,200
Judgments	3,445,119	1,483,756			
Appropriations Not Otherwise Classified	15,701,964	17,006,527	5,026,400	5,026,400	5,026,400
KY Communications Network Authority			5,064,000	18,649,700	27,941,900
<b>TOTAL EXPENDITURES</b>	<b>1,063,030,569</b>	<b>1,075,422,855</b>	<b>1,117,705,200</b>	<b>1,715,735,100</b>	<b>1,714,728,700</b>



**General Government  
Office of the Governor**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,313,600	5,527,600	5,629,800	5,455,700	5,516,800
State Salary and Compensation	14,200				
Other					
<b>Total General Fund</b>	5,327,800	5,527,600	5,629,800	5,455,700	5,516,800
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	1,912,500	1,912,500	1,912,500	2,050,000	2,050,000
Continuing Approp-Tob Settlement	3,101,853	3,127,429	3,155,000	2,110,900	1,138,700
Other	11,018,230				
<b>Total Tobacco Fund</b>	16,032,583	5,039,929	5,067,500	4,160,900	3,188,700
<b>Restricted Funds</b>					
Balance Forward	341,003	267,712	255,100	168,200	84,400
Current Receipts	16,138	205,005	249,200	239,400	241,500
<b>Total Restricted Funds</b>	357,141	472,717	504,300	407,600	325,900
<b>Federal Fund</b>					
Balance Forward			18,800		
Current Receipts	780,921	1,005,901	2,512,000	2,506,200	1,078,900
Non-Revenue Receipts	-123,669	-7,563			
<b>Total Federal Fund</b>	657,252	998,338	2,530,800	2,506,200	1,078,900
<b>TOTAL SOURCE OF FUNDS</b>	22,374,776	12,038,584	13,732,400	12,530,400	10,110,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,212,214	5,756,822	5,970,400	6,119,900	5,883,100
Operating Expenses	1,006,915	1,313,913	1,338,900	1,324,200	1,299,000
Grants Loans Benefits	1,734,710	1,546,325	3,890,700	3,863,200	2,927,300
<b>TOTAL EXPENDITURES</b>	7,953,839	8,617,061	11,200,000	11,307,300	10,109,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,327,798	5,527,600	5,376,500	5,455,700	5,516,800
Tobacco Fund	1,879,360	1,892,366	2,956,600	3,022,200	3,188,700
Restricted Funds	89,429	217,585	336,100	323,200	325,000
Federal Fund	657,252	979,510	2,530,800	2,506,200	1,078,900
<b>TOTAL EXPENDITURES</b>	7,953,839	8,617,061	11,200,000	11,307,300	10,109,400
<b>EXPENDITURES BY UNIT</b>					
Governor	4,094,911	4,314,941	4,392,800	4,368,800	4,396,900
Governor's Office Expense Allowance	23,831	25,860	26,300	27,900	28,300
Lieutenant Governor	622,750	589,086	528,100	562,800	568,800
Lieutenant Governor's Expense Allowance	13,321	14,520	14,600	15,500	15,800
Secretary of the Cabinet	267,778	385,054	337,700	356,600	360,100
Kentucky Commission on Military Affairs	287,591	200,869	484,400	504,500	218,200
Office of Minority Empowerment	118,252	131,526	133,700	141,500	143,000
Faith Based Initiatives	71,774	78,470	80,000	84,800	85,700
Early Childhood Advisory Council	2,453,630	2,876,735	5,202,400	5,244,900	4,292,600
<b>TOTAL EXPENDITURES</b>	7,953,839	8,617,061	11,200,000	11,307,300	10,109,400

The Governor serves as the chief administrator of the Commonwealth and, in addition to other powers and duties, acts as Commander-in-Chief of all state military forces, makes appointments for vacancies to executive offices and memberships on boards and commissions authorized by statute, and has the power to grant pardons and commutations. As chief administrator of Kentucky, the Governor ensures that state government

provides needed services to the citizens of the Commonwealth at minimum cost to the taxpayer.

The Lieutenant Governor is a constitutional officer elected jointly with the Governor. The Lieutenant Governor is to assume the duties and responsibilities of the Office of the Governor should the Governor be impeached or removed from Office, die, fail to qualify, resign, or be unable to discharge the duties of that office. Additional duties of the Lieutenant Governor include serving on various boards and commissions, serving on Kentucky delegations to several interstate compact commissions, and appointing members to various boards.

The Secretary of the Executive Cabinet develops and implements the major program decisions for the Executive Branch of government. As part of these duties, the Secretary of the Cabinet oversees the administration of the various cabinets and agencies of state government and coordinates legislative policy for the Governor. This role promotes cooperation and coordination among all agencies and programs of state government.

The Military Affairs Commission (KRS 154.12-203) has been a part of the Office of the Governor since 1996. The Commission serves in an advisory capacity to the Governor, the General Assembly, the Kentucky Congressional Delegation, and other appropriate government officials. This commission is designed to support the U.S. military's widespread presence in Kentucky and to recognize its contribution to the economy and well-being of the Commonwealth. Among the installations and operations eligible for support are: Fort Knox, Fort Campbell, Bluegrass Station in Lexington, National Guard and Reserve operations throughout the state, and Bluegrass Army Depot in Richmond.

The Office of Minority Empowerment was established in 2005 pursuant to KRS 12.023. The primary purpose of the Office is to help minorities realize full access to their government and be responsive to the needs of Kentucky's minority community. More specifically, the Office is charged with the responsibility of developing policies affecting Kentucky's minority community in the areas of economic empowerment, health care, housing, education, government services, and the criminal justice system. The Office also will maximize economic opportunities for minorities by reviewing state contracts awarded to minority businesses and reviewing job training and technical education initiatives to ensure and enhance the effectiveness of such programs. The constituents served by this office include, but are not limited to, minority individuals as defined and referenced in KRS 12.070, such as Native Americans, Alaskan Natives, African Americans, Hispanics, the disabled community, small-, minority-, and woman-owned businesses, and other underrepresented ethnic groups.

The Office for Faith-Based and Community Nonprofit Social Services was established in 2005 pursuant to KRS 12.510. The Office has lead responsibility in the Executive Branch to establish policies, priorities, and objectives for State Government's comprehensive effort to enlist, equip, enable, empower, and expand the work of faith-based and other community organizations to the extent permitted by law. The office is patterned closely with a similar effort at the federal government level begun in 2001.

The Early Childhood Advisory Council established in the Governor's Office in 2011 pursuant to KRS 200.700 coordinates development and continuing activities of Community Early Childhood Councils. The councils work toward implementation of Kentucky's long-range strategic plan for early childhood development on the local level. The councils build upon existing resources, foster public-private partnerships, and work within their communities toward such goals as the availability of high quality, accessible, and affordable early childhood care and education options. The Early Childhood Advisory Council provides technical assistance, monitoring, evaluation of outcomes of the local partnerships and provides financial assistance to the local councils through Tobacco Fund grants.

**General Government**  
**Office of State Budget Director**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,021,900	3,133,400	3,195,400	3,135,100	3,165,500
State Salary and Compensation	9,200				
Budget Reduction-General Fund	-13,200				
<b>Total General Fund</b>	<b>3,017,900</b>	<b>3,133,400</b>	<b>3,195,400</b>	<b>3,135,100</b>	<b>3,165,500</b>
<b>Restricted Funds</b>					
Balance Forward	667,652	515,398	243,300	1,000	
Non-Revenue Receipts				228,100	242,300
<b>Total Restricted Funds</b>	<b>667,652</b>	<b>515,398</b>	<b>243,300</b>	<b>229,100</b>	<b>242,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,685,552</b>	<b>3,648,798</b>	<b>3,438,700</b>	<b>3,364,200</b>	<b>3,407,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,717,296	2,986,311	2,848,200	2,929,000	2,961,000
Operating Expenses	452,771	419,184	445,700	435,200	446,800
<b>TOTAL EXPENDITURES</b>	<b>3,170,067</b>	<b>3,405,495</b>	<b>3,293,900</b>	<b>3,364,200</b>	<b>3,407,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,017,813	3,133,400	3,051,600	3,135,100	3,165,500
Restricted Funds	152,254	272,095	242,300	229,100	242,300
<b>TOTAL EXPENDITURES</b>	<b>3,170,067</b>	<b>3,405,495</b>	<b>3,293,900</b>	<b>3,364,200</b>	<b>3,407,800</b>
<b>EXPENDITURES BY UNIT</b>					
Budget & Policy Analysis	2,523,600	2,660,966	2,527,900	2,563,500	2,587,200
Policy Research	120,827	186,746	211,300	221,300	226,800
Economic Analysis	525,640	557,783	554,700	579,400	593,800
<b>TOTAL EXPENDITURES</b>	<b>3,170,067</b>	<b>3,405,495</b>	<b>3,293,900</b>	<b>3,364,200</b>	<b>3,407,800</b>

The Office of the State Budget Director, created in KRS 11.068, includes the Governor's Office for Policy and Management (GOPM), the Governor's Office for Policy Research (GOPR), and the Governor's Office for Economic Analysis (GOEA). Under the direction of the State Budget Director, these Offices serve as staff to the Governor, the Governor's Chief of Staff, the Secretary of the Cabinet, and the Secretary of the Finance and Administration Cabinet.

The Governor's Office for Policy and Management (GOPM) prepares the Executive Budget, the Governor's overall financial plan for state government. The preparation of the budget includes the transmittal of information and necessary forms to state agencies, assisting those agencies in the preparation of their budget requests, analyzing the requests, and making recommendations to the Governor. Following enactment of the budget by the General Assembly, GOPM helps agencies implement the appropriations acts through their expenditures for program activities.

The Governor's Office for Policy Research (GOPR) performs research and analysis on public policy issues important to the Commonwealth.

The Governor's Office for Economic Analysis (GOEA) assists the State Budget Director and the Consensus Forecasting Group in providing timely and accurate estimates of General Fund and Road Fund receipts used to build and implement the Budget of the Commonwealth. On October 15th of each odd-numbered year, a preliminary detailed estimate of revenues for the next two fiscal years is presented to the head of the budgeting agency for each branch of state government. To inform the Governor and the General Assembly for the biennial budget process, an official estimate is made in December and presented along with the Governor's Executive Budget recommendation to the General Assembly.

**General Government  
State Planning Fund**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	158,700	150,800	150,800	137,200	137,200
<b>Total General Fund</b>	<b>158,700</b>	<b>150,800</b>	<b>150,800</b>	<b>137,200</b>	<b>137,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>158,700</b>	<b>150,800</b>	<b>150,800</b>	<b>137,200</b>	<b>137,200</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	158,700	150,800	150,800	137,200	137,200
<b>TOTAL EXPENDITURES</b>	<b>158,700</b>	<b>150,800</b>	<b>150,800</b>	<b>137,200</b>	<b>137,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	158,700	150,800	150,800	137,200	137,200
<b>TOTAL EXPENDITURES</b>	<b>158,700</b>	<b>150,800</b>	<b>150,800</b>	<b>137,200</b>	<b>137,200</b>
<b>EXPENDITURES BY UNIT</b>					
State Planning Fund	158,700	150,800	150,800	137,200	137,200
<b>TOTAL EXPENDITURES</b>	<b>158,700</b>	<b>150,800</b>	<b>150,800</b>	<b>137,200</b>	<b>137,200</b>

The State Planning Fund supports statewide planning projects designed to improve the delivery of government services. Under Chapter 147 of the Kentucky Revised Statutes, overall planning and development functions are responsibilities of the Governor's Cabinet. KRS 147.075 delegates these functions to a Cabinet committee, designated as the State Planning Committee, which fulfills these responsibilities through its management of the State Planning Fund. The State Planning Committee includes the Governor, representatives from the various program cabinets, and the State Budget Director. The Governor serves as the Chairman of the Committee and the State Budget Director serves as its Secretary. The Governor's Office for Policy and Management reviews proposed planning projects, makes recommendations for funding to the Governor and the other members of the State Planning Committee, and provides staff support to the Committee.

**General Government  
Homeland Security**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	207,500	233,000	236,600	229,200	231,800
State Salary and Compensation	600				
<b>Total General Fund</b>	<b>208,100</b>	<b>233,000</b>	<b>236,600</b>	<b>229,200</b>	<b>231,800</b>
<b>Restricted Funds</b>					
Balance Forward	857,990	1,879,612	1,820,900	1,609,200	1,329,400
Current Receipts	1,983,066	1,145,150	1,169,900	1,186,600	1,203,400
Non-Revenue Receipts	9,743	1,669	1,700	1,700	1,700
<b>Total Restricted Funds</b>	<b>2,850,799</b>	<b>3,026,431</b>	<b>2,992,500</b>	<b>2,797,500</b>	<b>2,534,500</b>
<b>Federal Fund</b>					
Balance Forward	226,357	109,786	114,200		
Current Receipts	5,037,363	4,259,520	4,022,600	4,031,600	4,081,400
<b>Total Federal Fund</b>	<b>5,263,719</b>	<b>4,369,306</b>	<b>4,136,800</b>	<b>4,031,600</b>	<b>4,081,400</b>
<b>Road Fund</b>					
Regular Appropriation	250,000	260,100	262,500	269,200	270,400
<b>Total Road Fund</b>	<b>250,000</b>	<b>260,100</b>	<b>262,500</b>	<b>269,200</b>	<b>270,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>8,572,618</b>	<b>7,888,837</b>	<b>7,628,400</b>	<b>7,327,500</b>	<b>7,118,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,619,213	1,694,460	1,958,500	2,139,600	2,199,500
Operating Expenses	201,974	227,797	234,100	234,700	235,400
Grants Loans Benefits	4,762,033	4,031,518	3,816,000	3,623,800	3,609,100
<b>TOTAL EXPENDITURES</b>	<b>6,583,220</b>	<b>5,953,775</b>	<b>6,008,600</b>	<b>5,998,100</b>	<b>6,044,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	208,100	233,000	226,000	229,200	231,800
Restricted Funds	971,187	1,205,532	1,383,300	1,468,100	1,460,400
Federal Fund	5,153,934	4,255,143	4,136,800	4,031,600	4,081,400
Road Fund	250,000	260,100	262,500	269,200	270,400
<b>TOTAL EXPENDITURES</b>	<b>6,583,220</b>	<b>5,953,775</b>	<b>6,008,600</b>	<b>5,998,100</b>	<b>6,044,000</b>
<b>EXPENDITURES BY UNIT</b>					
Office of Homeland Security	6,062,196	5,425,639	5,275,300	5,155,000	5,195,700
Commerical Mobile Radio Service	521,024	528,136	733,300	843,100	848,300
<b>TOTAL EXPENDITURES</b>	<b>6,583,220</b>	<b>5,953,775</b>	<b>6,008,600</b>	<b>5,998,100</b>	<b>6,044,000</b>

The Kentucky Office of Homeland Security (KOHS), administratively attached to the Office of the Governor in accordance with KRS 39G.010, was created to coordinate efforts with public and private partners on issues affecting homeland security. KOHS focuses on preparing Kentucky for man-made or natural disasters. Although its primary role is to serve as the state's administrative liaison with the U. S. Department of Homeland Security, KOHS has initiated a comprehensive prevention-focused homeland security strategy to ensure Kentucky's communities, first responders and families have the resources and information necessary to be prepared for disaster or attack.

The Commercial Mobile Radio Service Emergency Telecommunications Board (CMRS) is administratively attached to the Kentucky Office of Homeland Security pursuant to KRS 65.7623. The CMRS Board collects user fees monthly from subscribers of the approximately 35 wireless carriers providing wireless telephone service in Kentucky. These fees are used to fund technology upgrades at Kentucky's enhanced 911 centers and to enhance the networks operated by the carriers.

**General Government  
Veterans' Affairs**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	14,045,400	17,798,500	17,815,100	18,881,300	19,083,000
State Salary and Compensation	78,200				
<b>Total General Fund</b>	<b>14,123,600</b>	<b>17,798,500</b>	<b>17,815,100</b>	<b>18,881,300</b>	<b>19,083,000</b>
<b>Restricted Funds</b>					
Balance Forward	3,103,834	48,526	7,141,200	13,476,500	11,481,600
Current Receipts	36,878,259	53,008,881	58,650,900	68,091,000	74,463,900
Non-Revenue Receipts	-195,131	135,135			
<b>Total Restricted Funds</b>	<b>39,786,962</b>	<b>53,192,543</b>	<b>65,792,100</b>	<b>81,567,500</b>	<b>85,945,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>53,910,562</b>	<b>70,991,043</b>	<b>83,607,200</b>	<b>100,448,800</b>	<b>105,028,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	44,501,611	48,739,062	51,610,900	66,889,400	73,176,800
Operating Expenses	8,528,216	9,923,183	11,540,900	14,652,400	14,837,000
Grants Loans Benefits	597,182	4,374,291	6,124,700	7,103,700	7,401,700
Debt Service		84,500			
Capital Outlay	235,026	717,139	854,200	321,700	321,700
Construction		11,700			
<b>TOTAL EXPENDITURES</b>	<b>53,862,035</b>	<b>63,849,875</b>	<b>70,130,700</b>	<b>88,967,200</b>	<b>95,737,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	14,123,600	17,798,500	17,815,100	18,881,300	19,083,000
Restricted Funds	39,738,435	46,051,375	52,315,600	70,085,900	76,654,200
<b>TOTAL EXPENDITURES</b>	<b>53,862,035</b>	<b>63,849,875</b>	<b>70,130,700</b>	<b>88,967,200</b>	<b>95,737,200</b>
<b>EXPENDITURES BY UNIT</b>					
Field Services and Cemeteries	5,094,001	5,507,194	5,796,400	6,680,600	6,866,200
Kentucky Veterans' Centers	48,768,034	58,342,682	64,334,300	82,286,600	88,871,000
<b>TOTAL EXPENDITURES</b>	<b>53,862,035</b>	<b>63,849,875</b>	<b>70,130,700</b>	<b>88,967,200</b>	<b>95,737,200</b>

The Kentucky Department of Veterans' Affairs (KDVA), established by KRS 40.300, assists over 370,000 Kentucky veterans and their families in applying for federal, state, and local veteran's benefits. Services include: benefits counseling and claims processing regarding the existence or availability of educational, training, and retraining facilities; health, medical rehabilitation, and housing services and facilities; employment and reemployment services; and provision of services under federal, state, and local laws affording rights, privileges, and benefits to eligible veterans and their dependents. These services are supported by a cooperative network of veterans' benefits field representatives, volunteers, and personal service contracts with major veterans' organizations.

Pursuant to KRS 40.325, the Office of Kentucky Veterans' Centers within the KDVA currently manages Kentucky's three state veterans' nursing homes, which serve the long-term nursing care needs of Kentucky's elderly veteran population, which includes about 110,000 of Kentucky's veterans.

The Thomson-Hood Veterans' Center, located in Wilmore in Jessamine County, is a 285-bed long-term nursing care facility specifically for Kentucky's elderly veteran population. The Eastern Kentucky Veterans' Center is a 120-bed facility located in Hazard (Perry County). The Western Kentucky Veterans' Center is a 120-bed facility in Hanson (Hopkins County). Both facilities opened in 2002 and include in-house physician care, nurse practitioners, 24-hour nursing staff, and staffing for a rehab therapy department, barbershop, library, gift shop, laundry facility, and a dietary department.

In April 2013, KDVA opened a 36-bed expansion at the Western Kentucky Veterans' Center that utilizes the new "Community Living Concept" recently required by the federal Veterans' Administration. Three 12-bed

buildings will provide a more personalized care for its residents. A fourth 120-bed Veterans' Center, in Hardin County, is under construction and will also utilize the "Community Living Concept." The fourth facility is scheduled to open in calendar year 2016.

The KDVA is required by KRS 40.315 to establish and maintain Kentucky state veterans' cemeteries. The Kentucky Veterans' Cemetery-West is located on Highway 41A south of Hopkinsville. The Veterans' Cemetery-Central in Ft. Knox opened in June 2007. The Veterans' Cemetery-North near Williamstown opened in early fiscal year 2009. The Veterans' Cemetery-Northeast in Greenup County opened in the fall of 2010. Each facility includes an administration building, a maintenance building with service area, committal facility, a columbarium, appropriate parking, road network, walking path and landscaping. The Veterans Cemetery-Southeast in Leslie County is under construction and scheduled to open in calendar year 2017.

KRS 40.600 established the Women Veterans Program to ensure Kentucky women veterans have equitable access to federal and state veterans' services and benefits. KRS 40.350 established the Wounded or Disabled Veterans Program to assist wounded or disabled veterans in the transition from active service and ensure they receive the federal, state and private benefits to which they are entitled as wounded or disabled veterans.

The KDVA contracts with Volunteers of America to help support the operation of a Homeless Veterans' Transitional Shelter which opened for business in April 2005 on the Leestown Veterans Administration Hospital property in Lexington.

**General Government**  
**Governor's Office of Agricultural Policy**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	14,379,300	31,101,600	33,320,700	25,358,000	28,450,200
Special Appropriation			16,000,000		
Continuing Approp-Tob Settlement	30,438,561	22,090,836	2,285,600	16,548,700	14,678,300
Other	32,134,478				
<b>Total Tobacco Fund</b>	76,952,339	53,192,436	51,606,300	41,906,700	43,128,500
<b>Restricted Funds</b>					
Balance Forward	1,353,599	653,180	326,600	152,600	121,600
Current Receipts	135,408	126,621	126,000	119,000	119,000
Non-Revenue Receipts		20,000			
<b>Total Restricted Funds</b>	1,489,007	799,802	452,600	271,600	240,600
<b>TOTAL SOURCE OF FUNDS</b>	78,441,346	53,992,238	52,058,900	42,178,300	43,369,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,401,354	1,407,681	1,512,700	1,669,000	1,686,400
Operating Expenses	283,465	238,335	256,400	260,700	260,700
Grants Loans Benefits	21,878,033	33,733,952	49,588,500	21,426,600	22,242,900
<b>TOTAL EXPENDITURES</b>	23,562,852	35,379,968	51,357,600	23,356,300	24,190,000
<b>EXPENDITURES BY FUND SOURCE</b>					
Tobacco Fund	22,727,025	34,906,746	51,057,600	23,206,300	24,040,000
Restricted Funds	835,826	473,222	300,000	150,000	150,000
<b>TOTAL EXPENDITURES</b>	23,562,852	35,379,968	51,357,600	23,356,300	24,190,000
<b>EXPENDITURES BY UNIT</b>					
Governor's Office of Agricultural Policy	23,562,852	35,379,968	51,357,600	23,356,300	24,190,000
<b>TOTAL EXPENDITURES</b>	23,562,852	35,379,968	51,357,600	23,356,300	24,190,000

The Governor's Office of Agricultural Policy (GOAP) is the Governor's direct link to the Commonwealth's agricultural industry. The Kentucky Agricultural Development Board and the Kentucky Agricultural Finance Corporation are staffed by the employees in this Office. The Kentucky Agricultural Development Board hires an Executive Director to carry out the duties of the board, while also serving as the Executive Director of the Kentucky Agricultural Finance Corporation.

The Kentucky Agricultural Development Board, authorized in KRS 248.707, distributes funds received by the Commonwealth from the Tobacco Master Settlement Agreement (Phase I money). The Board invests in innovative proposals that increase net farm income and assists tobacco farmers and tobacco-impacted communities by stimulating markets, finding new ways to add value to existing products, and promoting diversification of Kentucky's agricultural economy.

The Agricultural Development Board has sixteen members, described in KRS 248.707(2). They are the Governor, Commissioner of Agriculture, Secretary of the Cabinet for Economic Development, Director of the University of Kentucky Cooperative Extension Service and President of Kentucky State University, along with eleven members appointed by the Governor to staggered terms. Those appointees include representatives of the Kentucky Farm Bureau, the Kentucky Chamber of Commerce, an attorney, an agricultural lender, and seven active farmers. The Governor serves as Chair and the Commissioner of Agriculture serves as Vice-Chair of the board.

Pursuant to KRS 248.703 provides half of Kentucky's tobacco settlement receipts are allocated to the Agricultural Development Fund. That amount is further divided between a counties account for county level grants and a state account for investments that have a regional or statewide purpose. From the state account, the General Assembly has appropriated debt service for bonds to support farmland preservation and safe drinking water, water and sewer infrastructure projects, livestock diagnostic lab design and construction,



improvements to 4-H camps and FFA Leadership Center, and funding for land conservation programs. However, the 2014-2016 biennial budget directed that the debt service supporting these projects be taken from the Tobacco Settlement Agreement Fund (KRS 248.654).

A portion of funds received into the Agriculture Development Fund are allocated for projects at the county level. The specific funding level of a county is dependent upon its tobacco-production dependency in relation to other counties within the state as described in KRS 248.703(3). One hundred and eighteen of Kentucky's 120 counties receive a portion of county allocation. Each county has a council of local agriculture leaders who consider applications for grants from the county's share of funds and prioritizes them for the Agricultural Development Board, which has the final grant authority for each county's funds. The Board has developed several programs in which counties may participate. Funds are provided as matching grants.

In addition to their work with the Kentucky Agricultural Development Fund, personnel at GOAP provide staffing for the Kentucky Agricultural Finance Corporation. The Kentucky Agricultural Finance Corporation is a de jure municipal corporation created in KRS 247.944 to provide access to capital for farmers and other agricultural enterprises. The mission of the Corporation board is to strengthen Kentucky agriculture by providing access to low interest loan programs through joint partnerships with local lending institutions. KAFC assists beginning farmers, farm families and agribusinesses obtain the necessary capital to establish, maintain or expand their agricultural operation. The Commissioner of the Kentucky Department of Agriculture serves as the Chair and the Secretary of the Finance Cabinet serves as another statutory member. The Governor appoints the remaining ten board members who represent various agricultural sectors.

## **Policy**

The Budget of the Commonwealth suspends KRS 248.703(1)(a), and directs that the counties' portion of the Tobacco Settlement-Phase I payments will be \$10,835,300 in fiscal year 2017 and \$11,917,600 in fiscal year 2018.

The Budget of the Commonwealth includes an additional appropriation of \$21,099,500 of Tobacco Master Settlement Agreement (Phase I) funds in fiscal year 2016. These funds are available due to a higher official revenue estimate and an unappropriated amount from a prior year.

**General Government  
Kentucky Infrastructure Authority**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,551,300	1,337,300	1,337,300	1,507,900	2,087,000
State Salary and Compensation	400				
<b>Total General Fund</b>	<b>1,551,700</b>	<b>1,337,300</b>	<b>1,337,300</b>	<b>1,507,900</b>	<b>2,087,000</b>
<b>Restricted Funds</b>					
Balance Forward	186,204	263,588	178,800		
Current Receipts	18,088	14,663			
Non-Revenue Receipts	999,648	1,127,436	32,041,600	37,791,900	53,459,600
<b>Total Restricted Funds</b>	<b>1,203,940</b>	<b>1,405,687</b>	<b>32,220,400</b>	<b>37,791,900</b>	<b>53,459,600</b>
<b>Federal Fund</b>					
Balance Forward	1				
Current Receipts	29,039,028	28,852,437	29,381,900	29,381,900	29,381,900
<b>Total Federal Fund</b>	<b>29,039,029</b>	<b>28,852,437</b>	<b>29,381,900</b>	<b>29,381,900</b>	<b>29,381,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>31,800,428</b>	<b>31,589,665</b>	<b>62,939,600</b>	<b>68,681,700</b>	<b>84,928,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,709,748	2,842,022	2,741,000	2,772,300	2,788,800
Operating Expenses	134,513	155,654	174,100	174,100	174,100
Grants Loans Benefits	28,527,981	28,399,241	28,964,300	28,964,300	28,964,300
Debt Service	163,500		31,000,000	36,771,000	53,001,300
Construction	1,097	13,992			
<b>TOTAL EXPENDITURES</b>	<b>31,536,840</b>	<b>31,410,909</b>	<b>62,879,400</b>	<b>68,681,700</b>	<b>84,928,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,551,700	1,337,300	1,277,100	1,507,900	2,087,000
Restricted Funds	940,352	1,226,932	32,220,400	37,791,900	53,459,600
Federal Fund	29,044,788	28,846,677	29,381,900	29,381,900	29,381,900
<b>TOTAL EXPENDITURES</b>	<b>31,536,840</b>	<b>31,410,909</b>	<b>62,879,400</b>	<b>68,681,700</b>	<b>84,928,500</b>
<b>EXPENDITURES BY UNIT</b>					
Kentucky Infrastructure Authority	31,536,840	31,410,909	62,879,400	68,681,700	84,928,500
<b>TOTAL EXPENDITURES</b>	<b>31,536,840</b>	<b>31,410,909</b>	<b>62,879,400</b>	<b>68,681,700</b>	<b>84,928,500</b>

The Kentucky Infrastructure Authority (KIA) pursuant to KRS Chapter 224A funds the acquisition and construction of infrastructure projects as defined in KRS 224A.011(16) and the remediation of property owned by governmental agencies. The Authority also coordinates regional infrastructure planning to promote higher levels of technical, managerial and financial capacity of water based utilities. The Authority with the assistance of the Area Development Districts coordinates water and wastewater planning by the Area Water Management Councils. The Councils establish water planning areas, develop and maintain the regional water management plan and identify and prioritize water and wastewater projects. The Authority is administratively attached to the Department for Local Government.

The agency is authorized to issues notes and bonds to provide infrastructure financing for governmental agencies and to a limited extent investor-owned private utilities. The provisions of KRS 224A.165 dictate certain limits on the amount of notes and bonds the Authority can have outstanding. The purpose of the loans is to assist in financing the construction of infrastructure projects. The Authority also provides grants and subsidized loan incentives.

The following provides a description of the Authority's programs:

**Fund A Wastewater Revolving Loan Program** – Local wastewater treatment facilities that qualify under the U.S. Environmental Protection Agency (EPA) standards are financed through this program. Jointly administered

by the Authority and the Kentucky Division of Water in the Energy and Environment Cabinet, loans are provided to governmental agencies at below-market interest rates.

**Fund B Revolving Loan/Grant Program** – Loans are made to governmental entities that are unable to wholly finance a project through other public grant or loan programs, through commercial credit at reasonable rates, or from their own resources. The loans are offered at or below market interest rates for a term not to exceed 30 years. Grants are available, but are reserved for borrowers facing both a financial hardship and an extreme health hazard.

**Fund B 2020 Program** – This fund provides financing primarily for, but not limited to, water service projects. The fund promotes the merger and consolidation of systems, and encourages the increased financial, managerial, and technical capacity of systems to provide service.

**Fund C Governmental Agencies Program** – This program provides local governmental agencies access to funding at better terms than could be obtained on an independent basis. Loans are available at terms of up to thirty years for any eligible infrastructure project owned by governmental entities in the Commonwealth. The loans may be used to fund totally a construction project or they can be used to supplement grants or cash contributions.

**Fund F Drinking Water Revolving Loan Fund** – This fund was established to assist in financing local drinking water treatment and distribution facilities that qualify under EPA requirements. Projects must be recommended by the Kentucky Division of Water in the Energy and Environment Cabinet from the Project Priority List and must be financially feasible as determined by KIA staff.

**Coal Development and Tobacco Development Funds** – These funds were created by the 2003 Regular Session of the General Assembly to support various water and sewer projects in Coal Producing and Tobacco Producing Counties. The Authority coordinates the process of implementation and provides project administration for the projects funded in these programs.

**Infrastructure for Economic Development Funds** – These funds were authorized by the 2005, 2006 and 2008 General Assembly for an array of water and sewer projects included in the Commonwealth budget by specific designation. The Authority coordinates the implementation process and provides project administration for the projects funded in these programs.

**Local Government Economic Development Fund** – (Coal Severance Tax Projects) – These funds were authorized by the 2008, 2010 and 2012 General Assembly from the respective single county fund for projects in coal-producing counties. The Authority coordinates the process of implementation and provides project administration for the water and sewer related projects funded in this program. The program is administered jointly with the Department for Local Government.

## **Policy**

Included in the General Fund appropriation is \$160,500 in fiscal year 2016-2017 and \$478,600 in fiscal year 2017-2018 for debt service to support \$7,500,000 in bonds to match an estimated \$35,740,000 in Federal Funds for the Federally Assisted Wastewater Revolving Loan Fund program (Fund A).

Included in the General Fund appropriation is \$130,500 in fiscal year 2016-2017 and \$391,500 in fiscal year 2017-2018 for debt service to support \$6,100,000 in bonds to match an estimated \$27,540,000 in Federal Funds for the Safe Drinking Water State Revolving Loan Fund program (Fund F).

Included in the capital budget is authorization for the Kentucky Infrastructure Authority to expend loan repayment receipts on deposit at the trustee bank to support Agency Leverage Bonds for the Wastewater Revolving Loan program (Fund A) and the Safe Drinking Water Revolving Loan program (Fund F).

**General Government  
Military Affairs**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	8,674,700	9,347,000	9,200,200	9,779,500	9,912,800
State Salary and Compensation	38,600				
Budget Reduction-General Fund	-350,000				
Mandated Allotments	12,500,000	7,502,500			
<b>Total General Fund</b>	<b>20,863,300</b>	<b>16,849,500</b>	<b>9,200,200</b>	<b>9,779,500</b>	<b>9,912,800</b>
<b>Restricted Funds</b>					
Balance Forward	24,342,004	17,707,124	21,374,800	20,320,400	19,805,100
Current Receipts	33,147,116	32,142,781	31,728,200	36,184,300	36,991,800
Non-Revenue Receipts	-3,515,930	1,425,705	-4,000,000	-3,835,000	-2,650,000
Fund Transfers	-1,000,000	-1,500,000	300,000	300,000	300,000
<b>Total Restricted Funds</b>	<b>52,973,190</b>	<b>49,775,611</b>	<b>49,403,000</b>	<b>52,969,700</b>	<b>54,446,900</b>
<b>Federal Fund</b>					
Balance Forward					
Current Receipts	96,065,750	80,465,063	83,232,200	43,632,300	43,707,100
Non-Revenue Receipts	145,635	-527,930			
<b>Total Federal Fund</b>	<b>96,211,385</b>	<b>79,937,133</b>	<b>83,232,200</b>	<b>43,632,300</b>	<b>43,707,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>170,047,875</b>	<b>146,562,244</b>	<b>141,835,400</b>	<b>106,381,500</b>	<b>108,066,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	40,391,453	39,884,206	37,260,100	39,738,800	40,104,900
Operating Expenses	27,081,417	23,149,545	22,787,300	25,067,900	24,900,800
Grants Loans Benefits	69,872,207	55,525,957	55,361,800	15,239,400	15,225,500
Debt Service	1,736,568	1,844,243	1,800,700	1,800,700	1,800,700
Capital Outlay	5,810,918	3,262,639	3,891,100	4,729,600	4,902,800
<b>TOTAL EXPENDITURES</b>	<b>144,892,563</b>	<b>123,666,590</b>	<b>121,101,000</b>	<b>86,576,400</b>	<b>86,934,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	13,415,113	15,328,655	8,786,200	9,779,500	9,912,800
Restricted Funds	35,266,066	28,400,803	29,082,600	33,164,600	33,314,800
Federal Fund	96,211,385	79,937,133	83,232,200	43,632,300	43,707,100
<b>TOTAL EXPENDITURES</b>	<b>144,892,563</b>	<b>123,666,590</b>	<b>121,101,000</b>	<b>86,576,400</b>	<b>86,934,700</b>
<b>EXPENDITURES BY UNIT</b>					
Statutory State Operations	29,524,361	29,430,898	23,301,400	24,266,700	24,423,100
Emergency Management	78,744,466	63,439,774	63,430,800	23,717,800	23,766,800
National Guard Operations	200,000	526,500	191,000	182,000	182,000
Emergency & Public Safety Operations	2,296,634	2,680,114			
Bluegrass Station	12,678,674	10,537,561	11,434,600	13,804,000	13,825,000
Central Clothing Distribution	19,329,874	15,077,905	14,765,700	15,878,200	15,999,200
Federal & Grant Operations	2,118,555	1,973,838	7,977,500	8,727,700	8,738,600
<b>TOTAL EXPENDITURES</b>	<b>144,892,563</b>	<b>123,666,590</b>	<b>121,101,000</b>	<b>86,576,400</b>	<b>86,934,700</b>

The Department of Military Affairs is responsible for all military matters and disaster and emergency service coordination in the Commonwealth. The Governor is constitutional Commander-in-Chief of the Kentucky National Guard and appoints the Adjutant General. The Adjutant General commands the Kentucky National Guard and directs and coordinates all programs in the Department.

Units of the Kentucky National Guard may be called to duty by the Governor in the event of civil strife or disorder or the occurrence of natural or man-made disasters. The Department has the responsibility for organizing, equipping, training, and housing these units.

The Division of Emergency Management is responsible for all aspects of emergency management including planning, assessment, mitigation, response, and recovery in the Commonwealth. The Division works with local emergency management programs to maintain a coordinated program and operates field offices across the state. The Emergency Operations Center in Frankfort is the hub for coordination during an emergency and is operated by the Division. The Center operates on a twenty-four hour basis and serves as a warning point, communications and command center.

The Kentucky Community Crisis Response Board oversees the delivery of crisis response services including consultation, risk assessment, referral, and on site crisis intervention services to persons impacted by an emergency or disaster.

The Division of Facilities is responsible for maintaining nearly 50 armories across the state as well as the facilities at Wendell H. Ford Regional Training Center in Muhlenberg County, the Emergency Operations Center in Frankfort, and various other facilities statewide.

The Department also operates Bluegrass Station in Fayette County, formerly the AVON Army Depot. The property was acquired by the Commonwealth in 1989 under the Base Re-alignment and Closure Act. This 777 acre facility includes more than 2.4 million square feet and houses 28 tenants that employ over 2,800 Kentuckians. Estimated economic impact of Bluegrass Station exceeds \$248,000,000 per fiscal year. Bluegrass Station is also home to the Logistic Operations Division's Central Clothing Distribution Facility which employees over 200 employees that are responsible for the complete supply chain management and logistics for clothing to all military units of the Army National Guard, Air National Guard, U.S. Marine Corps Reserve and the U.S. Navy Reserve.

The Youth Challenge Program is a 22-week residential development and training program for youth between 16 – 18 years of age who are high school dropouts, drug-free, unemployed and free of serious involvement in the criminal justice system. The program is operated by the Kentucky National Guard and is located in Hardin and Harlan Counties.

## **Policy**

The Budget of the Commonwealth includes Restricted Funds in the amount of \$100,000 in each fiscal year to support the Military Burial Honor Guard Program for providing the proper support and decorum for military funeral honors pursuant to KRS 36.390 to 36.396.

The Budget of the Commonwealth provides General Fund in the amount of \$714,600 to support the Youth Challenge Program.

**General Government  
Commission on Human Rights**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,648,700	1,703,200	1,738,800	1,762,900	1,781,800
State Salary and Compensation	6,600				
<b>Total General Fund</b>	<b>1,655,300</b>	<b>1,703,200</b>	<b>1,738,800</b>	<b>1,762,900</b>	<b>1,781,800</b>
<b>Federal Fund</b>					
Balance Forward	100,210				
Current Receipts	325,825	420,712	245,000	245,000	245,000
Non-Revenue Receipts	39,347	40,745			
<b>Total Federal Fund</b>	<b>465,383</b>	<b>461,457</b>	<b>245,000</b>	<b>245,000</b>	<b>245,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,120,683</b>	<b>2,164,657</b>	<b>1,983,800</b>	<b>2,007,900</b>	<b>2,026,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,726,332	1,797,990	1,684,000	1,795,700	1,816,100
Operating Expenses	394,330	366,667	221,600	212,200	210,700
<b>TOTAL EXPENDITURES</b>	<b>2,120,663</b>	<b>2,164,657</b>	<b>1,905,600</b>	<b>2,007,900</b>	<b>2,026,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,655,280	1,703,200	1,660,600	1,762,900	1,781,800
Federal Fund	465,383	461,457	245,000	245,000	245,000
<b>TOTAL EXPENDITURES</b>	<b>2,120,663</b>	<b>2,164,657</b>	<b>1,905,600</b>	<b>2,007,900</b>	<b>2,026,800</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	699,300	692,200	719,200	742,300	746,600
Enforcement Branch	878,983	827,657	518,100	552,700	559,000
Research and Information	327,200	358,000	372,100	396,900	401,500
Legal Affairs	215,180	286,800	296,200	316,000	319,700
<b>TOTAL EXPENDITURES</b>	<b>2,120,663</b>	<b>2,164,657</b>	<b>1,905,600</b>	<b>2,007,900</b>	<b>2,026,800</b>

The Kentucky Commission on Human Rights is the sole state civil rights enforcement agency in Kentucky, and is mandated to "...safeguard all individuals within the state from discrimination." Pursuant to KRS Chapter 344, the Commission investigates, litigates, and administratively decides complaints of discrimination in the areas of employment, public accommodation, housing, and credit based on race, religion, national origin, age, disability, sex, smoking in employment, and familial status for housing decisions. The Commission has four service units: General Administration and Support, Enforcement, Research and Information, and Legal Affairs.

General Administration and Support performs personnel and fiscal activities and serves as a liaison with the Governor's Office, legislators, and other agencies in state government. This unit is responsible for development of internal policy directives and legislative initiatives.

The Enforcement Branch consists of two sections: Employment/Public Accommodations and Housing. Employees assigned to these sections receive, investigate, and conciliate complaints of discrimination in the areas of employment, public accommodation, credit transactions, and housing.

The Research and Information Branch provides technical assistance and education to local citizen groups, employers, public accommodations staff, educational institutions, local human rights commissions, and government officials. The staff conducts seminars and workshops on sexual harassment, the Kentucky Civil Rights Act, cultural diversity, and the Americans with Disabilities Act.

The Legal Affairs Branch litigates discrimination cases before administrative hearing officers, provides legal advice to inquiries, sworn complaints, and file closures. The legal staff takes depositions of witnesses, prepares legal briefs and appeals, and serves as in-house counsel.

**General Government  
Commission on Women**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	212,400	226,400	232,000	235,000	237,400
State Salary and Compensation	1,000				
<b>Total General Fund</b>	<b>213,400</b>	<b>226,400</b>	<b>232,000</b>	<b>235,000</b>	<b>237,400</b>
<b>Restricted Funds</b>					
Balance Forward	944	44			
<b>Total Restricted Funds</b>	<b>944</b>	<b>44</b>			
<b>TOTAL SOURCE OF FUNDS</b>	<b>214,344</b>	<b>226,444</b>	<b>232,000</b>	<b>235,000</b>	<b>237,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	198,496	212,390	207,300	220,600	223,000
Operating Expenses	14,244	14,009	14,300	14,400	14,400
<b>TOTAL EXPENDITURES</b>	<b>212,741</b>	<b>226,399</b>	<b>221,600</b>	<b>235,000</b>	<b>237,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	211,841	226,399	221,600	235,000	237,400
Restricted Funds	900				
<b>TOTAL EXPENDITURES</b>	<b>212,741</b>	<b>226,399</b>	<b>221,600</b>	<b>235,000</b>	<b>237,400</b>
<b>EXPENDITURES BY UNIT</b>					
Commission on Women	212,741	226,399	221,600	235,000	237,400
<b>TOTAL EXPENDITURES</b>	<b>212,741</b>	<b>226,399</b>	<b>221,600</b>	<b>235,000</b>	<b>237,400</b>

The Kentucky Commission on Women (KCW), authorized in KRS 344.510, consults with and advises the Governor and the agencies, department, boards and commissions of the state and local and municipal governments on matters pertaining to, and of interest to women. The KCW promotes, encourages, and provides advisory assistance in the establishment of local volunteer community improvement programs for, and of interest to women. The KCW conducts programs, studies, seminars, and conferences, and encourages state and local women's business, professional, and civic organizations to do likewise, to educate the public to the problems of women. The KCW cooperates with the federal government and with the governments of other states in programs relating to women.

The KCW maintains and provides a clearinghouse for information and referrals on a variety of issues affecting women, and may serve as a resource for the executive branch on various legislative matters pertaining to women.

The KCW maintains the watercolor Kentucky Women Remembered Exhibit in the West Wing of the Capitol. The KCW staff coordinates state-wide collaborative efforts, such as the Women's Leadership Council and the Kentucky Women's Health Coalition, in order to communicate to the executive branch the challenges and resources that exist for Kentucky women.

**General Government**  
**Department for Local Government**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,932,100	8,467,800	8,487,600	16,397,400	15,705,300
State Salary and Compensation	16,200				
Continuing Approp-General Fund	63,700				
Budget Reduction-General Fund	-255,923				
<b>Total General Fund</b>	<b>7,756,077</b>	<b>8,467,800</b>	<b>8,487,600</b>	<b>16,397,400</b>	<b>15,705,300</b>
<b>Restricted Funds</b>					
Balance Forward	215,846	731,971	802,200	587,300	364,400
Current Receipts	732,201	779,592	700,800	700,800	442,500
Non-Revenue Receipts	101,132	300,486	200,000	200,000	200,000
<b>Total Restricted Funds</b>	<b>1,049,179</b>	<b>1,812,049</b>	<b>1,703,000</b>	<b>1,488,100</b>	<b>1,006,900</b>
<b>Federal Fund</b>					
Balance Forward	747,861	754,961	410,700	562,700	462,700
Current Receipts	35,520,212	35,940,918	41,428,800	40,498,900	40,354,100
Non-Revenue Receipts	-79,178	826,239	-574,200		
<b>Total Federal Fund</b>	<b>36,188,895</b>	<b>37,522,118</b>	<b>41,265,300</b>	<b>41,061,600</b>	<b>40,816,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>44,994,152</b>	<b>47,801,967</b>	<b>51,455,900</b>	<b>58,947,100</b>	<b>57,529,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,894,345	5,327,603	5,289,900	5,371,800	5,442,000
Operating Expenses	682,251	711,156	764,400	1,458,800	717,000
Grants Loans Benefits	37,842,623	40,298,349	43,869,700	51,289,400	50,882,800
Debt Service	88,000				
<b>TOTAL EXPENDITURES</b>	<b>43,507,219</b>	<b>46,337,107</b>	<b>49,924,000</b>	<b>58,120,000</b>	<b>57,041,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	7,756,076	8,467,800	8,105,700	16,397,400	15,705,300
Restricted Funds	317,208	1,009,900	1,115,700	1,123,700	882,400
Federal Fund	35,433,934	36,859,407	40,702,600	40,598,900	40,454,100
<b>TOTAL EXPENDITURES</b>	<b>43,507,219</b>	<b>46,337,107</b>	<b>49,924,000</b>	<b>58,120,000</b>	<b>57,041,800</b>
<b>EXPENDITURES BY UNIT</b>					
Operations	4,627,702	5,637,600	5,702,400	6,471,400	5,796,300
Grants	38,879,516	40,699,507	44,221,600	51,648,600	51,245,500
<b>TOTAL EXPENDITURES</b>	<b>43,507,219</b>	<b>46,337,107</b>	<b>49,924,000</b>	<b>58,120,000</b>	<b>57,041,800</b>

The Department for Local Government (DLG), pursuant to KRS 147A.002, is an independent agency attached to the Office of the Governor. As the liaison between the Governor and local units of government, DLG coordinates and resolves local government issues and concerns. The Department administers grants-in-aid, and serves as the cognizant state agency for Kentucky's fifteen Area Development Districts.

The Commissioner's Office formulates policy that governs programs administered by the Department. The office also serves as a liaison with state and federal agencies that deal with each of the Kentucky's 120 counties, 420 cities, 1500 special districts and the 15 Area Development Districts. The Trover Grant which brings University of Louisville medical students to the Western Kentucky Coal Fields for a portion of their residency is administered by the Commissioner's Office.

The Federal Grants Office administers the Community Development Block Grant program for small cities, the Neighborhood Stabilization program, the Land and Water Conservation Fund and the Kentucky Recreational Trails program. Moreover, the Office develops and conducts training programs for local governments across the Commonwealth in conjunction with other governmental agencies, associations and the Area Development Districts. It maintains the Commonwealth's Clearinghouse for all federal grants and administers the Joint Funding Agreement and Appalachian Regional Commission grants.



The Flood Control program also is administered by the Federal Grants Office. In partnership with federal and local agencies, the matching program lessens flood damage losses by providing structural and nonstructural assistance to Kentucky communities. The Fund ensures that matching funds required by the U.S. Army Corp of Engineers, Federal Emergency Management Agency, and Natural Resources Conservation Service are available for vital projects. The program provides matching dollars for federal grants for straight sewage pipe removal projects funded by the Personal Responsibility in a Desirable Environment program.

The Field Services Office makes state government more accessible to citizens of the Commonwealth. Field service representatives travel throughout the Commonwealth of Kentucky and answer citizens' questions, resolve problems, and aid local government officials with their government duties.

The Office of Financial Management and Administrative Services provides agency administrative support. It has responsibility for personnel administration, payroll, purchasing, library management, accounting, and budgeting for the entire agency. The Office provides information technology support for the Department and to local government units.

The Office of State Grants promotes economic development in Kentucky's localities. It is responsible for financial management, accounting, and fund allocation and reporting of the Local Government Economic Development Fund (LGEDF) which contains the Local Government Economic Development Program (LGEDP) and the Local Government Economic Assistance Fund (LGEAF) The agency also reviews and approves LGEDF statutory grant applications. In addition, the Office of State Grants oversees additional programs assigned by the General Assembly through the budget and as requested by other State agencies.

## **Policy**

The Budget of the Commonwealth allocates \$1,406,000 General Fund over the biennium, derived from coal severance revenues, for the Trover Clinic Grant in Madisonville.

Included each fiscal year in DLG's General Fund appropriation is \$200,000 for administrative support of the Shaping Our Appalachian Region (SOAR) initiative.

**General Government**  
**Local Government Economic Assistance Fund**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	76,786,400	50,207,700	48,690,000	50,031,100	45,193,400
Other	-24,936,674	59,418	-10,247,200		
<b>Total General Fund</b>	<b>51,849,726</b>	<b>50,267,118</b>	<b>38,442,800</b>	<b>50,031,100</b>	<b>45,193,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>51,849,726</b>	<b>50,267,118</b>	<b>38,442,800</b>	<b>50,031,100</b>	<b>45,193,400</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	51,849,726	50,267,118	38,442,800	50,031,100	45,193,400
<b>TOTAL EXPENDITURES</b>	<b>51,849,726</b>	<b>50,267,118</b>	<b>38,442,800</b>	<b>50,031,100</b>	<b>45,193,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	51,849,726	50,267,118	38,442,800	50,031,100	45,193,400
<b>TOTAL EXPENDITURES</b>	<b>51,849,726</b>	<b>50,267,118</b>	<b>38,442,800</b>	<b>50,031,100</b>	<b>45,193,400</b>
<b>EXPENDITURES BY UNIT</b>					
County Coal Severance	27,252,379	24,917,607	18,080,500	23,530,800	21,255,500
Cities Coal Severance	3,016,067	2,749,199	2,368,700	3,082,500	2,784,500
County Mineral Severance	19,447,464	20,370,904	15,948,700	20,756,400	18,749,400
Cities Mineral Severance	2,133,816	2,229,408	2,044,900	2,661,400	2,404,000
<b>TOTAL EXPENDITURES</b>	<b>51,849,726</b>	<b>50,267,118</b>	<b>38,442,800</b>	<b>50,031,100</b>	<b>45,193,400</b>

The Local Government Economic Assistance Fund (LGEAF) in KRS 42.450-42.495 is a revenue sharing program that was created by the 1980 Regular Session of the General Assembly to return a portion of the coal and minerals severance taxes to local governments in areas where the minerals were extracted. These funds are used by those communities to strengthen and “to improve the environment for new industry and to improve the quality of life of the residents.” Counties that contain industries involved in the production of coal or minerals such as natural gas, oil, and stone and incorporated cities within those counties are eligible to receive LGEAF payments. Likewise, counties and their cities affected by the transportation of coal are eligible to receive a portion of the returned severance taxes.

The LGEAF coal severance tax program currently returns funds to an estimated 60 counties and approximately 248 cities at the end of each fiscal quarter. The Kentucky statute that directs 15 percent of the coal severance tax receipts to the LGEAF for distribution to local governments has been replaced for the 2016-18 budget with a 50 percent share of net coal severance tax receipts. Quarterly allocations are made to localities according to such criteria as population, income, the amount and distance coal is transported over local areas, and taxes collected from the county.

Additionally, the LGEAF minerals severance tax program currently returns funds to an estimated 102 counties and approximately 359 cities at the end of each fiscal quarter. Kentucky law directs 50 percent of the other mineral tax receipts (oil, natural gas, other minerals) to the LGEAF for distribution to local governments. Quarterly allocations are made to localities according to such criteria as population, income, the amount and distance coal is transported over local areas, and taxes collected from the county.

KRS 42.455(2)(3)(4) governs the allowable uses of LGEAF funds and specifically prohibits the expenditure of LGEAF for the expenses related to the administration of government. Coal “impact” counties must expend 100 percent of funds in the transportation category in accordance with KRS 42.470(1)(c). Thirty percent of all funds given to coal “producer” counties must be expended on the county coal haul road system. Expenditure of the remaining 70 percent given to coal “producers” and 100 percent of non-coal mineral severance producing funds must be directly related to the remaining priority categories:

- Public safety, including law enforcement, fire protection, ambulance service and other related services,
- Environmental protection, including sewage disposal, sanitation, solid waste and other related programs,
- Public transportation, including mass transit systems, streets and roads,

- Health,
- Recreation,
- Libraries and educational facilities,
- Services for the poor, aged, and handicapped,
- Industrial and economic development,
- Vocational education; and
- Workforce.

## Policy

The Budget of the Commonwealth changes the statutory scheme for sharing coal severance tax revenues with local governments by providing 50 percent of the net severance and processing taxes on coal from the General Fund to the Local Government Economic Assistance Fund. Before the 50 percent allocation is made, a number of specified uses of General Fund coal severance tax revenues are outlined.

Over the biennium no transfers shall be made to the Local Government Economic Development Fund established by KRS 42.4582.

The accompanying chart illustrates the policy described below.

**Off-the-Top Funding Items:** funds are provided for thirteen specified uses from General Fund coal severance tax revenues before the remaining amount is shared 50/50 between local governments and the Commonwealth, many resulting from the suspension of KRS 42.450 to 42.495:

- (1) Osteopathic Medicine Scholarship program, to the Kentucky Higher Education Assistance Authority, \$306,000 in fiscal year 2016-2017 and \$326,000 in fiscal year 2017-2018, pursuant to KRS 164.7891
- (2) Pharmacy Scholarship program, to the Kentucky Higher Education Assistance Authority: \$540,000 in fiscal year 2016-2017 and \$580,000 in fiscal year 2017-2018, pursuant to KRS 164.7890;
- (3) Trover Clinic grant, through the Department for Local Government: \$496,000 in fiscal year 2016-2017 and \$910,000 in fiscal year 2017-2018;
- (4) Robinson Scholars Program, to the University of Kentucky: \$1,000,000 each fiscal year;
- (5) Mining Engineering Scholarship program, to the University of Kentucky: \$300,000 each fiscal year;
- (6) Operation Unite grant, through the Secretary of the Justice and Public Safety Cabinet: \$2,000,000 each fiscal year;
- (7) Shaping Our Appalachian Region (SOAR) administrative cost grant, through the Department for Local Government: \$200,000 each fiscal year;
- (8) Kentucky Infrastructure Authority for LGEDF administrative support: \$370,000 each fiscal year;
- (9) Department for Local Government for administrative support: \$669,700 each fiscal year; Save the Children program, to the Department of Education: \$500,000 each fiscal year;
- (10) Family Medicine Residency Program at Owensboro Health grant, through the Department for Local Government: \$414,000 in fiscal year 2016-2017;
- (11) Debt Service to the Finance and Administration Cabinet equating to 25 percent of the debt service needed in fiscal year 2017-2018 to support bonds authorized in the 2003, 2005, 2006 and 2008 sessions of the General Assembly;
- (12) A reservation of \$4,000,000 within the General Fund in each fiscal year, half of which is allocated to both the LGEAF (\$600,000 each fiscal year) and the LGEDF (\$1,400,000 each fiscal year).

The Governor exercised a line-item veto of the allocation of General Fund coal severance tax revenues to the School Technology in Coal Counties program administered by the Department of Education. The veto message stated in part, "While this program has benefited a number of school districts in the coal regions, it is time to review its effectiveness and ongoing necessity." It further states, "Evaluating the program will

provide the opportunity to determine if this is a necessary, ongoing investment required of Kentucky's taxpayers."

Prior to any distributions to local governments from the LGAEF, debt service in the amount of \$25,282,400 in fiscal year 2016-2017 and \$22,057,000 in fiscal year 2017-2018 are provided to the Finance and Administration Cabinet's Debt Service appropriation unit. These amounts represent all of the debt service needed in fiscal year 2016-2017 for prior bond authorizations from the 2003, 2005, 2006 and 2008 sessions of the General Assembly, and 75 percent of the debt service needed in fiscal year 2017-2018. Further, any amounts allowed as an incentive to an approved company under KRS 143.024 and 154.27-060 shall be deducted prior to any distributions to local governments from the LGAEF.

**Severance Tax Dedicated Programs 2016-2018 Biennium**

	FY 2016 Revised	FY 2017 Enacted	FY 2018 Enacted
<b>Coal Severance Tax Resources</b>			
<b>Coal Severance Tax*</b>	<b>144,351,500</b>	<b>123,224,000</b>	<b>111,288,300</b>
Less: Osteopathic Medicine Scholarship Program (KRS 164.7891)	(872,500)	(306,000)	(326,000)
Less: Pharmacy Scholarships (KRS 164.7890)	(800,000)	(540,000)	(580,000)
Less: Trover Clinic Grant (DLG)	(1,000,000)	(496,000)	(910,000)
Less: Robinson Scholars Program (UK)		(1,000,000)	(1,000,000)
Less: Mining Engineering Scholarship Program (UK)		(300,000)	(300,000)
Less: Operation Unite (Justice Administration)		(2,000,000)	(2,000,000)
Less: SOAR Administrative Costs (DLG)		(200,000)	(200,000)
Less: KIA LGEDF Administration cost		(370,000)	(370,000)
Less: DLG LGEDF Administration cost		(669,700)	(669,700)
Less: Save the Children (Education)		(500,000)	(500,000)
Less: Family Medicine Residency Owensboro Health (DLG)		(414,000)	-
Less: Debt Service (Finance and Administration)		-	(7,352,300)
Less: Reservation of Additional Coal Severance Revenues		(4,000,000)	(4,000,000)
<b>Coal severance tax resources to be distributed</b>	<b>141,679,000</b>	<b>112,428,300</b>	<b>93,080,300</b>
<b>Local Government Economic Assistance Fund (LGEAF)</b>			
Coal Severance Tax Revenue (50% of Revenue)	21,251,800	56,214,200	46,540,200
Other Mineral Severance Tax Revenue (50% of Revenue)	17,191,000	19,374,400	20,985,300
Less: Debt Service (Past Bond Appropriations)		(25,282,400)	(22,057,000)
Plus: Additional Coal Severance Revenues		600,000	600,000
<b>LGEAF Appropriation</b>	<b>38,442,800</b>	<b>50,031,100</b>	<b>45,193,400</b>
<b>Local Government Economic Development Fund (LGEDF)</b>			
Coal Severance Tax Revenue	49,587,700	22,500,000	22,500,000
Less: Coal County College Completion Scholarship Program (KRS 164.7894)		(5,000,000)	(5,000,000)
Less: Kentucky Coal Fields Endowment Fund (DLG)		(7,500,000)	(7,500,000)
Plus: Additional Coal Severance Revenues		1,400,000	1,400,000
Less: Debt Service (Past Bond Appropriations)	(31,282,300)		
Less: Robinson Scholars Program (UK)	(1,000,000)		
Less: LGEDF Project Administration (DLG - KIA)	(1,039,700)		
Less: Mining Engineering Scholarship Program (UK)	(300,000)		
Less: School Technology in Coal Counties (Education)	(1,750,000)		
Less: Save the Children (Education)	(500,000)		
Less: Read to Achieve (Education)	(2,100,000)		
Less: Mine Safety (Natural Resources)	(3,219,800)		
<b>LGEDF Appropriation</b>	<b>8,395,900</b>	<b>11,400,000</b>	<b>11,400,000</b>
<b>LGEDF for Single County Accounts</b>		<b>11,400,000</b>	<b>11,400,000</b>
<b>LGEDF for Single County Calculations</b>	<b>5,597,300</b>		
Less: Regional Strategic Development Fund (Eastern Kentucky)	(2,000,000)		
<b>Total LGEDF for Single County Distribution</b>	<b>3,597,300</b>		
<b>Multi-County Allocation (33.3% of LGEDF County Distribution)</b>	<b>2,798,600</b>		
<b>Less: Allocation Pursuant to KRS 42.470 LGEAF Formula to Counties/Cities</b>			
Less: Energy Research Grants (Energy Development & Independence)	(373,600)		
Less: Operation Unite (Office of Drug Control Policy)	(2,000,000)		
Less: SOAR Administrative Costs (DLG)	(200,000)		
Less: 12 Multi-County Regional Industrial Park Authorities	(200,000)		
Less: Update Best Practices Manual (Division of Oil and Gas)	(25,000)		
<b>Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Revenue numbers account for quarter lag

**General Government**  
**Local Government Economic Development Fund**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	80,498,600	28,945,400	28,426,200	11,400,000	11,400,000
Other	-51,065,669	-5,581,334	-20,030,300		
<b>Total General Fund</b>	<b>29,432,931</b>	<b>23,364,066</b>	<b>8,395,900</b>	<b>11,400,000</b>	<b>11,400,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>29,432,931</b>	<b>23,364,066</b>	<b>8,395,900</b>	<b>11,400,000</b>	<b>11,400,000</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	29,432,931	23,364,066	8,395,900	11,400,000	11,400,000
<b>TOTAL EXPENDITURES</b>	<b>29,432,931</b>	<b>23,364,066</b>	<b>8,395,900</b>	<b>11,400,000</b>	<b>11,400,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	29,432,931	23,364,066	8,395,900	11,400,000	11,400,000
<b>TOTAL EXPENDITURES</b>	<b>29,432,931</b>	<b>23,364,066</b>	<b>8,395,900</b>	<b>11,400,000</b>	<b>11,400,000</b>
<b>EXPENDITURES BY UNIT</b>					
Economic Development Fund	29,432,931	23,364,066	8,395,900	11,400,000	11,400,000
<b>TOTAL EXPENDITURES</b>	<b>29,432,931</b>	<b>23,364,066</b>	<b>8,395,900</b>	<b>11,400,000</b>	<b>11,400,000</b>

The Local Government Economic Development Fund (LGEDF) is a revenue-sharing program that was created by the 1992 General Assembly to provide coal-producing counties with a means to diversify their economies. The governing statutes that have directed specific percentage shares of General Fund coal severance tax revenues to coal-producing counties has been suspended in the 2016-2018 budget. Most of the coal severance tax revenues that are shared with Kentucky's local governments during the 2016-2018 biennium are through the Local Government Economic Assistance Fund. The Budget of the Commonwealth provides \$11,400,000 in net General Fund coal severance tax revenues to the LGEDF. That amount is determined by the allocation of sum-specific amount of \$23,900,000 from General Fund coal severance tax revenues to the LGEDF, after the deduction for two specified uses:

- (1) Coal County College Completion Scholarship program, to the Kentucky Higher Education Assistance Authority, \$5,000,000 each fiscal year, pursuant to KRS 164.7894;
- (2) Kentucky Coal Fields Endowment Fund, a new program to be administered by the Department for Local Government: \$7,500,000 each fiscal year.

## Policy

The Budget of the Commonwealth directs that no transfers be made to the LGEDF in accordance with KRS 42.4582. Instead, \$11,400,000 in a sum-specific amount is appropriated each fiscal year to the LGEDF. These funds will be transferred to the LGEDF Single-County accounts to be allocated to projects with the concurrence of the respective county judge/executive, state senator(s), and state representative(s) of each county. In the event concurrence is not achieved, the fiscal court of each county may apply for grants through the Department for Local Government pursuant to KRS 42.4588. Currently, 35 counties receive allocations to their Single-County account.

The new Kentucky Coal Fields Endowment Fund is to be used to support efforts to diversify the economy of the coal fields. The Department for Local Government will establish administrative regulations to administer the program. Projects funded from the Fund shall be non-recurring investments in the following areas: economic development, public infrastructure, water and wastewater; public health and safety, and information technology development and access. Projects will be selected based on economic impact, job creation, workforce development, community benefit, available partnerships, project readiness, and the ability for a project to be self-sustaining.

**General Government  
Area Development Fund**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	498,500	473,600	473,600	431,000	431,000
<b>Total General Fund</b>	<b>498,500</b>	<b>473,600</b>	<b>473,600</b>	<b>431,000</b>	<b>431,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>498,500</b>	<b>473,600</b>	<b>473,600</b>	<b>431,000</b>	<b>431,000</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	498,500	473,600	452,300	431,000	431,000
<b>TOTAL EXPENDITURES</b>	<b>498,500</b>	<b>473,600</b>	<b>452,300</b>	<b>431,000</b>	<b>431,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	498,500	473,600	452,300	431,000	431,000
<b>TOTAL EXPENDITURES</b>	<b>498,500</b>	<b>473,600</b>	<b>452,300</b>	<b>431,000</b>	<b>431,000</b>
<b>EXPENDITURES BY UNIT</b>					
Area Development Fund	498,500	473,600	452,300	431,000	431,000
<b>TOTAL EXPENDITURES</b>	<b>498,500</b>	<b>473,600</b>	<b>452,300</b>	<b>431,000</b>	<b>431,000</b>

The Area Development Fund is a revenue sharing program that was created by the 1976 Regular Session of the General Assembly to fund capital projects in accordance with KRS 42.350 (2) in communities within each of the 15 Area Development Districts. The Area Development Districts rank and recommend projects that they consider eligible for funding to the Commissioner of the Department for Local Government.

**General Government**  
**Executive Branch Ethics Commission**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	447,300	455,000	463,200	445,700	450,200
State Salary and Compensation	1,000				
<b>Total General Fund</b>	<b>448,300</b>	<b>455,000</b>	<b>463,200</b>	<b>445,700</b>	<b>450,200</b>
<b>Restricted Funds</b>					
Balance Forward	54,958	33,309	200	2,800	
Current Receipts	74,518	74,131	74,000	287,200	290,000
<b>Total Restricted Funds</b>	<b>129,476</b>	<b>107,440</b>	<b>74,200</b>	<b>290,000</b>	<b>290,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>577,776</b>	<b>562,440</b>	<b>537,400</b>	<b>735,700</b>	<b>740,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	478,066	502,980	460,600	498,000	498,800
Operating Expenses	66,352	59,277	74,000	237,700	241,400
Construction	49				
<b>TOTAL EXPENDITURES</b>	<b>544,467</b>	<b>562,257</b>	<b>534,600</b>	<b>735,700</b>	<b>740,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	448,300	455,000	463,200	445,700	450,200
Restricted Funds	96,167	107,257	71,400	290,000	290,000
<b>TOTAL EXPENDITURES</b>	<b>544,467</b>	<b>562,257</b>	<b>534,600</b>	<b>735,700</b>	<b>740,200</b>
<b>EXPENDITURES BY UNIT</b>					
Executive Branch Ethics Commission	544,467	562,257	534,600	735,700	740,200
<b>TOTAL EXPENDITURES</b>	<b>544,467</b>	<b>562,257</b>	<b>534,600</b>	<b>735,700</b>	<b>740,200</b>

In accordance with KRS 11A, the Executive Branch Ethics Commission is responsible for reviewing the personal financial interests of the constitutional officers and management personnel in state government in order to prevent conflicts of interest. Additionally, the Commission issues advisory opinions with regard to ethical conduct, investigates and enforces possible violations of the Code, and provides a registration mechanism for executive agency lobbyists.

**Policy**

The Budget of the Commonwealth reflects increased Restricted Fund revenues in each fiscal year in accordance with HB 80 of the 2016 Regular Session, which contains language notwithstanding KRS 11A.211(5), that the registration fee paid by each employer of one or more executive agency lobbyists upon the filing of an updated registration statement shall be \$500.

The Budget of the Commonwealth allows all penalties collected or received by the Executive Branch Ethics Commission to be deposited in the State Treasury and credited to a trust and agency fund account to be used by the Commission for the cost of conducting administrative hearings.



**General Government  
Secretary of State**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,681,900	1,634,500	1,662,800	1,756,600	1,784,100
State Salary and Compensation	6,800				
Budget Reduction-General Fund	-100,000				
<b>Total General Fund</b>	<b>1,588,700</b>	<b>1,634,500</b>	<b>1,662,800</b>	<b>1,756,600</b>	<b>1,784,100</b>
<b>Restricted Funds</b>					
Balance Forward	2,256,434	3,321,985	4,436,600	3,891,200	2,900,500
Current Receipts	3,192,920	3,609,505	2,504,700	2,469,900	2,567,900
Fund Transfers	-1,000,000	-1,300,000	-1,300,000	-1,000,000	-1,000,000
<b>Total Restricted Funds</b>	<b>4,449,354</b>	<b>5,631,489</b>	<b>5,641,300</b>	<b>5,361,100</b>	<b>4,468,400</b>
<b>Federal Fund</b>					
Current Receipts	6,476	46,916	277,000	277,000	221,400
Non-Revenue Receipts		14,179			
<b>Total Federal Fund</b>	<b>6,476</b>	<b>61,094</b>	<b>277,000</b>	<b>277,000</b>	<b>221,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,044,530</b>	<b>7,327,084</b>	<b>7,581,100</b>	<b>7,394,700</b>	<b>6,473,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,106,849	2,258,807	2,719,100	2,746,200	2,763,600
Operating Expenses	601,906	624,040	896,000	1,719,000	1,669,000
Capital Outlay	13,790	7,580		29,000	20,000
<b>TOTAL EXPENDITURES</b>	<b>2,722,545</b>	<b>2,890,428</b>	<b>3,615,100</b>	<b>4,494,200</b>	<b>4,452,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,588,700	1,634,500	1,588,000	1,756,600	1,784,100
Restricted Funds	1,127,370	1,194,833	1,750,100	2,460,600	2,447,100
Federal Fund	6,476	61,094	277,000	277,000	221,400
<b>TOTAL EXPENDITURES</b>	<b>2,722,545</b>	<b>2,890,428</b>	<b>3,615,100</b>	<b>4,494,200</b>	<b>4,452,600</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration	1,648,328	1,739,326	2,356,900	2,365,800	2,324,200
General Operations	1,074,218	1,151,102	1,258,200	2,128,400	2,128,400
<b>TOTAL EXPENDITURES</b>	<b>2,722,545</b>	<b>2,890,428</b>	<b>3,615,100</b>	<b>4,494,200</b>	<b>4,452,600</b>

The Secretary of State, a constitutional officer as provided in Section 91 of the Kentucky Constitution, directs the Department of State of the Commonwealth. KRS 117.015 designates the Secretary of State as the chief Election Officer of the Commonwealth and the chair of the State Board of Elections. In addition, the Secretary of State appoints notaries public; issues Kentucky Colonel Commissions; is the keeper of the Seal of the Commonwealth of Kentucky; and maintains records of all official acts of the Governor as well as all legislation passed by the General Assembly.

The Office of the Secretary of State consists of the following organizational units: the Office of Business; Office of Elections; and the Office of Administration.

The Office of Business is responsible for the registration and incorporation of businesses, both domestic and foreign, profit and non-profit, including the administration of documents of merger, dissolution, and name changes. It also accepts and processes filings for limited liability companies and registered limited liability partnerships. These entities must also file articles of organization with the Secretary of State as well as amendments, mergers and dissolutions.

The Office of Administration is responsible for executive policy and management functions for the entire office. It prepares and records official documents for the Governor; administers Kentucky's notary public law; issues commissions, pardons, commutations, and extraditions; processes service of summonses; and implements the election laws of the Commonwealth. The State Land Office is also under the supervision of the Secretary of State.

It preserves Kentucky's land grant records and fulfills daily inquiries and requests for copies of those records. It files city annexations and incorporations, state deeds, and new land patents, and it provides the public with certified copies of land surveys, grants, and military warrants. The restoration process consists of indexing, deacidifying, laminating, and bonding, thus safely preserving Kentucky's original land grants.

**General Government  
Board of Elections**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,514,600	4,027,100	4,047,200	3,980,400	3,989,300
State Salary and Compensation	3,800				
Mandated Allotments	33,950	22,089			
<b>Total General Fund</b>	<b>2,552,350</b>	<b>4,049,189</b>	<b>4,047,200</b>	<b>3,980,400</b>	<b>3,989,300</b>
<b>Restricted Funds</b>					
Balance Forward	652,118	730,987	756,700	557,100	356,500
Current Receipts	98,400	47,353	46,400	45,400	44,400
<b>Total Restricted Funds</b>	<b>750,518</b>	<b>778,340</b>	<b>803,100</b>	<b>602,500</b>	<b>400,900</b>
<b>Federal Fund</b>					
Balance Forward	15,398,807	14,912,566	14,267,300	9,153,600	4,024,900
Current Receipts	101,589	148,676	97,500	82,500	20,000
<b>Total Federal Fund</b>	<b>15,500,396</b>	<b>15,061,242</b>	<b>14,364,800</b>	<b>9,236,100</b>	<b>4,044,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>18,803,264</b>	<b>19,888,771</b>	<b>19,215,100</b>	<b>13,819,000</b>	<b>8,435,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,132,178	1,292,497	1,187,300	1,280,000	1,290,000
Operating Expenses	704,843	490,628	521,900	534,400	485,800
Grants Loans Benefits	1,308,361	3,081,600	7,680,200	7,623,200	6,504,400
<b>TOTAL EXPENDITURES</b>	<b>3,145,382</b>	<b>4,864,725</b>	<b>9,389,400</b>	<b>9,437,600</b>	<b>8,280,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,538,021	4,049,120	3,932,200	3,980,400	3,989,300
Restricted Funds	19,531	21,707	246,000	246,000	246,000
Federal Fund	587,830	793,898	5,211,200	5,211,200	4,044,900
<b>TOTAL EXPENDITURES</b>	<b>3,145,382</b>	<b>4,864,725</b>	<b>9,389,400</b>	<b>9,437,600</b>	<b>8,280,200</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	1,249,170	1,302,219	1,261,200	1,366,400	1,375,300
State Share of County Election Expenses	33,950	1,497,873	1,490,700	1,490,700	1,490,700
State Share of Voter Registration Expenses	1,274,411	1,254,247	1,230,300	1,173,300	1,173,300
Election Fund	587,851	810,386	5,407,200	5,407,200	4,240,900
<b>TOTAL EXPENDITURES</b>	<b>3,145,382</b>	<b>4,864,725</b>	<b>9,389,400</b>	<b>9,437,600</b>	<b>8,280,200</b>

The State Board of Elections administers the election laws of the state pursuant to KRS Chapters 116, 117, 118, 118A, 119, and 120; supervises the registration and purgation of voters; appoints the political party representatives to the 120 county boards of elections; and certifies official election results.

KRS 117.015 designates the Secretary of State as the chair of the Board. Six other members are appointed by the Governor.

**General Administration and Support**

The General Administration and Support program objectives are to maintain an up to date computerized record of registered voters in the state, certify election results, produce precinct rosters, issue certification of nomination and election, train county clerks in election duties, and conduct a nonpartisan voter education program.

The State Board of Elections' online Election Night Tally System provides up-to-the-minute, unofficial election results on all candidates who file with the state.

## **State Share of County Election Expenses**

The State Share of County Election Expenses program reimburses county fiscal courts the state's share of county election expenses pursuant to KRS 117.345(2).

The state currently has 3,731 precincts with over 3 million registered voters. The number of precincts increases as voter registration totals increase and as reapportionment of county commissioner/magisterial districts and congressional and state redistricting occur.

## **State Share of Voter Registration Expenses**

The State Board of Elections remits payment to county clerks for newly registered voters pursuant to KRS 116.145. There is a significant increase of newly registered voters in years that county and presidential candidates are on the ballot.

The State Board of Elections remits reimbursement to county clerks an amount not to exceed fifty cents (\$0.50) per registered voter in the county per year for the cost of employing office personnel necessary for the conduct of elections, including the registration and purgation of voters in the county pursuant to KRS 117.343 and KRS 116.112(7).

## **Election Fund**

The Help America Vote Act (HAVA) became law in 2002. The Act imposed new election requirements on states and called for the upgrade of voting machines to be in compliance by January 1, 2006.

The Commonwealth initially received \$32.9 million in federal funds to carry out the requirements of HAVA, which were matched with state funds at a rate of five percent. The funds were used for the purchase of voting equipment, voter education, poll worker training, and enhancement of the statewide voter registration system. On December 8, 2006 the Board adopted the 2006 Amended State Plan, which indicated that the Commonwealth was in compliance with the requirements of HAVA.

## **Policy**

The Budget of the Commonwealth includes General Fund in the amount of \$1,490,700 in each fiscal year for the State Share of County Election Expenses.

Notwithstanding KRS 116.145, the State Board of Elections shall set a rate for the fee for new voter registration paid to the county clerks within the available appropriated resources. The State Board of Elections shall also set a fixed rate for the expenses outlined in KRS 117.343 within the available appropriated resources. Notwithstanding KRS 117.345(2), the State Board of Elections shall set a rate for the expenses outlined in KRS 117.345(2) for precincts with a voting machine within the available resources, not to exceed \$300 per precinct per election.

**General Government  
Registry of Election Finance**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,168,600	1,200,900	1,220,800	1,221,400	1,231,700
State Salary and Compensation	4,200				
<b>Total General Fund</b>	1,172,800	1,200,900	1,220,800	1,221,400	1,231,700
<b>Restricted Funds</b>					
Balance Forward	510				
<b>Total Restricted Funds</b>	510				
<b>TOTAL SOURCE OF FUNDS</b>	1,173,310	1,200,900	1,220,800	1,221,400	1,231,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,028,076	1,060,055	1,021,500	1,054,200	1,065,800
Operating Expenses	110,497	140,686	144,400	167,200	165,900
<b>TOTAL EXPENDITURES</b>	1,138,573	1,200,741	1,165,900	1,221,400	1,231,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,138,063	1,200,741	1,165,900	1,221,400	1,231,700
Restricted Funds	510				
<b>TOTAL EXPENDITURES</b>	1,138,573	1,200,741	1,165,900	1,221,400	1,231,700
<b>EXPENDITURES BY UNIT</b>					
Registry of Election Finance	1,138,573	1,200,741	1,165,900	1,221,400	1,231,700
<b>TOTAL EXPENDITURES</b>	1,138,573	1,200,741	1,165,900	1,221,400	1,231,700

The role of the Kentucky Registry of Election Finance is to ensure the integrity of the Commonwealth's electoral process by making certain there is full public access to campaign financial data and financial disclosure reports, and by administering Kentucky's campaign finance laws.

Under KRS Chapter 121, Kentucky's campaign finance laws apply to all candidates for public office, except federal office, as well as political issues committees, permanent committees, state and local party executive committees, inaugural committees, and caucus campaign committees. The Registry also receives, compiles, and maintains financial disclosure reports of elected officials and candidates for specified offices as provided in KRS Chapter 61.

Regulatory functions of the Registry include: educating candidates and committees on campaign finance laws; ensuring compliance with campaign finance reporting requirements, including the timely filing of campaign finance reports; providing the means for electronic reporting of campaign finance data; conducting desk reviews and random audits; investigating complaints; and adjudicating charges of administrative violations of campaign finance laws.

The Registry's public disclosure role is a key component of the campaign finance laws. Registry employees routinely work with members of the public and the media to fill open records requests and to assist in On-line Searchable Database searches.

Pursuant to KRS 121.170(5), the Registry receives copies of reports filed with the Federal Election Commission by federally registered out-of-state permanent committees that contribute to Kentucky candidates. These and the reports of other candidates and committees who are required to file with the Federal Election Commission may be viewed at the Registry's office in Frankfort pursuant to 2 U.S.C. Section 439(c).

**General Government  
Attorney General**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	10,292,300	10,438,600	10,622,700	10,931,400	11,034,400
State Salary and Compensation	34,400				
Budget Reduction-General Fund	-200,000				
Mandated Allotments	189,600	131,900			
<b>Total General Fund</b>	<b>10,316,300</b>	<b>10,570,500</b>	<b>10,622,700</b>	<b>10,931,400</b>	<b>11,034,400</b>
<b>Restricted Funds</b>					
Balance Forward	18,406,539	17,505,720	14,443,206	16,855,500	10,169,500
Current Receipts	37,870,420	5,155,913	18,854,480	5,517,500	5,517,500
Non-Revenue Receipts	6,121,107	4,967,321	8,085,714	7,231,100	7,286,700
Fund Transfers	-300,000				
<b>Total Restricted Funds</b>	<b>62,098,066</b>	<b>27,628,954</b>	<b>41,383,400</b>	<b>29,604,100</b>	<b>22,973,700</b>
<b>Federal Fund</b>					
Balance Forward	42	42			
Current Receipts	2,821,690	3,014,369	3,870,300	3,974,300	4,092,100
Non-Revenue Receipts	-149,835	-28,348			
<b>Total Federal Fund</b>	<b>2,671,897</b>	<b>2,986,064</b>	<b>3,870,300</b>	<b>3,974,300</b>	<b>4,092,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>75,086,263</b>	<b>41,185,518</b>	<b>55,876,400</b>	<b>44,509,800</b>	<b>38,100,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	27,413,637	19,230,686	20,339,900	22,058,000	22,566,200
Operating Expenses	2,675,258	2,729,882	2,595,500	2,656,600	2,662,600
Grants Loans Benefits	27,436,306	4,781,743	15,607,500	9,625,700	9,624,400
Capital Outlay	55,300				
<b>TOTAL EXPENDITURES</b>	<b>57,580,501</b>	<b>26,742,312</b>	<b>38,542,900</b>	<b>34,340,300</b>	<b>34,853,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	10,316,300	10,570,500	10,144,700	10,931,400	11,034,400
Restricted Funds	44,592,346	13,185,748	24,527,900	19,434,600	19,726,700
Federal Fund	2,671,855	2,986,064	3,870,300	3,974,300	4,092,100
<b>TOTAL EXPENDITURES</b>	<b>57,580,501</b>	<b>26,742,312</b>	<b>38,542,900</b>	<b>34,340,300</b>	<b>34,853,200</b>
<b>EXPENDITURES BY UNIT</b>					
Administrative Services	3,377,310	3,559,489	3,851,700	4,133,600	4,177,800
Criminal Services	8,664,807	9,341,726	9,686,400	10,541,400	10,585,200
Advocacy Services	36,621,845	5,133,743	14,688,100	9,533,800	9,567,900
Civil Services	2,753,849	2,917,544	3,241,600	3,461,000	3,795,700
Uninsured Employers Fund	6,162,690	5,789,809	7,075,100	6,670,500	6,726,600
<b>TOTAL EXPENDITURES</b>	<b>57,580,501</b>	<b>26,742,312</b>	<b>38,542,900</b>	<b>34,340,300</b>	<b>34,853,200</b>

The Attorney General, as the Commonwealth's constitutional chief law enforcement officer, performs a range of legal, investigative, and administrative duties. The Office has ten organizational units to support the mission of the office.

The duties of the Office of Administrative Services include: personnel, payroll, fiscal, budget, information systems, state and federal grants, and employee training. The duties of the Office of Prosecutors Advisory Council include: personnel, payroll, fiscal, budget, state and federal grants, and legal education related to the Unified Prosecutorial System, along with the maintenance of child sexual abuse caseload and statistics, and the responsibility for the Victim and Witness Protection program.

The Office of Criminal Appeals represents the Commonwealth in all state and federal criminal appeals in which the Commonwealth has an interest. The Office of Medicaid Fraud and Abuse Control investigates and prosecutes cases of Medicaid Provider fraud pursuant to KRS 194A.505 and KRS 205, and further complaints of

abuse, neglect, and exploitation of residents in Medicaid facilities. The Department of Criminal Investigations investigates specialized, primarily white-collar criminal activity, identity theft, and computer crimes. The Office of Special Prosecutions pursuant to KRS 15.190-215, prosecutes complex criminal cases when local prosecutors need assistance or disqualification from the case, prosecutes thefts from the Commonwealth by employees or elected officials, and prosecutes election and ethics law violations.

The Office of Consumer Protection enforces the provisions of the Consumer Protection Act that prohibit unfair, false, misleading, and deceptive acts or practices in trade or commerce and provides educational services to the elderly. The Office of Rate Intervention is responsible for representing the interests of consumers before federal, state, and local rate-making and regulatory bodies in the areas of utilities and health care insurance. The Office of Victim's Advocacy administers the victim's advocate program and provides support services to victims of crime.

The Office of Civil and Environmental Law represents the state's boards and agencies; issues formal opinions; represents state officials, elected prosecutors, and the judiciary in legal proceedings; provides hearing officer services and mediation to state agencies; and intervenes in constitutional challenges to state statutes. The Office serves as the legal representative of the

Uninsured Employer's Fund in all proceedings to enforce Workers' Compensation claims involving the Fund. The Uninsured Employer's Fund, pursuant to KRS 342.760, is responsible for payment of Workers' Compensation to employees when the employer does not have Workers' Compensation insurance.

## **Policy**

The Budget of the Commonwealth includes Restricted Funds in each fiscal year for a \$4,000 training incentive stipend for Investigators. These funds are from the Kentucky Law Enforcement Foundation Program Fund.

The Budget of the Commonwealth includes direction of settlement payments from pharmaceutical manufacturer of Risperdal and Purdue Pharma.

**General Government  
Commonwealth's Attorneys**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	39,630,700	44,536,800	45,444,800	48,439,600	49,024,300
State Salary and Compensation	134,000				
<b>Total General Fund</b>	<b>39,764,700</b>	<b>44,536,800</b>	<b>45,444,800</b>	<b>48,439,600</b>	<b>49,024,300</b>
<b>Restricted Funds</b>					
Balance Forward	1,156,148	1,436,850	1,661,700	1,416,100	1,479,400
Current Receipts	1,475,645	1,438,383	2,441,500	1,716,300	1,835,300
<b>Total Restricted Funds</b>	<b>2,631,793</b>	<b>2,875,233</b>	<b>4,103,200</b>	<b>3,132,400</b>	<b>3,314,700</b>
<b>Federal Fund</b>					
Balance Forward		5,719	-88,200	-88,200	-88,200
Current Receipts	206,187	-126,572	35,500	38,900	40,300
Non-Revenue Receipts	-161,638	65,016			
<b>Total Federal Fund</b>	<b>44,549</b>	<b>-55,838</b>	<b>-52,700</b>	<b>-49,300</b>	<b>-47,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>42,441,042</b>	<b>47,356,195</b>	<b>49,495,300</b>	<b>51,522,700</b>	<b>52,291,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	36,915,126	40,600,803	43,703,000	45,817,400	46,448,900
Operating Expenses	4,082,787	5,163,475	4,279,400	4,245,300	4,208,600
Grants Loans Benefits	560	3,030	20,000	18,800	10,000
Capital Outlay		15,431	165,000	50,000	50,000
<b>TOTAL EXPENDITURES</b>	<b>40,998,473</b>	<b>45,782,740</b>	<b>48,167,400</b>	<b>50,131,500</b>	<b>50,717,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	39,764,700	44,536,799	45,444,800	48,439,600	49,024,300
Restricted Funds	1,194,943	1,213,546	2,687,100	1,653,000	1,652,900
Federal Fund	38,830	32,395	35,500	38,900	40,300
<b>TOTAL EXPENDITURES</b>	<b>40,998,473</b>	<b>45,782,740</b>	<b>48,167,400</b>	<b>50,131,500</b>	<b>50,717,500</b>
<b>EXPENDITURES BY UNIT</b>					
Commonwealth's Attorneys	40,998,473	45,782,740	48,167,400	50,131,500	50,717,500
<b>TOTAL EXPENDITURES</b>	<b>40,998,473</b>	<b>45,782,740</b>	<b>48,167,400</b>	<b>50,131,500</b>	<b>50,717,500</b>

The Commonwealth's Attorneys program is made up of 57 elected Commonwealth's Attorneys and their staffs, one for each judicial circuit. As of January 1, 2008, 51 circuits have full-time Commonwealth's Attorneys, with the remaining being part-time. Commonwealth's Attorneys are responsible for all felony prosecutions, including those prosecutions in which the penalty of death may be imposed upon the defendant. The prosecution of each felony requires a thorough investigation that involves extensive research and trial preparation by the prosecutor. Witness interviews, grand jury presentations, motions (including post-conviction motions), conferences, plea-bargaining, case studies, continuing legal education and participation on multi-disciplinary teams are a part of each prosecutor's responsibility in representing the Commonwealth and citizens of Kentucky as the state's attorney.

Pursuant to KRS 15.725, the Commonwealth's Attorneys attend each circuit court held in the judicial circuit. The Commonwealth's Attorneys, except as provided by KRS 15.715, have the duty to prosecute all violations of the criminal and penal laws which are tried in the circuit court. In addition, the Commonwealth's Attorneys have the primary responsibility within the judicial circuit to present evidence to the grand jury concerning such violations.

In accordance with KRS 15.735, the Commonwealth's Attorneys serve as special prosecutors in cases where the regularly elected prosecutors have been disqualified.



**General Government  
County Attorneys**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	34,308,200	38,653,400	39,640,500	42,080,300	42,647,000
State Salary and Compensation	144,800				
<b>Total General Fund</b>	<b>34,453,000</b>	<b>38,653,400</b>	<b>39,640,500</b>	<b>42,080,300</b>	<b>42,647,000</b>
<b>Restricted Funds</b>					
Balance Forward	344,966	400,387	486,500	317,800	259,500
Current Receipts	477,037	465,102	551,700	496,400	588,700
<b>Total Restricted Funds</b>	<b>822,003</b>	<b>865,489</b>	<b>1,038,200</b>	<b>814,200</b>	<b>848,200</b>
<b>Federal Fund</b>					
Balance Forward		-5,719	88,200	88,200	88,200
Current Receipts	580,419	607,735	505,700	506,200	503,700
<b>Total Federal Fund</b>	<b>580,419</b>	<b>602,016</b>	<b>593,900</b>	<b>594,400</b>	<b>591,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>35,855,422</b>	<b>40,120,905</b>	<b>41,272,600</b>	<b>43,488,900</b>	<b>44,087,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	34,443,910	37,868,157	39,706,600	42,230,700	42,846,100
Operating Expenses	1,016,833	1,678,019	1,160,000	910,500	859,200
<b>TOTAL EXPENDITURES</b>	<b>35,460,743</b>	<b>39,546,176</b>	<b>40,866,600</b>	<b>43,141,200</b>	<b>43,705,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	34,452,990	38,653,400	39,640,500	42,080,300	42,647,000
Restricted Funds	421,616	378,992	720,400	554,700	554,600
Federal Fund	586,138	513,784	505,700	506,200	503,700
<b>TOTAL EXPENDITURES</b>	<b>35,460,743</b>	<b>39,546,176</b>	<b>40,866,600</b>	<b>43,141,200</b>	<b>43,705,300</b>
<b>EXPENDITURES BY UNIT</b>					
County Attorneys	35,460,743	39,546,176	40,866,600	43,141,200	43,705,300
<b>TOTAL EXPENDITURES</b>	<b>35,460,743</b>	<b>39,546,176</b>	<b>40,866,600</b>	<b>43,141,200</b>	<b>43,705,300</b>

Pursuant to KRS 15.725(2), each County Attorney attends the district court in the respective county and prosecutes all violations of criminal and penal laws within the jurisdiction of that district court. In accordance with KRS 15.735, County Attorneys also serve as special prosecutors in cases where the elected prosecutors have been disqualified.

Criminal cases at the district level include felonies (until the case is transferred to circuit court), misdemeanors, juvenile cases, and traffic cases. County Attorneys prosecute the majority of DUI cases. Most counties have Family Court, Drug Court, and/or Truancy Court requiring representation from the Office of the County Attorney. The County Attorney receives numerous criminal complaints from local law enforcement and the general public and frequently mediates local complaints so many of the services provided may never appear on a court docket. County Attorneys are also required to participate on multi-disciplinary teams involving child sexual abuse cases.

**General Government**

**Treasury**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,766,400	1,778,300	1,818,600	1,937,200	1,989,900
State Salary and Compensation	6,800				
<b>Total General Fund</b>	<b>1,773,200</b>	<b>1,778,300</b>	<b>1,818,600</b>	<b>1,937,200</b>	<b>1,989,900</b>
<b>Restricted Funds</b>					
Balance Forward	270,791	261,649	254,700	98,700	54,600
Current Receipts	34,055	36,885	38,900	38,900	38,900
Non-Revenue Receipts	943,600	990,700	1,081,000	1,742,000	1,755,100
<b>Total Restricted Funds</b>	<b>1,248,446</b>	<b>1,289,234</b>	<b>1,374,600</b>	<b>1,879,600</b>	<b>1,848,600</b>
<b>Road Fund</b>					
Regular Appropriation	250,000	250,000	250,000	250,000	250,000
<b>Total Road Fund</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,271,646</b>	<b>3,317,534</b>	<b>3,443,200</b>	<b>4,066,800</b>	<b>4,088,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,461,734	2,525,051	2,708,800	3,000,900	3,040,500
Operating Expenses	547,720	472,143	553,900	1,011,300	1,048,000
Capital Outlay		65,279			
Construction		31			
<b>TOTAL EXPENDITURES</b>	<b>3,009,454</b>	<b>3,062,504</b>	<b>3,262,700</b>	<b>4,012,200</b>	<b>4,088,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,772,669	1,777,993	1,736,800	1,937,200	1,989,900
Restricted Funds	986,797	1,034,511	1,275,900	1,825,000	1,848,600
Road Fund	249,988	250,000	250,000	250,000	250,000
<b>TOTAL EXPENDITURES</b>	<b>3,009,454</b>	<b>3,062,504</b>	<b>3,262,700</b>	<b>4,012,200</b>	<b>4,088,500</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	1,204,704	1,190,570	1,098,200	1,298,600	1,351,300
Disbursements and Accounting	817,953	837,422	899,700	971,600	982,100
Abandoned Property Administration	986,797	1,034,511	1,264,800	1,742,000	1,755,100
<b>TOTAL EXPENDITURES</b>	<b>3,009,454</b>	<b>3,062,504</b>	<b>3,262,700</b>	<b>4,012,200</b>	<b>4,088,500</b>

The Treasury Department is the central administrative agency responsible for the receipt and custody of all revenues collected by state government and for writing all checks and disbursing state funds, as outlined in KRS Chapter 41.

The State Treasurer, a constitutional officer as provided in Section 91 of the Kentucky Constitution, heads the Treasury Department. The Treasurer also serves on the Kentucky Lottery Board, the Kentucky Higher Education Assistance Board, as trustee of the Kentucky Teachers' Retirement System, and is Vice-Chair of the State Investment Commission. The Treasury Department reviews and records all investment transactions of the Commonwealth.

The General Administration and Support Division provides management support for Treasury including: fiscal control, personnel administration, and policy development and implementation. The Division issues over 4,200,000 checks and stubs each year, sends over 7,700,000 ACH payments, reconciles the various Commonwealth bank accounts, reconciles daily with the State Depository, administers and records court-ordered withholdings, and produces wire transfers for state government.

The Disbursements and Accounting Division receives all funds of the Commonwealth including fees, grants, taxes, federal funds, fees from officials in counties over 75,000 in population, and fees from various boards and commissions. This program also receives, balances, and deposits all withholdings. A computer analysis is

is maintained on daily receipts and disbursements, which subsequently is submitted to the Finance and Administration Cabinet for accounting posting.

The Unclaimed Property Division is responsible for administering the provisions of KRS Chapter 393 related to escheats. This program receives unclaimed property reports from holders and potential holders of unclaimed property, collects unclaimed property, pursues the location and collection of the property, and attempts to locate the rightful property owner.

## **Policy**

Restricted Funds are provided in accordance with KRS 393.250 for the administration of the Unclaimed Property program in the amount of \$1,742,000 in fiscal year 2016-2017 and \$1,755,100 in fiscal year 2017-2018. This action reflects the movement of available off-budget Restricted Funds to on-budget status to support ongoing activities of the program.

Road Fund moneys in the amount of \$250,000 is included each fiscal year to support the central check writing system and other central administrative responsibilities of state government.

**General Government**

**Agriculture**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	16,089,400	16,382,600	16,690,900	16,903,000	17,041,200
State Salary and Compensation	65,400				
Continuing Approp-General Fund	249,916	262,092	299,100		
Other					
<b>Total General Fund</b>	<b>16,404,716</b>	<b>16,644,692</b>	<b>16,990,000</b>	<b>16,903,000</b>	<b>17,041,200</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I		600,000	600,000	600,000	600,000
<b>Total Tobacco Fund</b>		<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>
<b>Restricted Funds</b>					
Balance Forward	10,327,110	11,612,488	13,351,600	11,650,000	8,705,600
Current Receipts	6,964,435	6,677,949	6,258,100	6,558,200	6,558,100
Non-Revenue Receipts	1,815,000	2,465,602	2,145,000	2,166,000	2,166,000
Fund Transfers				-1,500,000	
<b>Total Restricted Funds</b>	<b>19,106,546</b>	<b>20,756,039</b>	<b>21,754,700</b>	<b>18,874,200</b>	<b>17,429,700</b>
<b>Federal Fund</b>					
Balance Forward					
Current Receipts	4,991,586	6,830,096	6,406,900	6,406,900	6,406,900
Non-Revenue Receipts	421,703	-1,102,259			
<b>Total Federal Fund</b>	<b>5,413,289</b>	<b>5,727,837</b>	<b>6,406,900</b>	<b>6,406,900</b>	<b>6,406,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>40,924,550</b>	<b>43,728,568</b>	<b>45,751,600</b>	<b>42,784,100</b>	<b>41,477,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	17,471,275	17,930,579	19,173,300	19,049,400	19,146,400
Operating Expenses	5,692,886	5,435,203	6,238,500	7,132,900	7,207,600
Grants Loans Benefits	5,357,539	6,673,963	7,296,400	6,953,900	6,943,200
Capital Outlay	192,488	37,872	642,300	942,300	942,300
Construction	335,782	124			
<b>TOTAL EXPENDITURES</b>	<b>29,049,970</b>	<b>30,077,741</b>	<b>33,350,500</b>	<b>34,078,500</b>	<b>34,239,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	16,142,623	16,345,494	16,238,900	16,903,000	17,041,200
Tobacco Fund		600,000	600,000	600,000	600,000
Restricted Funds	7,494,058	7,404,410	10,104,700	10,168,600	10,191,400
Federal Fund	5,413,289	5,727,837	6,406,900	6,406,900	6,406,900
<b>TOTAL EXPENDITURES</b>	<b>29,049,970</b>	<b>30,077,741</b>	<b>33,350,500</b>	<b>34,078,500</b>	<b>34,239,500</b>
<b>EXPENDITURES BY UNIT</b>					
Strategic Planning and Administration	3,815,636	4,766,494	4,977,300	5,945,500	5,968,300
Motor Fuel Inspection and Testing	148,319	211,143	226,700	233,100	234,900
Consumer and Environmental Programs	13,878,592	14,015,764	14,725,400	14,439,600	15,010,100
State Veterinarian	3,536,986	3,741,222	3,863,800	3,779,600	3,820,600
Animal Control	137,704	121,192	92,400	90,800	90,800
Farmland Preservation	341,263	3,437	584,800	584,800	584,800
Agriculture Marketing and Product Promotion	6,806,729	6,861,131	8,213,400	8,605,100	8,129,300
Small Winery Support Fund	384,740	357,358	666,700	400,000	400,700
<b>TOTAL EXPENDITURES</b>	<b>29,049,970</b>	<b>30,077,741</b>	<b>33,350,500</b>	<b>34,078,500</b>	<b>34,239,500</b>

The Department of Agriculture, as defined in KRS Chapter 246, is headed by the Commissioner of Agriculture, a Constitutional Officer. The State Board of Agriculture, appointed by the Governor, acts as an advisory body to the elected Commissioner.

The Office of the Commissioner provides leadership and management for the Department, and includes the Division of Public Relations. The Office for Strategic Planning and Administration is responsible for personnel functions, budgeting, financial operation, and information technology systems.

The Office for Consumer and Environmental Protection directs programs which have a direct bearing on agricultural revenue. The Office conducts the grain regulation program, certifies all sales made by solid weight or liquid volume, licenses egg wholesalers, and inspects amusement rides operating within the Commonwealth. Duties include the distribution of commodity foods to qualifying institutions and individuals on behalf of the United States Department of Agriculture. This office is responsible for conducting various pest and noxious weed control programs, enforcing federal and state laws and regulations pertaining to the control of pesticide use and application, and liaison between the regulator and those being regulated.

The Office of State Veterinarian protects the livestock industry pursuant to KRS Chapter 257. Its primary function is the prevention and eradication of animal disease, and to ensure the health of the state's multi-billion dollar animal agriculture industries. It enforces Kentucky's statutes on animal importation and movement, and provides numerous other services to the livestock and poultry industries.

The Office for Agricultural Marketing and Product Promotion develops and manages programs which promote Kentucky-produced agricultural products, including grading and inspecting specific products and commodities and reporting market news. Responsibilities of this office include the research and development of new and expanded outlets for Kentucky's agricultural products, agricultural education, agritourism development, farm safety, administration of the Shows and Fairs Promotion Division, and farmland preservation. The Office is also responsible for providing testing services for hay and other forages essential for Kentucky's livestock industries. The Small Farm Winery Support Fund was created in 2006 and the Department administers funds each year of the biennium to develop marketing and promotion strategies to assist this emerging industry.

## **Policy**

The Budget of the Commonwealth provides Tobacco Settlement Funds in the amount of \$600,000 in each fiscal year for the Farms to Food Banks program. Farms to Food Banks provides fresh, healthy produce to Kentuckians in need while reducing losses for farmers by purchasing Kentucky-grown surplus and produce that is perfectly edible but not saleable on the retail market. The program distributes it at no cost through the food bank network.

The Budget of the Commonwealth includes Restricted Funds in each fiscal year of the biennium for a \$4,000 training incentive stipend for Department of Agriculture Investigators. These funds are from the Kentucky Law Enforcement Foundation Program Fund.

**General Government**  
**Auditor of Public Accounts**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,479,000	4,681,800	4,775,300	4,899,500	4,948,600
State Salary and Compensation	13,400				
<b>Total General Fund</b>	<b>4,492,400</b>	<b>4,681,800</b>	<b>4,775,300</b>	<b>4,899,500</b>	<b>4,948,600</b>
<b>Restricted Funds</b>					
Balance Forward	10	31	121,900		
Current Receipts	7,061,629	7,997,947	8,447,200	8,965,400	9,038,500
<b>Total Restricted Funds</b>	<b>7,061,639</b>	<b>7,997,977</b>	<b>8,569,100</b>	<b>8,965,400</b>	<b>9,038,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>11,554,039</b>	<b>12,679,777</b>	<b>13,344,400</b>	<b>13,864,900</b>	<b>13,987,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	10,455,592	11,182,595	11,960,900	12,852,300	12,990,200
Operating Expenses	1,098,416	1,340,053	1,168,600	1,012,600	996,900
Capital Outlay		35,227			
<b>TOTAL EXPENDITURES</b>	<b>11,554,008</b>	<b>12,557,875</b>	<b>13,129,500</b>	<b>13,864,900</b>	<b>13,987,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,492,400	4,681,800	4,560,400	4,899,500	4,948,600
Restricted Funds	7,061,608	7,876,075	8,569,100	8,965,400	9,038,500
<b>TOTAL EXPENDITURES</b>	<b>11,554,008</b>	<b>12,557,875</b>	<b>13,129,500</b>	<b>13,864,900</b>	<b>13,987,100</b>
<b>EXPENDITURES BY UNIT</b>					
Auditor of Public Accounts	1,229,400	1,429,000	1,432,500	1,542,500	1,558,500
Financial Audit	8,645,608	9,153,275	9,691,500	10,180,100	10,266,900
Technology and Specialized Audits	1,679,000	1,975,600	2,005,500	2,142,300	2,161,700
<b>TOTAL EXPENDITURES</b>	<b>11,554,008</b>	<b>12,557,875</b>	<b>13,129,500</b>	<b>13,864,900</b>	<b>13,987,100</b>

The Auditor of Public Accounts is the constitutional officer responsible for auditing all state agencies and county governments, pursuant to KRS Chapter 43. Statutory responsibility requires the Auditor's Office to examine the state general accounts, the accounts of all state agencies, all private and semi-private agencies receiving or handling state funds, all state revenue collections, funds contained in each county's budget, and the accounts and papers of all county clerks and sheriffs. The Auditor must examine the management and control of all institutions and public works in which the state has financial interest or legal power.

The Auditor's Office is responsible for assisting state and local officials in establishing and maintaining proper accounting records, internal controls, and administrative controls over public funds. The Office responds to requests from public officials, the general public, the Legislative Research Commission, and the Governor's Office concerning financial and program matters, special audits, and investigations. Also, the Auditor of Public Accounts has primary responsibility for auditing nearly \$9 billion in federal funds expended in state and county governments.

The Auditor of Public Accounts has three program areas: Administration, Office of Financial Audits, and the Office of Technology and Special Audits.

The Administration area includes the Office of the State Auditor, the Office of Legal and Records Services, and the Office of Planning and Management. All policy, budget, fiscal, legal, and personnel duties are performed within the Administration area.

The Office of Financial Audits is responsible for financial audits of state agency transactions, pursuant to KRS 43.050, and of county officials such as fiscal courts, sheriffs, county clerks, property valuation administrators, county attorneys, and circuit clerks per KRS 43.070. Audits of major federal programs performed in accordance with the Single Audit Act of 1984 (amended in 1996) as enacted by the United States Congress are also performed by this office. Collectively, these audits identify significant waste, fraud, and abuse, and have led to numerous law enforcement referrals.

The Office of Technology and Special Audits is responsible for maintaining internal technology systems, and for performing audits of significant information technology systems, special examinations, and performance audits of public entities to increase the effectiveness and reduce the cost of the delivery of services.

## **Policy**

The Budget of the Commonwealth includes a current year restricted funds appropriation of \$347,700 in fiscal year 2016 from an increase in audit fees.

**General Government  
Personnel Board**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	20,836	98,358	180,500	175,100	172,700
Current Receipts	805,943	851,657	850,600	885,600	885,600
<b>Total Restricted Funds</b>	<b>826,779</b>	<b>950,015</b>	<b>1,031,100</b>	<b>1,060,700</b>	<b>1,058,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>826,779</b>	<b>950,015</b>	<b>1,031,100</b>	<b>1,060,700</b>	<b>1,058,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	602,123	654,848	726,500	758,800	764,600
Operating Expenses	126,299	114,682	129,500	129,200	149,200
<b>TOTAL EXPENDITURES</b>	<b>728,421</b>	<b>769,529</b>	<b>856,000</b>	<b>888,000</b>	<b>913,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	728,421	769,529	856,000	888,000	913,800
<b>TOTAL EXPENDITURES</b>	<b>728,421</b>	<b>769,529</b>	<b>856,000</b>	<b>888,000</b>	<b>913,800</b>
<b>EXPENDITURES BY UNIT</b>					
Personnel Board	728,421	769,529	856,000	888,000	913,800
<b>TOTAL EXPENDITURES</b>	<b>728,421</b>	<b>769,529</b>	<b>856,000</b>	<b>888,000</b>	<b>913,800</b>

Created by the 1982 General Assembly, the Personnel Board is composed of seven members. The Governor appoints five, and two are classified employees elected by their colleagues. Pursuant to KRS 18A.0551, elections for the two classified employee members of the Board are held every four years.

The Personnel Board serves in a quasi judicial capacity and assists the Personnel Cabinet in the development of administrative regulations pertaining to the classified service. The Board administers the appeals process of applicants for classified positions and conducts hearings for any non-probationary employee who is dismissed, demoted, suspended, or otherwise penalized for cause.

**Policy**

The Personnel Board will coordinate with the Finance and Administration Cabinet to assess each agency of the Executive Branch under KRS 18A based upon the authorized permanent full-time positions of each agency as of July 1.



**General Government  
Kentucky Retirement Systems**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation				98,193,000	87,574,300
<b>Total General Fund</b>				98,193,000	87,574,300
<b>Restricted Funds</b>					
Balance Forward	44,734				
Current Receipts	3,941	63,150			
Non-Revenue Receipts	32,950,120	31,010,483	41,306,800	42,819,200	42,960,400
<b>Total Restricted Funds</b>	32,998,796	31,073,634	41,306,800	42,819,200	42,960,400
<b>TOTAL SOURCE OF FUNDS</b>	32,998,796	31,073,634	41,306,800	141,012,200	130,534,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	26,552,127	25,352,811	29,702,500	31,209,700	31,338,100
Operating Expenses	4,937,623	3,673,716	9,404,300	9,409,500	9,422,300
Grants Loans Benefits	1,191,817	2,011,807	2,200,000	100,393,000	89,774,300
Capital Outlay		35,299			
Construction	317,229				
<b>TOTAL EXPENDITURES</b>	32,998,796	31,073,634	41,306,800	141,012,200	130,534,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund				98,193,000	87,574,300
Restricted Funds	32,998,796	31,073,634	41,306,800	42,819,200	42,960,400
<b>TOTAL EXPENDITURES</b>	32,998,796	31,073,634	41,306,800	141,012,200	130,534,700
<b>EXPENDITURES BY UNIT</b>					
Kentucky Retirement Systems	32,998,796	31,073,634	41,306,800	141,012,200	130,534,700
<b>TOTAL EXPENDITURES</b>	32,998,796	31,073,634	41,306,800	141,012,200	130,534,700

Kentucky Retirement Systems administers three retirement systems which are qualified governmental defined benefit plans under Section 401(a) of the Internal Revenue Code: Kentucky Employees Retirement System (state employees, universities, health departments, certain boards) governed by KRS 61.510-61.705; County Employees Retirement System (employees of cities, counties, local government entities, and classified employees of school boards) governed by KRS 78.510-78.852; and State Police Retirement System (uniformed officers of Kentucky State Police) governed by KRS 16.505-16.652. Medical insurance benefits are governed by KRS 61.701-61.702. The systems were established in the 1950s to provide a pension that, when coupled with Social Security, would provide the career employee with sufficient income to maintain his or her pre-retirement standard of living.

Kentucky Retirement Systems is administered by a thirteen-member board of trustees consisting of the Secretary of the Personnel Cabinet, six members appointed by the Governor, and six members elected by employees and retirees of the three retirement systems. The Board is responsible for the collection and investment of contributions. Members of the Board are considered fiduciaries and are required to administer the funds in the sole interest of the members and beneficiaries of the systems. The Board is required to invest the funds under the "prudent person" rule. Investments are diversified among common stocks, government and private bonds, real estate and cash equivalents. An actuarial valuation is conducted each year to determine the funding status of the three systems, and an annual independent audit is performed as well.

Employers contribute a percentage of gross payroll recommended by the actuarial valuation. However, the General Assembly may adopt a rate that varies from the actuarial valuation. Employees contribute at a fixed rate set in the statutes. The assets of the system are considered trust funds. All expenses are paid from the trust.

Restricted Funds providing for the operations of the Kentucky Retirement Systems in the Budget of the Commonwealth are transferred from trust funds held by the System for the benefit of members and beneficiaries.

The trust funds include investment earnings, employee contributions, and employer contributions from agencies supported by the General Fund, the Road Fund, Federal Funds, and Restricted Funds.

## **Policy**

The Budget of the Commonwealth recognizes and highlights the serious problems with the unfunded pension liabilities for the Kentucky Employees Retirement (KERS) systems. As of the June 30, 2015 valuation, the combined unfunded pension liabilities of the three state government retirement plans: the Non-hazardous, hazardous, and State Police, was over \$10.8 billion. The unfunded pension liability of the Kentucky Teachers' Retirement System was over \$13.9 billion. The KERS Non-hazardous plan was measured at 18.7 percent funded and the State Police plan was at 33.6 percent funded. When the KERS Board passed a resolution in December, 2015 to reduce the assumed rate of return on investments for these two plans from 7.5 percent to 6.75 percent, the funded ratio dropped even further.

The Budget of the Commonwealth continues the responsible obligation begun in fiscal year 2014-2015 and funds the full actuarially required contribution (ARC) rate for the three KERS state government plans. The required employer contribution rate jumps another 25 percent in fiscal year 2016-2017, after rising almost 45 percent in fiscal year 2014-2015. The higher ARC rates could yield another \$160 million in increased contributions in fiscal year 2016-2017 and an additional \$27 million in fiscal year 2017-2018, among all employer participants, both within and outside Kentucky state government. The General Fund budget is estimated to finance about \$60.2 million more in fiscal year 2016-2017 and about \$70.5 million more in fiscal year 2017-2018.

The Budget of the Commonwealth provides additional General Fund in the amount of \$98.2 million in fiscal year 2017 and \$87.6 million in fiscal year 2018 in a direct appropriation for the unfunded liabilities.

**General Government**  
**Occupational & Professional Boards & Commissions**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	20,630,004	19,678,930	20,708,900	20,694,200	20,075,200
Current Receipts	22,908,326	23,866,572	24,515,000	25,006,700	24,529,600
Non-Revenue Receipts	256,043	452			
Fund Transfers	-3,800,000	-1,000,000	-750,000		
<b>Total Restricted Funds</b>	<b>39,994,373</b>	<b>42,545,954</b>	<b>44,473,900</b>	<b>45,700,900</b>	<b>44,604,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>39,994,373</b>	<b>42,545,954</b>	<b>44,473,900</b>	<b>45,700,900</b>	<b>44,604,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	15,476,970	16,981,092	18,303,170	20,051,900	20,216,600
Operating Expenses	4,248,213	4,267,104	4,817,830	4,875,600	4,872,600
Grants Loans Benefits	515,781	562,833	624,200	690,700	690,500
Debt Service			3,800		
Capital Outlay	65,743	20,206	30,700	7,500	7,500
Construction	8,736	5,907			
<b>TOTAL EXPENDITURES</b>	<b>20,315,443</b>	<b>21,837,142</b>	<b>23,779,700</b>	<b>25,625,700</b>	<b>25,787,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	20,315,443	21,837,142	23,779,700	25,625,700	25,787,200
<b>TOTAL EXPENDITURES</b>	<b>20,315,443</b>	<b>21,837,142</b>	<b>23,779,700</b>	<b>25,625,700</b>	<b>25,787,200</b>
<b>EXPENDITURES BY UNIT</b>					
Accountancy	488,078	468,755	558,500	578,000	581,400
Certification of Alcohol and Drug Counselors	71,975	79,071	102,200	102,200	102,200
Applied Behavior Analysis	12,905	13,581	16,000	30,600	30,600
Licensing					
Architects	368,077	400,585	442,700	460,800	463,700
Certification for Professional Art Therapists	12,802	10,834	11,200	11,200	11,200
Auctioneers	340,588	337,583	360,900	403,300	405,000
Barbering	288,603	313,599	327,100	339,100	340,800
Chiropractic Examiners	299,875	327,892	323,300	334,400	336,500
Dentistry	841,182	733,085	903,000	934,600	940,200
Diabetes Educators	638	7,472	11,000	26,800	26,800
Licensure & Cert. for Dietitians & Nutritionists	66,025	66,005	73,900	73,900	73,900
Embalmers and Funeral Directors	366,498	417,528	409,200	424,900	427,800
Licensure for Prof. Engineers and Land Surveyors	1,182,437	1,237,221	1,328,600	1,383,300	1,393,000
Certification of Fee-Based Pastoral Counselors	4,337	2,464	3,600	3,600	3,600
Registration for Professional Geologists	102,350	91,707	106,900	106,900	106,900
Hairdressers and Cosmetologists	1,176,937	1,297,905	1,397,400	1,443,400	1,451,800
Specialists in Hearing Instruments	59,494	56,144	81,100	81,100	81,100
Interpreters for the Deaf and Hard of Hearing	42,202	32,688	38,200	38,200	38,200
Home Inspectors	83,374	82,215	83,800	83,800	83,800
Examiners & Registration of Landscape Architects	61,612	64,987	66,600	68,900	69,300
Licensure of Marriage and Family Therapists	92,176	113,402	136,400	136,400	136,400
Licensure for Massage Therapy	170,517	182,505	188,600	188,600	188,600

**EXPENDITURES BY UNIT**

Medical Imaging and Radiation Therapy	152,123	236,351	237,400	400,600	401,600
Medical Licensure	2,670,691	2,860,462	2,972,500	3,072,300	3,088,200
Nursing	5,020,450	5,542,422	6,270,400	7,220,000	7,266,000
Licensure for Nursing Home Administrators	63,404	59,167	61,100	61,100	61,100
Licensure for Occupational Therapy	126,422	149,330	176,600	176,600	176,600
Ophthalmic Dispensers	54,235	47,976	49,700	49,700	49,700
Optometric Examiners	178,625	197,411	209,400	216,000	217,100
Pharmacy	1,571,669	1,745,511	1,661,400	1,728,700	1,740,400
Physical Therapy	392,510	523,305	499,400	580,300	583,700
Podiatry	26,176	38,462	38,200	38,800	39,900
Private Investigators	71,107	67,947	101,500	101,500	101,500
Licensed Professional Counselors	197,267	197,115	204,900	215,800	215,800
Prosthetics, Orthotics and Pedorthics	12,113	56,976	46,200	46,200	46,200
Examiners of Psychology	200,983	229,881	256,400	256,400	256,400
Real Estate Appraisers	714,159	717,007	766,300	793,200	841,600
Real Estate Commission	1,929,514	1,986,242	2,200,900	2,370,500	2,383,100
Respiratory Care	189,101	197,686	210,000	218,100	219,500
Social Work	230,073	279,447	379,500	358,200	338,300
Speech-Language Pathology and Audiology	160,978	157,399	190,100	190,100	190,100
Veterinary Examiners	221,163	209,818	277,600	277,600	277,600
<b>TOTAL EXPENDITURES</b>	<b>20,315,443</b>	<b>21,837,142</b>	<b>23,779,700</b>	<b>25,625,700</b>	<b>25,787,200</b>

The 42 occupational and professional licensing and regulatory Boards and Commissions were created to safeguard the life, health, safety, and welfare of the people of the Commonwealth who avail themselves of the services licensed or regulated by the Boards. Appointed by the Governor, board members represent both industry and consumer interests.

The general objectives of the Boards and Commissions are: to examine and license all qualified applicants; to enforce the ethical, legal, and professional standards and regulations of the Boards; to ensure compliance with licensure requirements; and to administer the programs of the Boards in an efficient manner. The Occupational Boards and Commissions operate solely from agency receipts.

Twenty one of the 42 Boards and Commissions employ the services of the Division of Occupations and Professions (O & P) in the Public Protection Cabinet to carry out their administrative functions. O & P Provides general operating functions such as the collection of fees, accounting services, budget management, meeting space, management of contractual services, copy and printing services, maintenance of the Board website, and reimbursement of Board per diem, travel, and actual and necessary expenses. O & P also performs administrative support services including processing Board applications and renewals, preparing Board meeting packets and agendas, database entry for licensees, maintaining all Board records and files, preparing general Board correspondence, administering examinations, and communicating with general public and licensees regarding Board functions.

**General Government  
Kentucky River Authority**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	246,400	251,200	255,500	256,000	258,200
State Salary and Compensation	800				
<b>Total General Fund</b>	<b>247,200</b>	<b>251,200</b>	<b>255,500</b>	<b>256,000</b>	<b>258,200</b>
<b>Restricted Funds</b>					
Balance Forward	2,082,705	3,167,450	3,996,700	4,784,200	5,433,800
Current Receipts	3,767,860	4,254,149	4,158,000	4,157,500	4,157,500
Non-Revenue Receipts	102,207	-126,841			
<b>Total Restricted Funds</b>	<b>5,952,771</b>	<b>7,294,758</b>	<b>8,154,700</b>	<b>8,941,700</b>	<b>9,591,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,199,971</b>	<b>7,545,958</b>	<b>8,410,200</b>	<b>9,197,700</b>	<b>9,849,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	710,567	763,161	766,000	794,000	802,100
Operating Expenses	106,895	149,227	279,400	296,200	295,600
Grants Loans Benefits	275,145	241,050	251,000	251,000	251,000
Debt Service	1,939,435	2,395,754	2,318,100	2,422,700	5,790,800
<b>TOTAL EXPENDITURES</b>	<b>3,032,042</b>	<b>3,549,192</b>	<b>3,614,500</b>	<b>3,763,900</b>	<b>7,139,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	246,721	251,195	244,000	256,000	258,200
Restricted Funds	2,785,321	3,297,997	3,370,500	3,507,900	6,881,300
<b>TOTAL EXPENDITURES</b>	<b>3,032,042</b>	<b>3,549,192</b>	<b>3,614,500</b>	<b>3,763,900</b>	<b>7,139,500</b>
<b>EXPENDITURES BY UNIT</b>					
General Operations	834,588	875,397	1,038,400	1,049,500	1,055,100
Locks and Dams Construction/ Maintenance	1,939,435	2,415,754	2,318,100	2,442,700	5,810,800
Locks and Dams Operations	258,020	258,041	258,000	271,700	273,600
<b>TOTAL EXPENDITURES</b>	<b>3,032,042</b>	<b>3,549,192</b>	<b>3,614,500</b>	<b>3,763,900</b>	<b>7,139,500</b>

The mission of the Kentucky River Authority is to protect the quality and sufficiency of the water supply in the Kentucky River Basin. The people and businesses in 42 counties depend on the river and its tributaries for clean drinking water, for commercial and industrial uses, and for the generation of electricity. The water supply is maintained in a series of pools behind 14 dams that were originally constructed by the Army Corps of Engineers beginning about 1837. Some of those dams also contain working locks that allow commercial and recreational boat traffic to move up and down the river. The Authority collects a water withdrawal fee from each water utility and business user in the watershed that supports programs which benefit the entire watershed. In addition, a second fee is collected from users who withdraw water from the main stem of the river. Those funds support the lock and dam renovation and reconstruction projects the Authority undertakes from time to time. The Authority also receives a small General Fund appropriation to staff the four operating locks during the summer, when there is considerable recreational activity on the river.

The Authority is created in KRS 151.705 as a public corporation and independent state agency. The Authority is governed by a board that consists of the Secretary of Finance and Administration, the Secretary of Energy and Environment and ten members appointed by the Governor. Those ten include a mayor and a county judge-executive from jurisdictions within the Kentucky River Basin, an engineer and a water quality expert. The board appoints an executive director and other staff necessary to carry out the responsibilities of the Authority.

The Authority has acquired title to the locks and dams upriver from Frankfort from the Army Corps of Engineers. Dams 1 through 4 between the Ohio River and Frankfort are maintained by the Authority under a long-term lease agreement until such time as the Army declares them to be surplus property.

The Kentucky River Authority has built new dams at Dam 9 at Valley View in Fayette County, Dam 3 in Owen

and Henry Counties, and Dam 8 in Jessamine County. Dams 9 and 3 retain the water supply for Kentucky American Water Company's Lexington and Owen County water treatment plants. Dam 8 retains the water supply for Nicholasville and Lancaster. Locks 1 through 4 are currently operational. Eighty-two uninterrupted miles of the Kentucky River are now navigable from Carrollton to Tyrone in Anderson County.

## **Policy**

The Budget of the Commonwealth includes an additional Restricted Fund appropriation of \$3,366,000 in fiscal year 2018 for new debt service to support bonds included in the capital budget.

**General Government**  
**School Facilities Construction Commission**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	106,596,700	99,634,000	108,580,000	121,991,300	134,918,000
State Salary and Compensation	1,000				
<b>Total General Fund</b>	<b>106,597,700</b>	<b>99,634,000</b>	<b>108,580,000</b>	<b>121,991,300</b>	<b>134,918,000</b>
<b>Restricted Funds</b>					
Balance Forward			2,324,600	1,850,600	3,929,200
Non-Revenue Receipts		2,324,551		5,000,000	
Fund Transfers				-2,396,400	
<b>Total Restricted Funds</b>		<b>2,324,551</b>	<b>2,324,600</b>	<b>4,454,200</b>	<b>3,929,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>106,597,700</b>	<b>101,958,551</b>	<b>110,904,600</b>	<b>126,445,500</b>	<b>138,847,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	293,113	310,503	321,800	344,300	337,600
Operating Expenses	34,085	36,696	30,500	36,100	36,100
Grants Loans Benefits			474,000	525,000	
Debt Service	96,377,421	99,286,802	108,227,700	121,610,900	134,544,300
<b>TOTAL EXPENDITURES</b>	<b>96,704,619</b>	<b>99,634,000</b>	<b>109,054,000</b>	<b>122,516,300</b>	<b>134,918,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	96,704,619	99,634,000	108,580,000	121,991,300	134,918,000
Restricted Funds			474,000	525,000	
<b>TOTAL EXPENDITURES</b>	<b>96,704,619</b>	<b>99,634,000</b>	<b>109,054,000</b>	<b>122,516,300</b>	<b>134,918,000</b>
<b>EXPENDITURES BY UNIT</b>					
School Facilities Construction Commission	96,704,619	99,634,000	109,054,000	122,516,300	134,918,000
<b>TOTAL EXPENDITURES</b>	<b>96,704,619</b>	<b>99,634,000</b>	<b>109,054,000</b>	<b>122,516,300</b>	<b>134,918,000</b>

The School Facilities Construction Commission (SFCC), created by the 1985 Extraordinary Session of the General Assembly (KRS 157.611 et seq.), exists to assist local school districts with their school building needs. The Commission is responsible for the distribution of state funds via offers of assistance for approved building or renovation projects. The Commission is empowered to act on behalf of local school districts to issue bonds in the name of the Commission and to enter into lease arrangements with local boards of education to finance construction of new facilities or major renovation of existing school facilities.

Offers of assistance are made to eligible local school districts which have demonstrated a reasonable local effort to provide adequate school facilities but still have unmet building needs. Required local effort consists of a levy equivalent to at least five cents per hundred dollars of assessed valuation as well as available funds within a district's capital outlay and building funds and related bonding capacity. Unmet building needs are the costs of projects on a district's facilities plan as approved by the Kentucky Department of Education that remain after the application of local effort. A given district qualifies for offers of assistance based on its unmet need relative to unmet need statewide.

The School Facilities Construction Commission is also charged with distributing state funds allocated to the Kentucky Education Technology System's trust fund to assist local school districts in addressing their unmet education technology needs.

**Policy**

The Budget of the Commonwealth includes additional General Fund to support debt service necessary to fulfill commitments made by previous sessions of the General Assembly in authorizing additional bonded indebtedness and related offers of assistance to local school districts.

The Budget of the Commonwealth includes General Fund in the amount of \$1,982,900 in fiscal year 2016-2017 and \$7,754,400 in fiscal year 2017-2018 for debt service for \$100,000,000 in bonds to finance the offers of assistance authorized by the 2014 Regular Session of the General Assembly.

The 2014 General Assembly authorized the School Facilities Construction Commission to make offers of assistance for the renovation or replacement of thirteen critical needs schools. These Special Offers of Assistance totaled \$187.2 million, of which \$103.1 million remains unissued. The Budget of the Commonwealth includes General Fund in the amount of \$7,985,700 in fiscal year 2016-2017 and \$7,995,700 in fiscal year 2017-2018 for debt service for the \$103,112,000 in bonds to finance the unissued Special Offers of Assistance.

The Budget of the Commonwealth authorizes the School Facilities Construction Commission to make an additional \$91,000,000 in new offers of assistance during the 2016-2018 biennium in anticipation of debt service availability during the 2018-2020 biennium.

The 2014 General Assembly created the Emergency and Targeted Investment Fund (KRS 157.618) which the School Facilities Construction Commission may use to make awards to school districts that face emergency facility needs. Any appropriations to the Commission that have not been expended by the end of a fiscal year, including unused debt service, are transferred to the fund. The Budget of the Commonwealth includes Restricted Funds in the amount of \$474,000 in fiscal year 2015-2016 and \$525,000 in fiscal year 2016-2017 to support obligations that have already been made from the fund. The Budget of the Commonwealth suspends the provisions of KRS 157.618 and transfers \$2,396,400 in fiscal year 2016-2017 to the General Fund.

The Budget of the Commonwealth includes General Fund in the amount of \$387,700 in fiscal year 2016-2017 and \$7,269,300 in fiscal year 2017-2018 to support \$93,745,000 in new bonds and related offers of assistance for seven Urgent Needs Schools specified in Part I of the 2016-2018 biennial budget bill.



**General Government  
Teachers' Retirement System**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	299,692,100	326,772,500	299,318,400	779,248,000	744,837,200
<b>Total General Fund</b>	299,692,100	326,772,500	299,318,400	779,248,000	744,837,200
<b>Restricted Funds</b>					
Balance Forward	5,528,400	3,812,362	2,411,695		
Current Receipts	-21,131	-240,889			
Non-Revenue Receipts	8,273,616	9,581,928	9,784,905	12,934,000	13,515,000
<b>Total Restricted Funds</b>	13,780,886	13,153,400	12,196,600	12,934,000	13,515,000
<b>TOTAL SOURCE OF FUNDS</b>	313,472,986	339,925,900	311,515,000	792,182,000	758,352,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,652,669	9,381,629	10,077,300	10,793,200	10,921,100
Operating Expenses	1,297,220	1,352,264	1,993,700	2,014,900	2,468,000
Grants Loans Benefits	174,902,900	206,079,200	182,881,500	672,409,600	647,689,200
Debt Service	120,686,731	120,693,251	116,436,600	106,838,400	97,148,000
Capital Outlay	18,635	7,812	125,900	125,900	125,900
<b>TOTAL EXPENDITURES</b>	305,558,154	337,514,156	311,515,000	792,182,000	758,352,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	295,589,631	326,772,451	299,318,400	779,248,000	744,837,200
Restricted Funds	9,968,523	10,741,705	12,196,600	12,934,000	13,515,000
<b>TOTAL EXPENDITURES</b>	305,558,154	337,514,156	311,515,000	792,182,000	758,352,200
<b>EXPENDITURES BY UNIT</b>					
Teachers' Retirement System	305,558,154	337,514,156	311,515,000	792,182,000	758,352,200
<b>TOTAL EXPENDITURES</b>	305,558,154	337,514,156	311,515,000	792,182,000	758,352,200

The Teachers' Retirement System, as defined in KRS 161.220 161.716, was established in 1940 to provide a broad program of retirement benefits, death and survivor benefits, medical insurance benefits, and disability benefits to its membership.

Administration of the System is the responsibility of the nine member Board of Trustees. Two of the members, the Commissioner of Education and the State Treasurer, are ex officio, serving by reason of their constitutional offices. The members of the Retirement System elect the remaining seven trustees for four year terms. Four of these must be active members of the Retirement System, one must be a retired member, and two must be persons from outside the teaching profession. The Board of Trustees appoints an Executive Secretary who is responsible for the administration of the affairs of the Retirement System under policies established by the Board. The most important objectives of the Board of Trustees are to maintain a retirement system that is actuarially sound and to maintain member benefits at a level that is comparable with the benefits provided other state employees through the Kentucky Employees' Retirement System and the Social Security System.

Membership is comprised of all persons occupying positions in the public elementary or secondary schools for which certification is required. In addition, staff members of Western Kentucky University, Eastern Kentucky University, Morehead State University, Murray State University, Kentucky State University, professional staff of the Department of Education, Cabinet for Workforce Development, faculty members of the School for the Deaf, the School for the Blind, as well as faculty of the state and area vocational schools are members. Membership is mandatory for all persons teaching in the public schools or other institutions covered by the statutes governing teachers' retirement.

Benefits are financed through member contributions, corresponding contributions by the state, and income accruing from the invested reserves of the system. The General Assembly has set the member and employer contribution rate at 9.855 percent of gross salary for persons other than university faculty members joining the system prior to July 1, 2008.

Persons joining on or after that date contribute 10.855 percent of gross salary with the employer contributing the same amount. University faculty members who joined the system prior to July 1, 2008 contribute 8.375 percent of gross salary and their employer matches this amount. University faculty members joining on or after that date contribute 9.375 percent of gross salary with the employer matching that amount. In addition, each employer contributes an overmatch of 3.25 percent of gross salary to help reduce the system's unfunded liability. The reserves of the agency are invested in a manner that will provide a reasonable rate of return with major emphasis on the protection of the reserves.

HB 540 enacted by the 2010 Regular Session of the General Assembly requires additional contributions to ensure the solvency and stability of the retirement system's medical insurance fund. In addition to the above-referenced contribution rates, members hired prior to July 1, 2008 will contribute an additional 0.25% in fiscal 2011, an additional 0.5% in fiscal 2012, an additional 1.0% in fiscal 2013, an additional 1.5% in fiscal 2014, an additional 2.25% in fiscal 2015 and an additional 3.0% in fiscal 2016. Members hired July 1, 2008 or later will contribute an additional 0.5% in fiscal 2014, an additional 1.25% in fiscal 2015, and an additional 2.0% in fiscal 2016. This will bring total member medical insurance contributions to 3.75% in fiscal 2016 for all members. As with other employee contributions, employers will match these amounts.

The employer match for Department of Education, the Cabinet for Workforce Development, and university employees is budgeted within the Department, the Cabinet, and the affected universities and is then transferred to the Teachers' Retirement System.

Funding for the employer match on behalf of local school district members is provided as an adjunct to the Support Education Excellence in Kentucky program (SEEK) within the Department of Education.

## **Policy**

The Budget of the Commonwealth recognizes and highlights the serious problems with the unfunded pension liabilities for the Kentucky Teachers' Retirement System (KTRS) systems. As of the June 30, 2015 valuation, the unfunded pension liability for KTRS was over \$13.9 billion, and was 55.3 percent funded.

The KTRS requested an additional \$510 million in fiscal year 2016-2017 and \$494 million in fiscal year 2017-2018 to fully fund the actuarially required contribution (ARC) amount. The Budget of the Commonwealth includes \$488.9 million in fiscal year 2017 and \$455.4 million in fiscal year 2018 toward the unfunded ARC.

The SEEK appropriation includes General Fund amounts to cover the statutory employer contribution rates for school district employees active in the Kentucky Teachers' Retirement System. The amount included for fiscal year 2017 is \$388,817,000, and for fiscal year 2018 is, \$397,482,500. Respectively, these represent increases in the upcoming biennium over the current fiscal year of \$8.4 million and \$17.0 million.

The Budget of the Commonwealth includes General Fund support in the amount of \$106,838,400 in fiscal year 2017 and \$97,148,000 in fiscal year 2018 for debt service on bonds previously issued.

The Budget of the Commonwealth includes sufficient General Fund support to meet the amortized cost of previously enacted cost-of-living adjustments (COLAs) and other benefit improvements for system members.

The Budget of the Commonwealth includes \$5,623,500 in fiscal year 2017 and \$11,660,200 in fiscal year 2018 in General Fund support for initial payments on the amortized cost of increased retirement allowances for those recipients retiring during the 2016-2018 biennium who are eligible to add accrued sick leave to their final year of service.

The Budget of the Commonwealth requires excess retiree medical insurance contributions for fiscal year 2016 to be applied to the Teachers' Retirement employer match shortfall for fiscal year 2014 and fiscal year 2015.

Also included in the Budget of the Commonwealth is \$46,545,800 in General Fund support in fiscal year 2017 and \$53,948,400 in fiscal year 2018 for the State's portion of the shared responsibility plan outlined in KRS 161.550 as enacted by the 2010 regular session.

The Budget of the Commonwealth fulfilled the General Assembly's 2014 pledge to use lesser debt service in the amount of \$9,598,200 in fiscal year 2017 and \$19,288,600 in fiscal year 2018 to reduce the unfunded pension liability.

**General Government**  
**Appropriations Not Otherwise Classified**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,290,900	5,026,400	5,026,400	5,026,400	5,026,400
Mandated Allotments	10,590,600	11,980,600			
Other					
<b>Total General Fund</b>	<b>15,881,500</b>	<b>17,007,000</b>	<b>5,026,400</b>	<b>5,026,400</b>	<b>5,026,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>15,881,500</b>	<b>17,007,000</b>	<b>5,026,400</b>	<b>5,026,400</b>	<b>5,026,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	12,013,331	13,213,699	2,539,900	2,539,900	2,539,900
Operating Expenses	3,685,533	3,792,828	2,483,400	2,483,400	2,483,400
Grants Loans Benefits	3,100		3,100	3,100	3,100
<b>TOTAL EXPENDITURES</b>	<b>15,701,964</b>	<b>17,006,527</b>	<b>5,026,400</b>	<b>5,026,400</b>	<b>5,026,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	15,701,964	17,006,527	5,026,400	5,026,400	5,026,400
<b>TOTAL EXPENDITURES</b>	<b>15,701,964</b>	<b>17,006,527</b>	<b>5,026,400</b>	<b>5,026,400</b>	<b>5,026,400</b>
<b>EXPENDITURES BY UNIT</b>					
Attorney General Expense	486,766	446,251	350,000	350,000	350,000
Board of Claims Award	230,908	658,208	407,400	407,400	407,400
Guardian Ad Litem	11,466,670	12,703,623	2,124,900	2,124,900	2,124,900
Prior Year Claims	45,959	49,907	100,000	100,000	100,000
Unredeemed Checks Refunded	2,699,835	2,318,161	1,252,400	1,252,400	1,252,400
Involuntary Commitments-ICF/MR	59,945	63,825	65,000	65,000	65,000
Frankfort In Lieu of Taxes	195,000	195,000	195,000	195,000	195,000
Frankfort Cemetery	3,100		3,100	3,100	3,100
Survivor Benefits	328,877	408,877	303,600	303,600	303,600
Med Malpractice Liability Ins Reimb	132,452	118,060	165,000	165,000	165,000
Blanket Employee Bonds	52,451	44,615	60,000	60,000	60,000
<b>TOTAL EXPENDITURES</b>	<b>15,701,964</b>	<b>17,006,527</b>	<b>5,026,400</b>	<b>5,026,400</b>	<b>5,026,400</b>

Appropriations Not Otherwise Classified (ANOC) are appropriations not related to particular programs. Each item within this category has been given program status so that expenditures can be budgeted and accounted for separately. It includes such items as Attorney General expenses for defending employees of the Commonwealth and prior year claims for legal obligations of the Commonwealth. Any expenditure for costs of items included within this classification over the amounts appropriated is to be paid from the General Fund Surplus account or the Budget Reserve Trust Fund.

**General Government**  
**KY Communications Network Authority**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Current Receipts				18,469,200	27,941,900
Non-Revenue Receipts			4,244,500		
<b>Total Restricted Funds</b>			4,244,500	18,469,200	27,941,900
<b>Federal Fund</b>					
Current Receipts			819,500	180,500	
<b>Total Federal Fund</b>			819,500	180,500	
<b>TOTAL SOURCE OF FUNDS</b>			5,064,000	18,649,700	27,941,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs			4,293,000	2,930,300	2,763,400
Operating Expenses			525,900	15,709,400	25,178,500
Capital Outlay			245,100	10,000	
<b>TOTAL EXPENDITURES</b>			5,064,000	18,649,700	27,941,900
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds			4,244,500	18,469,200	27,941,900
Federal Fund			819,500	180,500	
<b>TOTAL EXPENDITURES</b>			5,064,000	18,649,700	27,941,900
<b>EXPENDITURES BY UNIT</b>					
KY Communications Network Authority			5,064,000	18,649,700	27,941,900
<b>TOTAL EXPENDITURES</b>			5,064,000	18,649,700	27,941,900

Executive Order 2015-574 created the Kentucky Communications Network Authority (KCNA).

KCNA, in conjunction with the Board of the Kentucky Communications Network Authority, will manage and oversee the KentuckyWired network, the Commonwealth's open-access broadband network. KentuckyWired is a Commonwealth public infrastructure project that will be built to provide broadband service using a modern high-capacity fiber infrastructure. The primary purpose of the project will be to provide broadband services to all of the Commonwealth's agencies and its public postsecondary education institutions. The project is designed to have the capacity and ability to service other public sector organizations, like public libraries and public school districts. The first links in the network are anticipated to be operational in 2016, and will significantly improve Kentucky's connectivity and slow speeds. The network will be comprised of more than 3,000 miles of high-speed internet connectivity throughout Kentucky's 120 counties with completion anticipated in 2018.

As authorized by the 2014-2016 Executive Branch appropriations act, a public-private partnership has been established to design, build, operate and maintain the network for 30 years. The partnership leverages private sector funding for most of the construction costs of the project. The Commonwealth will shift resources from payments for current services to pay for the new and substantially faster state-owned network. The Commonwealth retains ownership of the network.

KentuckyWired is unique in that it will be an "open access" network. This means cities, partnerships, private companies or other groups may acquire access to these "middle-mile" lines, but the network will not be providing "last mile" services, or the lines that run to individual homes or businesses.

## Policy

Funds for fiscal year 2015-2016 are Restricted Funds transferred from the Commonwealth Office of Technology and the Office of the Secretary, Finance and Administration Cabinet. Starting in fiscal year 2016-2017, KCNA will be charging for its services to fund the organization. The authority has also received funding from the

Department for Local Government from Regional Strategic Development funds to close the digital divide in Eastern Kentucky through the Shaping Our Appalachian Region (SOAR) initiative.

In the event that the funding generated by KCNA is not sufficient to support availability payments required by the Authority's public-private partnership contract, the Budget of the Commonwealth suspends the provisions of KRS 48.720 and any other provision of the 2016-2018 biennial budget bill and allows General Fund moneys appropriated for debt service to the Finance and Administration Cabinet that are not needed to satisfy debt service obligations to be used to support those availability payments.

# Economic Development

---

## Economic Development

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	19,131,100	19,151,800	34,254,600	17,963,600	18,953,200
State Salary and Compensation	20,400				
Continuing Approp-General Fund	87,385	459,043	24,900		
Budget Reduction-General Fund	-200,000				
Mandated Allotments		750,000			
<b>Total General Fund</b>	<b>19,038,885</b>	<b>20,360,843</b>	<b>34,279,500</b>	<b>17,963,600</b>	<b>18,953,200</b>
<b>Restricted Funds</b>					
Balance Forward	2,664,691	3,241,553	2,551,700		149,600
Current Receipts	2,770,006	2,840,159	3,045,300	3,143,900	3,258,700
<b>Total Restricted Funds</b>	<b>5,434,697</b>	<b>6,081,712</b>	<b>5,597,000</b>	<b>3,143,900</b>	<b>3,408,300</b>
<b>Federal Fund</b>					
Balance Forward		12,092			
Current Receipts	5,447,138	111,435			
Non-Revenue Receipts	-147,582	89,611	5,525,000	200,000	100,000
<b>Total Federal Fund</b>	<b>5,299,556</b>	<b>213,137</b>	<b>5,525,000</b>	<b>200,000</b>	<b>100,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>29,773,139</b>	<b>26,655,692</b>	<b>45,401,500</b>	<b>21,307,500</b>	<b>22,461,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	7,924,176	8,476,776	9,807,100	9,878,800	9,971,600
Operating Expenses	1,725,738	2,401,060	2,717,400	1,380,000	1,271,200
Grants Loans Benefits	16,410,481	13,183,143	32,010,500	9,899,100	9,901,700
Debt Service					922,000
<b>TOTAL EXPENDITURES</b>	<b>26,060,395</b>	<b>24,060,979</b>	<b>44,535,000</b>	<b>21,157,900</b>	<b>22,066,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	18,579,786	20,317,999	33,413,000	17,963,600	18,953,200
Restricted Funds	2,193,145	3,529,842	5,597,000	2,994,300	3,013,300
Federal Fund	5,287,465	213,137	5,525,000	200,000	100,000
<b>TOTAL EXPENDITURES</b>	<b>26,060,395</b>	<b>24,060,979</b>	<b>44,535,000</b>	<b>21,157,900</b>	<b>22,066,500</b>
<b>EXPENDITURES BY UNIT</b>					
Executive Policy and Management	3,206,619	3,484,287	3,160,500	2,920,100	3,860,000
Business Development	13,844,882	14,887,273	15,518,600	13,184,600	13,132,200
Bluegrass State Skills	2,326,011	3,890,881	17,613,400	2,478,900	2,481,000
Financial Services	6,682,884	1,798,538	8,242,500	2,574,300	2,593,300
<b>TOTAL EXPENDITURES</b>	<b>26,060,395</b>	<b>24,060,979</b>	<b>44,535,000</b>	<b>21,157,900</b>	<b>22,066,500</b>

The Cabinet for Economic Development is governed by the Kentucky Economic Development Partnership. The Partnership board has 11 voting members and two non-voting members. The 11 voting members are the Governor, who is chairman, the Secretary of the Finance and Administration Cabinet, the Secretary of the Energy and Environment Cabinet, and eight citizen members appointed by the Governor who represent all sectors of the economic development community. The Secretary of the Cabinet for Economic Development (nominated by the Economic Development Partnership and appointed by the Governor) and the Secretary of the Tourism, Arts and Heritage Cabinet serve as non-voting members.

The budgetary resources for the Cabinet are organized in four programs within a single appropriation unit. Business Development is the Commonwealth's marketing and sales force to both prospective investors and existing businesses. Its resources include Kentucky-based business development agents and representatives in Tokyo, Japan and Hamburg, Germany; a database of available sites; comprehensive market research; targeted programs for small businesses; and support of the statewide network of Innovation and Commercialization Centers. The Bluegrass State Skills Corporation makes matching grants for industry-specific

training of employees. Financial Services administers loans, grants and tax incentives available to businesses that invest and create or maintain jobs in Kentucky, and staffs the Kentucky Economic Development Finance Authority. The Office of the Secretary provides strategic direction for Cabinet activities and administrative services such as legal, fiscal, budget, personnel and asset management.

## **Policy**

The Budget of the Commonwealth includes a current year appropriation of \$975,000 in Restricted Funds for services related to the customization of computer software.

The Budget of the Commonwealth includes General Fund debt service in the amount of \$922,000 in fiscal year 2017-2018 for debt service on new bonds included in the capital budget.

The Budget of the Commonwealth includes General Fund of \$2,311,200 in fiscal year 2016-2017 and \$2,311,800 in fiscal year 2017-2018 for training grants for Bluegrass State Skills Corporation. Notwithstanding KRS 45.229, the General Fund appropriation balance for Bluegrass State Skills Corporation training grants for fiscal year 2015-2016 and fiscal year 2016-2017 shall not lapse and shall carry forward. The amount available to the Corporation for disbursement in each fiscal year shall be limited to the unexpended training grant allotment balance at the end of fiscal year 2016 combined with the additional training grant allotment amounts for each fiscal year of the 2016-2018 biennium, less any disbursements. If the required disbursements exceed the Bluegrass State Skills Corporation training grants allotment balance, notwithstanding KRS 154-12.278, Restricted Funds may be expended for training grants, and funds in an amount not to exceed \$2,000,000 shall be appropriated from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

The Budget of the Commonwealth provides that notwithstanding KRS 154.20-410, any unallotted or unencumbered balances in the Kentucky Alternative Fuel and Renewable Energy Fund may be used to support research and development and commercialization activities undertaken by or in partnership with companies or not-for-profit organizations at a four-year public postsecondary institution in the areas of aerospace/aviation, Exomedicine, and other related activities as approved by the Cabinet for Economic Development.



# Department of Education

---

**Department of Education**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,864,091,000	4,006,095,500	4,093,061,600	4,131,535,300	4,122,851,000
State Salary and Compensation	301,600				
Continuing Approp-General Fund	581,693	240,195	454,000		
Budget Reduction-General Fund	-263,337				
Mandated Allotments	68,740	8,631,900			
<b>Total General Fund</b>	<b>3,864,779,696</b>	<b>4,014,967,595</b>	<b>4,093,515,600</b>	<b>4,131,535,300</b>	<b>4,122,851,000</b>
<b>Restricted Funds</b>					
Balance Forward	11,051,905	8,087,831	9,865,399		
Current Receipts	2,860,959	4,908,652	3,138,887	14,072,900	14,119,300
Non-Revenue Receipts	19,155,795	19,945,232	19,964,214	20,069,600	20,069,600
Fund Transfers		-250,000			
<b>Total Restricted Funds</b>	<b>33,068,660</b>	<b>32,691,715</b>	<b>32,968,500</b>	<b>34,142,500</b>	<b>34,188,900</b>
<b>Federal Fund</b>					
Balance Forward	3,422,231	7,158,647	3,394,181		
Current Receipts	800,150,885	797,545,992	884,750,719	888,475,100	888,493,100
Non-Revenue Receipts	7,694	-4,733			
<b>Total Federal Fund</b>	<b>803,580,810</b>	<b>804,699,906</b>	<b>888,144,900</b>	<b>888,475,100</b>	<b>888,493,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,701,429,166</b>	<b>4,852,359,216</b>	<b>5,014,629,000</b>	<b>5,054,152,900</b>	<b>5,045,533,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	100,143,014	107,533,293	114,190,700	116,598,500	116,937,000
Operating Expenses	29,127,940	32,500,360	37,845,900	39,729,300	39,689,900
Grants Loans Benefits	4,546,803,468	4,692,826,723	4,862,592,400	4,895,497,100	4,885,935,600
Debt Service		61,000		578,000	1,220,500
Capital Outlay	151,877	111,330			
Construction	71,366	17,333			
<b>TOTAL EXPENDITURES</b>	<b>4,676,297,665</b>	<b>4,833,050,039</b>	<b>5,014,629,000</b>	<b>5,052,402,900</b>	<b>5,043,783,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,854,894,673	4,008,674,155	4,093,515,600	4,129,785,300	4,121,101,000
Restricted Funds	24,980,829	22,810,004	32,968,500	34,142,500	34,188,900
Federal Fund	796,422,163	801,565,881	888,144,900	888,475,100	888,493,100
<b>TOTAL EXPENDITURES</b>	<b>4,676,297,665</b>	<b>4,833,050,039</b>	<b>5,014,629,000</b>	<b>5,052,402,900</b>	<b>5,043,783,000</b>
<b>EXPENDITURES BY UNIT</b>					
Support Education Excellence in Kentucky (SEEK)	2,878,777,584	2,980,843,337	3,009,490,600	3,035,747,400	3,024,776,100
Operations and Support Services	356,084,718	376,996,045	390,534,600	392,743,700	393,467,200
Learning and Results Services	1,441,435,362	1,475,210,657	1,614,603,800	1,623,911,800	1,625,539,700
<b>TOTAL EXPENDITURES</b>	<b>4,676,297,665</b>	<b>4,833,050,039</b>	<b>5,014,629,000</b>	<b>5,052,402,900</b>	<b>5,043,783,000</b>

In enacting the Kentucky Education Reform Act (KERA), the 1990 General Assembly provided for a reconstituted Department of Education to implement KERA along with existing programs. In accordance with KRS 156.148, the Department of Education is headed by a Commissioner of Education appointed by the Kentucky Board of Education.

**Department of Education**  
**Support Education Excellence in Kentucky (SEEK)**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,899,840,800	2,972,270,700	3,009,490,600	3,035,747,400	3,024,776,100
Mandated Allotments		8,631,900			
Other	-11,421,300				
<b>Total General Fund</b>	<b>2,888,419,500</b>	<b>2,980,902,600</b>	<b>3,009,490,600</b>	<b>3,035,747,400</b>	<b>3,024,776,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,888,419,500</b>	<b>2,980,902,600</b>	<b>3,009,490,600</b>	<b>3,035,747,400</b>	<b>3,024,776,100</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	2,878,777,584	2,980,843,337	3,009,490,600	3,035,747,400	3,024,776,100
<b>TOTAL EXPENDITURES</b>	<b>2,878,777,584</b>	<b>2,980,843,337</b>	<b>3,009,490,600</b>	<b>3,035,747,400</b>	<b>3,024,776,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,878,777,584	2,980,843,337	3,009,490,600	3,035,747,400	3,024,776,100
<b>TOTAL EXPENDITURES</b>	<b>2,878,777,584</b>	<b>2,980,843,337</b>	<b>3,009,490,600</b>	<b>3,035,747,400</b>	<b>3,024,776,100</b>
<b>EXPENDITURES BY UNIT</b>					
Base Funding	2,018,012,857	2,074,877,184	2,103,805,900	2,101,558,200	2,090,035,500
Pupil Transportation	214,752,800	214,752,800	214,752,800	214,752,800	214,752,800
Equalized Facilities	108,095,976	118,782,630	114,277,600	128,021,800	124,345,100
Tier I Equalization	163,044,691	172,118,823	168,116,200	174,548,800	170,111,400
National Board Certification Salary Supplement	2,774,960	2,750,000	2,750,000	2,750,000	2,750,000
State-Run Vocational Schools Reimbursement	22,641,900	22,866,900	22,881,900	22,881,900	22,881,900
Vocational Education Transportation	2,416,900	2,416,900	2,416,900	2,416,900	2,416,900
Local District Teachers' Retirement Match	347,037,500	372,278,100	380,489,300	388,817,000	397,482,500
<b>TOTAL EXPENDITURES</b>	<b>2,878,777,584</b>	<b>2,980,843,337</b>	<b>3,009,490,600</b>	<b>3,035,747,400</b>	<b>3,024,776,100</b>

**Policy**

The Budget of the Commonwealth includes funding to maintain the fiscal year 2016 SEEK per pupil guarantee in fiscal year 2017 and fiscal year 2018. The base SEEK per pupil guarantee amount is \$3,981 in fiscal year 2017 and \$3,981 in fiscal year 2018. The recommended budget provides funding to accommodate a projected average daily attendance of 604,956 and projected total local school district assessed property valuation of \$316 billion in fiscal year 2017. In fiscal year 2018, the recommended budget provides funding to accommodate projected average daily attendance of 606,806 and projected total local school district assessed property valuation of \$324 billion. Projected numbers represent a consensus reached by the Department of Education and the Office of State Budget Director.

The Budget of the Commonwealth maintains funding for the pupil transportation program at the fiscal year 2016 level of \$214,752,800 in each fiscal year. The budget includes \$174,548,800 in fiscal year 2017 and \$170,111,400 in fiscal year 2018 to provide Tier I funding to local school districts to equalize local revenues raised under this SEEK component at a level of \$783,000 in fiscal year 2017 and \$783,000 in fiscal year 2018 of assessed property valuation per student (150 percent of the projected statewide average per pupil).

The Budget of the Commonwealth provides funding for the Facilities Support Program of Kentucky (FSPK) in the amounts of \$128,021,800 in fiscal year 2017 and \$124,345,100 in fiscal year 2018 to provide equalization funding for local district revenues from the equivalent nickel levy.

The enacted budget includes \$22,881,900 in fiscal year 2017 and \$22,881,900 in fiscal year 2018 to reimburse state-operated vocational facilities for the costs of providing course offerings to students from local school districts. Funding for vocational education transportation is maintained at the fiscal year 2016 level of \$2,416,900 in fiscal year 2017 and fiscal year 2018.

The Budget of the Commonwealth includes funds \$388,817,000 in fiscal year 2017 and \$397,482,500 in fiscal year 2018 for the Teachers' Retirement employer match on behalf of local school districts.

The enacted budget provides \$2,750,000 in each fiscal year for annual salary supplements to teachers achieving and maintaining certification by the National Board for Professional Teaching Standards.

Also included in the Budget of the Commonwealth is "hold harmless" funding of \$445,800 in fiscal year 2017 and \$532,500 in fiscal year 2018 to provide every school district with at least the same level of state SEEK funding per pupil during the 2016-2018 biennium as was provided in fiscal year 1992.

**Department of Education  
Operations and Support Services**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	47,075,400	48,761,000	54,543,900	58,148,800	58,849,300
State Salary and Compensation	40,400				
Reorganization Adjustment		1,821,300			
Mandated Allotments	68,740				
<b>Total General Fund</b>	<b>47,184,540</b>	<b>50,582,300</b>	<b>54,543,900</b>	<b>58,148,800</b>	<b>58,849,300</b>
<b>Restricted Funds</b>					
Balance Forward	7,287,459	3,476,223	5,594,025		
Current Receipts	1,298,110	3,625,690	1,740,175	7,390,000	7,401,500
Non-Revenue Receipts	496,953	988,904			
Fund Transfers		-250,000			
<b>Total Restricted Funds</b>	<b>9,082,523</b>	<b>7,840,817</b>	<b>7,334,200</b>	<b>7,390,000</b>	<b>7,401,500</b>
<b>Federal Fund</b>					
Balance Forward	703,186	722,279	616,756		
Current Receipts	303,312,971	324,077,745	328,039,744	328,954,900	328,966,400
<b>Total Federal Fund</b>	<b>304,016,157</b>	<b>324,800,025</b>	<b>328,656,500</b>	<b>328,954,900</b>	<b>328,966,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>360,283,220</b>	<b>383,223,141</b>	<b>390,534,600</b>	<b>394,493,700</b>	<b>395,217,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	14,893,687	14,181,478	16,777,300	18,145,700	18,250,800
Operating Expenses	15,394,074	18,010,321	21,851,400	23,864,100	23,840,000
Grants Loans Benefits	325,796,902	344,743,247	351,905,900	350,155,900	350,155,900
Debt Service		61,000		578,000	1,220,500
Construction	55				
<b>TOTAL EXPENDITURES</b>	<b>356,084,718</b>	<b>376,996,045</b>	<b>390,534,600</b>	<b>392,743,700</b>	<b>393,467,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	47,184,540	50,582,300	54,543,900	56,398,800	57,099,300
Restricted Funds	5,606,301	2,230,478	7,334,200	7,390,000	7,401,500
Federal Fund	303,293,878	324,183,268	328,656,500	328,954,900	328,966,400
<b>TOTAL EXPENDITURES</b>	<b>356,084,718</b>	<b>376,996,045</b>	<b>390,534,600</b>	<b>392,743,700</b>	<b>393,467,200</b>
<b>EXPENDITURES BY UNIT</b>					
Commissioner's Office/Board of Education	820,800	1,521,400	1,494,200	1,541,700	1,546,800
Administration and Support	320,467,996	338,653,067	347,799,600	351,554,700	352,238,600
Guiding Support Services	1,401,422	1,074,078	1,593,700	1,685,300	1,703,300
Knowledge, Information and Data Services	33,394,500	35,747,500	39,647,100	37,962,000	37,978,500
<b>TOTAL EXPENDITURES</b>	<b>356,084,718</b>	<b>376,996,045</b>	<b>390,534,600</b>	<b>392,743,700</b>	<b>393,467,200</b>

The Operations and Support Services program area consists of the Office of Administration and Support; the Office of Knowledge, Information, and Data Services; the Office of Guiding Support Services; Commissioner of Education, and the Kentucky Board of Education.

**Department of Education  
Operations and Support Services  
Commissioner's Office/Board of Education**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	817,700	1,150,700	1,494,200	1,541,700	1,546,800
State Salary and Compensation	3,100				
Reorganization Adjustment		370,700			
<b>Total General Fund</b>	<b>820,800</b>	<b>1,521,400</b>	<b>1,494,200</b>	<b>1,541,700</b>	<b>1,546,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>820,800</b>	<b>1,521,400</b>	<b>1,494,200</b>	<b>1,541,700</b>	<b>1,546,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	803,100	1,503,700	1,476,500	1,530,700	1,536,800
Operating Expenses	17,700	17,700	17,700	11,000	10,000
<b>TOTAL EXPENDITURES</b>	<b>820,800</b>	<b>1,521,400</b>	<b>1,494,200</b>	<b>1,541,700</b>	<b>1,546,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	820,800	1,521,400	1,494,200	1,541,700	1,546,800
<b>TOTAL EXPENDITURES</b>	<b>820,800</b>	<b>1,521,400</b>	<b>1,494,200</b>	<b>1,541,700</b>	<b>1,546,800</b>

The 1990 General Assembly, as part of the Kentucky Education Reform Act (KERA), provided in KRS 156.148 for the appointment of a Commissioner of Education by the Kentucky Board of Education to serve as the chief state school officer.

As part of the same legislation, the General Assembly, in KRS 156.029, created an 11 member Kentucky Board of Education. Board members are appointed by the Governor and confirmed by the Senate and the House of Representatives. Seven members are selected from the state's seven Supreme Court districts, and four are appointed from the state at large. Board members serve four-year staggered terms. The Executive Director of the Council on Postsecondary Education serves as an ex officio non-voting board member. Overall policy regarding public elementary and secondary education in Kentucky is set by the Kentucky Board of Education within the legal framework established by the General Assembly.

The Commissioner of Education's qualifications and compensation are set by the Kentucky Board of Education. The Commissioner serves at the pleasure of the Board. The Commissioner is responsible for carrying out all duties assigned by the legislature, for executing education policy as directed by the State Board, and directing the work of all persons employed by the Department of Education.

**Department of Education  
Operations and Support Services  
Administration and Support**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	11,513,600	11,477,400	12,086,400	15,525,000	16,193,000
State Salary and Compensation	23,100				
Reorganization Adjustment		762,100			
Mandated Allotments	68,740				
<b>Total General Fund</b>	<b>11,605,440</b>	<b>12,239,500</b>	<b>12,086,400</b>	<b>15,525,000</b>	<b>16,193,000</b>
<b>Restricted Funds</b>					
Balance Forward	7,223,631	3,407,036	5,517,488		
Current Receipts	1,289,181	3,617,396	1,710,712	7,285,100	7,296,600
Non-Revenue Receipts	462,903	988,904			
Fund Transfers		-250,000			
<b>Total Restricted Funds</b>	<b>8,975,714</b>	<b>7,763,336</b>	<b>7,228,200</b>	<b>7,285,100</b>	<b>7,296,600</b>
<b>Federal Fund</b>					
Balance Forward	699,452	718,546	616,756		
Current Receipts	303,312,971	324,080,051	327,868,244	328,744,600	328,749,000
<b>Total Federal Fund</b>	<b>304,012,424</b>	<b>324,798,597</b>	<b>328,485,000</b>	<b>328,744,600</b>	<b>328,749,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>324,593,578</b>	<b>344,801,433</b>	<b>347,799,600</b>	<b>351,554,700</b>	<b>352,238,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	11,118,387	9,653,778	11,052,600	11,559,000	11,607,000
Operating Expenses	2,452,153	2,344,542	3,665,600	6,336,300	6,329,700
Grants Loans Benefits	306,897,402	326,593,747	333,081,400	333,081,400	333,081,400
Debt Service		61,000		578,000	1,220,500
Construction	55				
<b>TOTAL EXPENDITURES</b>	<b>320,467,996</b>	<b>338,653,067</b>	<b>347,799,600</b>	<b>351,554,700</b>	<b>352,238,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	11,605,440	12,239,500	12,086,400	15,525,000	16,193,000
Restricted Funds	5,568,678	2,230,300	7,228,200	7,285,100	7,296,600
Federal Fund	303,293,878	324,183,268	328,485,000	328,744,600	328,749,000
<b>TOTAL EXPENDITURES</b>	<b>320,467,996</b>	<b>338,653,067</b>	<b>347,799,600</b>	<b>351,554,700</b>	<b>352,238,600</b>
<b>EXPENDITURES BY UNIT</b>					
Administration & Resource Management	8,980,404	6,188,700	10,774,100	12,181,200	12,847,000
District Support	4,257,888	4,343,700	4,673,900	6,764,800	6,779,800
School & Community Nutrition	307,229,704	328,120,668	332,351,600	332,608,700	332,611,800
<b>TOTAL EXPENDITURES</b>	<b>320,467,996</b>	<b>338,653,067</b>	<b>347,799,600</b>	<b>351,554,700</b>	<b>352,238,600</b>

The Office of Administration and Support consists of the following divisions: the Division of Budget and Financial Management, the Division of District Support, the Division of Resource Management, and the Division of School and Community Nutrition.

The Division of Budget and Financial Management supervises the department's annual and biennial budget creation, budget analysis and forecasting, expenditure authorizations, personnel approvals, and allotment as well as appropriation adjustments. The Division also supervises expenditure and accounting transactions, purchasing and document preparation, and pre-audit functions. The Division serves as agency liaison with the Auditor of Public Accounts, the Finance and Administration Cabinet, the Office of State Budget Director, and the Legislative Research Commission budget staff.

The Division of District Support distributes state SEEK funds to local school districts and provides districts with assistance on salary schedules, data management, facility management, and budgeting. Staff of the Division work with various Department of Education, Council for Postsecondary Education, and Professional Standards

Board program areas in analyzing data and determining requirements for data entered in the Department's enterprise data system. The Division also reviews local school district facility plans and compiles information on school district construction needs for the School Facilities Construction Commission.

The Division of Resource Management provides personnel and payroll services to Department staff. These services include the administration of the state merit system, Family Medical Leave Act, Workers' Compensation, sick leave sharing, tuition assistance, employee training, Fair Labor Standards Act, Americans with Disabilities Act, and all other related employment laws and regulations.

The Division of School and Community Nutrition oversees the administration of the following National School Lunch Act and Child Nutrition Act programs in local school districts and other eligible agencies: National School Lunch program, School Breakfast program, Special Milk program, Child Care Food program, Summer Food Service program, and the Nutrition Education and Training program.

## **Policy**

The Budget of the Commonwealth provides General Fund in the amount of \$578,000 in fiscal year 2017 and \$1,220,500 in fiscal year 2018 for debt service on new bonds included in the capital budget.

Also included in the Budget of the Commonwealth is \$2,000,000 in each fiscal year for a review of primary and secondary school building classifications.



**Department of Education  
Operations and Support Services  
Guiding Support Services**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,357,700	1,328,000	1,316,200	1,370,100	1,381,000
State Salary and Compensation	6,100				
Reorganization Adjustment		-254,100			
<b>Total General Fund</b>	1,363,800	1,073,900	1,316,200	1,370,100	1,381,000
<b>Restricted Funds</b>					
Balance Forward	63,057	68,414	76,537		
Current Receipts	8,930	8,294	29,463	104,900	104,900
Non-Revenue Receipts	34,051				
<b>Total Restricted Funds</b>	106,037	76,708	106,000	104,900	104,900
<b>Federal Fund</b>					
Current Receipts			171,500	210,300	217,400
<b>Total Federal Fund</b>			171,500	210,300	217,400
<b>TOTAL SOURCE OF FUNDS</b>	1,469,837	1,150,608	1,593,700	1,685,300	1,703,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,325,100	1,053,900	1,572,600	1,665,300	1,683,300
Operating Expenses	76,322	20,178	21,100	20,000	20,000
<b>TOTAL EXPENDITURES</b>	1,401,422	1,074,078	1,593,700	1,685,300	1,703,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,363,800	1,073,900	1,316,200	1,370,100	1,381,000
Restricted Funds	37,622	178	106,000	104,900	104,900
Federal Fund			171,500	210,300	217,400
<b>TOTAL EXPENDITURES</b>	1,401,422	1,074,078	1,593,700	1,685,300	1,703,300

The Office of Guiding Support Services provides legal, legislative, and communication services for the Department of Education. These services include: providing in-house counsel and advice for the Department and the Kentucky Board of Education; representing the Department and the Kentucky Board of Education before administrative agencies and courts of law; offering informal legal advice to local school districts and the general public; overseeing news media relations for the Commissioner and the Department of Education; creating print and electronic publications; providing photographic services for the Department, and maintaining the Department of Education's website.

**Department of Education  
Operations and Support Services  
Knowledge, Information and Data Services**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	33,386,400	34,804,900	39,647,100	39,712,000	39,728,500
State Salary and Compensation	8,100				
Reorganization Adjustment		942,600			
<b>Total General Fund</b>	33,394,500	35,747,500	39,647,100	39,712,000	39,728,500
<b>Restricted Funds</b>					
Balance Forward	772	772			
<b>Total Restricted Funds</b>	772	772			
<b>Federal Fund</b>					
Balance Forward	3,733	3,733			
Current Receipts		-2,305			
<b>Total Federal Fund</b>	3,733	1,428			
<b>TOTAL SOURCE OF FUNDS</b>	33,399,005	35,749,700	39,647,100	39,712,000	39,728,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,647,100	1,970,100	2,675,600	3,390,700	3,423,700
Operating Expenses	12,847,900	15,627,900	18,147,000	17,496,800	17,480,300
Grants Loans Benefits	18,899,500	18,149,500	18,824,500	17,074,500	17,074,500
<b>TOTAL EXPENDITURES</b>	33,394,500	35,747,500	39,647,100	37,962,000	37,978,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	33,394,500	35,747,500	39,647,100	37,962,000	37,978,500
<b>TOTAL EXPENDITURES</b>	33,394,500	35,747,500	39,647,100	37,962,000	37,978,500

The Office of Knowledge, Information, and Data Services (KIDS) provides planning, administration, and quality assurance for the Kentucky Education Technology System (KETS). KIDS consists of four areas: the Division of Engineering and Management, the Division of Operations and Services, the Division of Enterprise Data, and KETS Field Services.

The Division of Engineering and Management develops and implements the KETS Master Plan, oversees the KETS Offers of Assistance program, and manages the Kentucky Education Network (KEN).

The KETS Offers of Assistance program provides school districts with state funds for education technology purchases. The Division of Engineering and Management determines which districts are eligible to receive KETS offers of assistance and submits this information to the School Facilities Construction Commission (SFCC). The SFCC distributes KETS offers of assistance to eligible districts based on each district's average daily attendance. School districts must spend the offers on appropriate education technology items or services and the districts are required to match funds dollar for dollar.

KEN is the wide-area-network that provides high speed network connectivity and Internet access to Kentucky school districts, the Kentucky School for the Blind, the Kentucky School for the Deaf, and the Department of Education.

The Division of Operations and Services manages the technical support Customer Service Center, oversees school networking, messaging and security services as well as supports the School District Financial Management System (MUNIS) and other systems,

The Division of Enterprise Data manages the Kentucky Student Information System (KSIS), Continuous Instructional Improvement Technology System (CIITS), Department of Education Enterprise Data Dictionary, and master reporting schedule. The Division is also responsible for handling systematic data quality issues that cross all agency and district data systems.

KETS Field Services interact directly with District Technology Coordinators and school district technical staff to

support the Student Technology Leadership Program (STLP), Microsoft IT Academy and other education technology programs.

STLP is an education technology program focused on project-based learning to empower students in all grade levels to use technology.

The Microsoft IT Academy is an educational technology program that prepares educators and students for industry recognized certifications.

**Department of Education**  
**Learning and Results Services**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	917,174,800	985,063,800	1,029,027,100	1,037,639,100	1,039,225,600
State Salary and Compensation	261,200				
Continuing Approp-General Fund	581,693	240,195	454,000		
Budget Reduction-General Fund	-263,337				
Reorganization Adjustment		-1,821,300			
Other	11,421,300				
<b>Total General Fund</b>	<b>929,175,656</b>	<b>983,482,695</b>	<b>1,029,481,100</b>	<b>1,037,639,100</b>	<b>1,039,225,600</b>
<b>Restricted Funds</b>					
Balance Forward	3,764,446	4,611,608	4,271,374		
Current Receipts	1,562,849	1,282,963	1,398,712	6,682,900	6,717,800
Non-Revenue Receipts	18,658,842	18,956,328	19,964,214	20,069,600	20,069,600
<b>Total Restricted Funds</b>	<b>23,986,137</b>	<b>24,850,899</b>	<b>25,634,300</b>	<b>26,752,500</b>	<b>26,787,400</b>
<b>Federal Fund</b>					
Balance Forward	2,719,046	6,436,367	2,777,425		
Current Receipts	496,837,913	473,468,247	556,710,975	559,520,200	559,526,700
Non-Revenue Receipts	7,694	-4,733			
<b>Total Federal Fund</b>	<b>499,564,653</b>	<b>479,899,882</b>	<b>559,488,400</b>	<b>559,520,200</b>	<b>559,526,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,452,726,446</b>	<b>1,488,233,475</b>	<b>1,614,603,800</b>	<b>1,623,911,800</b>	<b>1,625,539,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	85,249,327	93,351,815	97,413,400	98,452,800	98,686,200
Operating Expenses	13,733,865	14,490,040	15,994,500	15,865,200	15,849,900
Grants Loans Benefits	1,342,228,982	1,367,240,139	1,501,195,900	1,509,593,800	1,511,003,600
Capital Outlay	151,877	111,330			
Construction	71,311	17,333			
<b>TOTAL EXPENDITURES</b>	<b>1,441,435,362</b>	<b>1,475,210,657</b>	<b>1,614,603,800</b>	<b>1,623,911,800</b>	<b>1,625,539,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	928,932,548	977,248,518	1,029,481,100	1,037,639,100	1,039,225,600
Restricted Funds	19,374,529	20,579,526	25,634,300	26,752,500	26,787,400
Federal Fund	493,128,285	477,382,613	559,488,400	559,520,200	559,526,700
<b>TOTAL EXPENDITURES</b>	<b>1,441,435,362</b>	<b>1,475,210,657</b>	<b>1,614,603,800</b>	<b>1,623,911,800</b>	<b>1,625,539,700</b>
<b>EXPENDITURES BY UNIT</b>					
Next Generation Schools	288,753,337	273,659,587	322,248,900	322,307,400	322,319,200
Next Generation Learners	391,598,609	422,749,289	486,060,900	485,912,500	485,934,400
Assessment and Accountability	20,810,590	19,127,844	22,624,000	22,648,900	22,654,000
State Schools	15,904,174	16,630,868	18,039,900	18,209,800	18,244,500
Career & Technical Education	73,642,689	76,035,215	79,513,900	80,033,200	80,140,100
Local District Health Insurance	650,725,962	667,007,853	686,116,200	694,800,000	696,247,500
<b>TOTAL EXPENDITURES</b>	<b>1,441,435,362</b>	<b>1,475,210,657</b>	<b>1,614,603,800</b>	<b>1,623,911,800</b>	<b>1,625,539,700</b>

The Learning and Results Services program area consists of the following offices: Office of Assessment and Accountability; Office of Next Generation Learners; Office of Next Generation Schools and Districts, and Office of Career and Technical Education.

**Department of Education  
Learning and Results Services  
Next Generation Schools**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,975,300	6,206,600	6,683,800	6,723,900	6,732,000
State Salary and Compensation	13,500				
Reorganization Adjustment		452,100			
<b>Total General Fund</b>	<b>5,988,800</b>	<b>6,658,700</b>	<b>6,683,800</b>	<b>6,723,900</b>	<b>6,732,000</b>
<b>Restricted Funds</b>					
Balance Forward	827,675	662,524	869,177		
Current Receipts			503,723	1,373,500	1,373,900
Non-Revenue Receipts	152,440	206,962			
<b>Total Restricted Funds</b>	<b>980,115</b>	<b>869,486</b>	<b>1,372,900</b>	<b>1,373,500</b>	<b>1,373,900</b>
<b>Federal Fund</b>					
Balance Forward	-3,032,589	-2,500,220	1,497,634		
Current Receipts	282,971,622	266,583,985	312,694,566	314,210,000	314,213,300
Non-Revenue Receipts	7,694	-4,733			
<b>Total Federal Fund</b>	<b>279,946,727</b>	<b>264,079,032</b>	<b>314,192,200</b>	<b>314,210,000</b>	<b>314,213,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>286,915,642</b>	<b>271,607,218</b>	<b>322,248,900</b>	<b>322,307,400</b>	<b>322,319,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,059,905	10,232,938	6,142,900	6,247,900	6,264,000
Operating Expenses	990,229	1,643,595	1,654,500	1,654,500	1,654,500
Grants Loans Benefits	282,703,203	261,783,053	314,451,500	314,405,000	314,400,700
<b>TOTAL EXPENDITURES</b>	<b>288,753,337</b>	<b>273,659,587</b>	<b>322,248,900</b>	<b>322,307,400</b>	<b>322,319,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,988,800	6,658,700	6,683,800	6,723,900	6,732,000
Restricted Funds	317,591	309	1,372,900	1,373,500	1,373,900
Federal Fund	282,446,947	267,000,578	314,192,200	314,210,000	314,213,300
<b>TOTAL EXPENDITURES</b>	<b>288,753,337</b>	<b>273,659,587</b>	<b>322,248,900</b>	<b>322,307,400</b>	<b>322,319,200</b>
<b>EXPENDITURES BY UNIT</b>					
Consolidated Plans & Audits	242,751,376	231,997,297	270,006,300	270,019,200	270,021,800
Federal Programs & Educator Effectiveness	38,558,539	34,575,714	40,360,500	40,374,400	40,377,100
Next Generation Schools	7,443,422	7,086,575	11,882,100	11,913,800	11,920,300
<b>TOTAL EXPENDITURES</b>	<b>288,753,337</b>	<b>273,659,587</b>	<b>322,248,900</b>	<b>322,307,400</b>	<b>322,319,200</b>

The Office of Next Generation Schools and Districts consists of three divisions: the Division of Consolidated Plans and Audits, the Division of Student Success, and the Division of Innovation and Partner Engagement.

The Division of Consolidated Plans and Audits implements and monitors the following federal and state programs: School-Based Decision-Making councils, ESEA No Child Left Behind Act (P.L. 107-110); Title I, Parts A (Improving the Academic Achievement of the Disadvantaged), C (Education of Migrant Children), D (Programs for Children and Youth who are Neglected and Delinquent), F (Comprehensive School Reform), and the Stewart B. McKinney Homeless Assistance Act for the Education of Homeless Children and Youth. The Division also provides assistance to school districts and parents on closing the achievement gap and assuring instructional equity for students.

The Division of Student Success provides guidance and assistance to Kentucky Alternative Education programs and ensures continuous improvement in instruction, practices and curriculum to help all Kentucky students to be college and career ready. The Division also provides assistance on developing and implementing digital learning, school safety, bullying prevention, and achievement gap reduction programs.

The Division of Innovation and Partner Engagement implements and oversees Kentucky's Districts of Innovation as well as assists and monitors nontraditional instruction.

**Department of Education  
Learning and Results Services  
Next Generation Learners**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	204,393,300	236,514,600	266,310,700	265,644,900	265,661,700
State Salary and Compensation	17,300				
Continuing Approp-General Fund	581,693	240,195	454,000		
Reorganization Adjustment		-2,273,400			
<b>Total General Fund</b>	<b>204,992,293</b>	<b>234,481,395</b>	<b>266,764,700</b>	<b>265,644,900</b>	<b>265,661,700</b>
<b>Restricted Funds</b>					
Balance Forward	1,057,412	1,057,412			
Current Receipts				962,100	965,000
<b>Total Restricted Funds</b>	<b>1,057,412</b>	<b>1,057,412</b>		<b>962,100</b>	<b>965,000</b>
<b>Federal Fund</b>					
Balance Forward	325,384	834,981	1,177,948		
Current Receipts	187,356,109	188,227,872	218,118,252	219,305,500	219,307,700
<b>Total Federal Fund</b>	<b>187,681,493</b>	<b>189,062,853</b>	<b>219,296,200</b>	<b>219,305,500</b>	<b>219,307,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>393,731,198</b>	<b>424,601,660</b>	<b>486,060,900</b>	<b>485,912,500</b>	<b>485,934,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,532,481	9,594,357	10,694,500	10,682,900	10,700,200
Operating Expenses	3,198,155	3,635,957	3,494,600	3,494,000	3,493,900
Grants Loans Benefits	379,854,393	409,516,407	471,871,800	471,735,600	471,740,300
Capital Outlay	13,580				
Construction		2,568			
<b>TOTAL EXPENDITURES</b>	<b>391,598,609</b>	<b>422,749,289</b>	<b>486,060,900</b>	<b>485,912,500</b>	<b>485,934,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	204,752,098	233,902,265	266,764,700	265,644,900	265,661,700
Restricted Funds				962,100	965,000
Federal Fund	186,846,512	188,847,025	219,296,200	219,305,500	219,307,700
<b>TOTAL EXPENDITURES</b>	<b>391,598,609</b>	<b>422,749,289</b>	<b>486,060,900</b>	<b>485,912,500</b>	<b>485,934,400</b>
<b>EXPENDITURES BY UNIT</b>					
Gifted & Talented	6,622,300	6,622,300	6,622,300	6,622,300	6,622,300
Community Education & Service	19,394,002	20,673,004	25,456,400	25,456,400	25,456,400
Next Generation Learner Programs	15,773,200	23,412,400	30,001,800	30,001,800	30,001,800
Program Standards	6,119,457	3,836,160	4,939,500	4,953,300	4,956,100
Learning Services	163,210,296	163,887,634	188,491,600	188,519,600	188,524,800
Extended Learning Services	12,301,200	19,105,900	25,510,700	25,510,700	25,510,700
Family Resource and Youth Services Centers	52,148,300	52,148,300	52,148,300	52,148,300	52,148,300
Read to Achieve	17,749,000	17,149,000	16,999,000	16,999,000	16,999,000
Math Achievement	5,273,600	5,433,600	5,353,600	5,353,600	5,353,600
Professional Growth Fund	1,291,798	276,443	1,174,300	720,300	720,300
Dropout Prevention	576,100	576,100	576,100		
Education of State Agency Children	9,596,500	10,096,500	10,096,500	10,096,500	10,096,500
Textbooks		16,700,000	16,700,000	16,700,000	16,700,000
Local District Life Insurance	1,483,700	1,358,622	1,483,700	1,483,700	1,483,700
Next Generation Learners	8,514,457	9,925,027	10,195,300	11,033,500	11,047,100
Preschool	71,544,700	71,548,300	90,311,800	90,313,500	90,313,800
<b>TOTAL EXPENDITURES</b>	<b>391,598,609</b>	<b>422,749,289</b>	<b>486,060,900</b>	<b>485,912,500</b>	<b>485,934,400</b>

The Office of Next Generation Learners consists of the Division of Program Standards, the Division of Learning Services and the Division of Next Generation Professionals. This Office oversees several educational programs and funds.

**Career and Technical Education Programs** assist middle schools, high schools, and locally-operated career centers in developing and implementing career readiness services. Career and Technical Education service areas include Perkins Accountability, High Schools That Work, Tech Prep and high school reform as well as five statewide student organizations. The Kentucky FFA Leadership Training Center at Hardinsburg is also part of Career and Technical Education program.

**Community Education & Service Programs** work with public schools to promote individual and community development and lifelong learning. Community Education programs also serve as the delivery system for federal Learn and Serve grants.

The **Kentucky Educational Collaborative for State Agency Children (KECSAC) Program** provides school districts with high-quality educational support services to at risk youth through a collaborative delivery system involving the Kentucky Departments of Education, Juvenile Justice, Community Based Services, Mental Health, Developmental Disabilities and Addiction Services, as well as private and public child and youth care programs.

The **Extended Learning Services or Extended School Services (ESS) Fund** was established by KRS 158.070 to provide struggling learners with additional instructional time and assistance to achieve their learning goals. The program offers instructional time outside regular school hours and takes many forms including after-school and before-school instruction, evening sessions, Saturday learning activities, summer programs, and learning inter-sessions in year-round schools.

**Family Resource and Youth Services Centers (FRYSCs) Programs** were established by the Kentucky Education Reform Act (KERA) of 1990. The goal of FRYSCs is to address the needs of children and their families residing in the area served by the school in which a center is located. Family Resource Centers serve children in elementary schools while Youth Services Centers serve children in middle and high schools. Each center contains a unique blend of program components depending on location, available resource, local need, and community input.

The **Gifted and Talented Fund** provides support to school districts for educational services to students who are gifted and talented.

The **Division of Learning Services** provides schools with assistance in the development and implementation of services for children and youth with disabilities, including services associated with the federal Individuals with Disabilities Education Act. Program areas include Individuals with Disabilities Education, Preschool Special Education, and Special Education Program Improvement.

**Local District Life Insurance Fund** for full-time qualified school district employees are mandated by KRS 18A.226, KRS 161.158, and 702 KAR 1:035. Funds in this program are used to pay on behalf of school districts the employer's portion of the premiums to the Personnel Cabinet.

The **Mathematics Achievement Fund** provides two-year renewable grants to local school districts for training teachers in diagnostic assessment and intervention skills. To qualify, a district must employ standards-based and research-based math instructional practices, use intervention and support services to supplement regular classroom instruction, and provide intervention services to primary program and other students at risk of mathematics failure based on ongoing assessments of their needs.

**Next Generation Learners Programs** consist of a variety of grant programs. Included in this area are: the Collaborative Center for Literacy Development; Save the Children; Elementary Arts and Humanities/World Language; Middle School Center; Writing Program; Teacher Academies; Leadership and Mentor Fund; Professional Development; Safe Schools; Georgia Chaffee Teenage Parent Program (TAPP); Appalachian Tutoring Program, Lexington Hearing & Speech Center; Heuser Hearing and Language Academy; Visually Impaired Preschool Services; Teach for America and Advance Kentucky.

The **Office of Next Generation Learners** oversees the Division of Learning Services, the Division of Program Standards, and the Division of Next Generation Professionals.

The **Preschool Fund** provides grants to local school districts for the education of four year old children whose families meet qualifying poverty guidelines as well as three and four year old children with developmental delays or other disabilities.

The **Teachers' Professional Growth Fund** provides teachers with opportunities for high quality professional development in content knowledge and teaching methodologies in the core disciplines of mathematics, science, language arts and social studies.

The **Division of Program Standards** assist districts design and implement curriculum based on new academic standards. The Division is working with districts to implement the newly established standards for English Language Arts and Mathematics. The Division is also working with national development teams on standards for Science and Social Studies

The **Read to Achieve Fund** provides grants to schools to implement research-based reading diagnostic and intervention programs for struggling readers within the state primary program. The early reading intervention program selected by the funded school must be based on reliable, replicable research and offer short-term intensive one-on-one or small group instruction in essential skills necessary for reading proficiency.

The **Textbook Fund** provides support to local school districts to obtain instructional material for students in kindergarten through eighth grades.



The Office of Next Generation Learners consists of the Division of Program Standards, the Division of Learning Services and the Division of Next Generation Professionals. This Office oversees several educational programs and funds.

**Career and Technical Education Programs** assist middle schools, high schools, and locally-operated career centers in developing and implementing career readiness services. Career and Technical Education service areas include Perkins Accountability, High Schools That Work, Tech Prep and high school reform as well as five statewide student organizations. The Kentucky FFA Leadership Training Center at Hardinsburg is also part of Career and Technical Education program.

**Community Education & Service Programs** work with public schools to promote individual and community development and lifelong learning. Community Education programs also serve as the delivery system for federal Learn and Serve grants.

The **Kentucky Educational Collaborative for State Agency Children (KECSAC) Program** provides school districts with high-quality educational support services to at risk youth through a collaborative delivery system involving the Kentucky Departments of Education, Juvenile Justice, Community Based Services, Mental Health, Developmental Disabilities and Addiction Services, as well as private and public child and youth care programs.

The **Extended Learning Services or Extended School Services (ESS) Fund** was established by KRS 158.070 to provide struggling learners with additional instructional time and assistance to achieve their learning goals. The program offers instructional time outside regular school hours and takes many forms including after-school and before-school instruction, evening sessions, Saturday learning activities, summer programs, and learning inter-sessions in year-round schools.

**Family Resource and Youth Services Centers (FRYSCs) Programs** were established by the Kentucky Education Reform Act (KERA) of 1990. The goal of FRYSCs is to address the needs of children and their families residing in the area served by the school in which a center is located. Family Resource Centers serve children in elementary schools while Youth Services Centers serve children in middle and high schools. Each center contains a unique blend of program components depending on location, available resource, local need, and community input.

The **Gifted and Talented Fund** provides support to school districts for educational services to students who are gifted and talented.

The **Division of Learning Services** provides schools with assistance in the development and implementation of services for children and youth with disabilities, including services associated with the federal Individuals with Disabilities Education Act. Program areas include Individuals with Disabilities Education, Preschool Special Education, and Special Education Program Improvement.

**Local District Life Insurance Fund** for full-time qualified school district employees are mandated by KRS 18A.226, KRS 161.158, and 702 KAR 1:035. Funds in this program are used to pay on behalf of school districts the employer's portion of the premiums to the Personnel Cabinet.

The **Mathematics Achievement Fund** provides two-year renewable grants to local school districts for training teachers in diagnostic assessment and intervention skills. To qualify, a district must employ standards-based and research-based math instructional practices, use intervention and support services to supplement regular classroom instruction, and provide intervention services to primary program and other students at risk of mathematics failure based on ongoing assessments of their needs.

**Next Generation Learners Programs** consist of a variety of grant programs. Included in this area are: the Collaborative Center for Literacy Development; Save the Children; Elementary Arts and Humanities/World Language; Middle School Center; Writing Program; Teacher Academies; Leadership and Mentor Fund; Professional Development; Safe Schools; Georgia Chaffee Teenage Parent Program (TAPP); Appalachian Tutoring Program, Lexington Hearing & Speech Center; Heuser Hearing and Language Academy; Visually Impaired Preschool Services; Teach for America and Advance Kentucky.

The **Office of Next Generation Learners** oversees the Division of Learning Services, the Division of Program Standards, and the Division of Next Generation Professionals.

The **Preschool Fund** provides grants to local school districts for the education of four year old children whose families meet qualifying poverty guidelines as well as three and four year old children with developmental delays or other disabilities.

The **Teachers' Professional Growth Fund** provides teachers with opportunities for high quality professional development in content knowledge and teaching methodologies in the core disciplines of mathematics, science, language arts and social studies.

The **Division of Program Standards** assist districts design and implement curriculum based on new academic standards. The Division is working with districts to implement the newly established standards for English Language Arts and Mathematics. The Division is also working with national development teams on standards for Science and Social Studies

The **Read to Achieve Fund** provides grants to schools to implement research-based reading diagnostic and intervention programs for struggling readers within the state primary program. The early reading intervention program selected by the funded school must be based on reliable, replicable research and offer short-term intensive one-on-one or small group instruction in essential skills necessary for reading proficiency.

The **Textbook Fund** provides support to local school districts to obtain instructional material for students in kindergarten through eighth grades.

**Department of Education  
Learning and Results Services  
Assessment and Accountability**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	14,541,200	14,620,300	14,624,000	14,648,900	14,654,000
State Salary and Compensation	11,000				
<b>Total General Fund</b>	<b>14,552,200</b>	<b>14,620,300</b>	<b>14,624,000</b>	<b>14,648,900</b>	<b>14,654,000</b>
<b>Federal Fund</b>					
Balance Forward	3,080,145	5,809,115			
Current Receipts	8,987,361	1,598,677	8,000,000	8,000,000	8,000,000
<b>Total Federal Fund</b>	<b>12,067,506</b>	<b>7,407,792</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>26,619,706</b>	<b>22,028,092</b>	<b>22,624,000</b>	<b>22,648,900</b>	<b>22,654,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	19,638,772	18,457,152	21,924,000	21,971,200	21,978,000
Operating Expenses	1,171,818	670,692	700,000	677,700	676,000
<b>TOTAL EXPENDITURES</b>	<b>20,810,590</b>	<b>19,127,844</b>	<b>22,624,000</b>	<b>22,648,900</b>	<b>22,654,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	14,552,200	14,620,300	14,624,000	14,648,900	14,654,000
Federal Fund	6,258,390	4,507,544	8,000,000	8,000,000	8,000,000
<b>TOTAL EXPENDITURES</b>	<b>20,810,590</b>	<b>19,127,844</b>	<b>22,624,000</b>	<b>22,648,900</b>	<b>22,654,000</b>

The Office of Assessment and Accountability is responsible for developing and implementing Kentucky's system of assessing progress by students, schools, and districts. The Office supplies information on regulations, policies and procedures, a calendar of important assessment dates, manuals, and information for districts and schools on using testing data to improve instruction. The Office of Assessment and Accountability also oversees the implementation of testing and data requirements enacted by Senate Bill 1 of the 2009 Regular Session of the General Assembly.

The Office consists of two divisions: the Division of Assessment Design and Implementation and the Division of Assessment Support and Research.

The Division of Assessment Design and Implementation operates the state's testing program and coordinates the logistics of the assessment program at the district level. This involves managing and generating data necessary to report assessment results on which accountability performance judgments must be based.

The Division of Assessment Support and Research reviews the consistency of student results across multiple measures and the potential for all scores to yield fair, consistent, and accurate information on student, school, and district performance. The Division also reviews the accuracy of scores assigned to students and schools as well as accuracy of the testing materials.

**Department of Education  
Learning and Results Services  
State Schools**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	15,580,600	16,183,300	16,488,000	16,657,900	16,692,600
State Salary and Compensation	99,400				
<b>Total General Fund</b>	<b>15,680,000</b>	<b>16,183,300</b>	<b>16,488,000</b>	<b>16,657,900</b>	<b>16,692,600</b>
<b>Restricted Funds</b>					
Balance Forward	627,155	722,502	696,308		
Current Receipts	319,613	396,373	855,592	1,551,900	1,551,900
Non-Revenue Receipts		25,000			
<b>Total Restricted Funds</b>	<b>946,768</b>	<b>1,143,875</b>	<b>1,551,900</b>	<b>1,551,900</b>	<b>1,551,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>16,626,768</b>	<b>17,327,175</b>	<b>18,039,900</b>	<b>18,209,800</b>	<b>18,244,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	14,388,953	15,288,998	15,244,500	15,520,800	15,569,000
Operating Expenses	1,475,787	1,341,871	2,795,400	2,689,000	2,675,500
Grants Loans Benefits	-2,195				
Capital Outlay	5,000				
Construction	36,629				
<b>TOTAL EXPENDITURES</b>	<b>15,904,174</b>	<b>16,630,868</b>	<b>18,039,900</b>	<b>18,209,800</b>	<b>18,244,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	15,679,908	16,183,300	16,488,000	16,657,900	16,692,600
Restricted Funds	224,265	447,568	1,551,900	1,551,900	1,551,900
<b>TOTAL EXPENDITURES</b>	<b>15,904,174</b>	<b>16,630,868</b>	<b>18,039,900</b>	<b>18,209,800</b>	<b>18,244,500</b>

The **Kentucky School for the Blind**, located in Louisville, Kentucky, provides instructional and residential programs for blind and visually impaired students throughout Kentucky. Services provided by the Kentucky School for the Blind include: Instructional and Related Services; Residential Services, Operational Support, and Federal Support.

Instruction and Related Services includes supervision, teaching, supplies, equipment, and clerical services, all of which are needed for the regular instruction of the students enrolled at the Kentucky School for the Blind. Tools utilized are Braille, large print, electronic aids, and other special aids and methods for teaching basic academic skills, vocational skills, self care skills, orientation and mobility, music, physical education, athletics, and counseling.

Residential Services include those services which are needed to provide housing, daily living skills, and leisure time activities for students who reside at the Kentucky School for the Blind. This subprogram also deals with transportation arrangements when residential students go home on weekends and at the end of the school year.

Operational Support includes administration, business management, food service, housekeeping, utilities and other operating expenses, maintenance of buildings and grounds, and health care. The positions of Superintendent and Coordinator of Instruction and Related Services are included in this subprogram.

The Outreach program provides consultative, technical, and evaluative support to local school districts relating to education of students who are blind or visually impaired.

Federal Support includes funds to support federally mandated services. Funds received under Chapter I of the Education Consolidation and Improvement Act are used to provide services in the areas of speech therapy and basic skill instruction. Federal funds are also used to provide instruction and residential services for children who are deaf blind.

The **Kentucky School for the Deaf**, located in Danville, Kentucky, provides educational services to deaf children who cannot be served by local school districts. The School's educational program consists of appropriate

classroom instruction, life skills, physical education, and vocational training. Students receive instruction in accordance with their Individual Education Plan that emphasizes language and communication skills development.

Students at the Kentucky School for the Deaf are housed in campus dormitories supervised by houseparents. The students receive practical living skill instruction in personal safety, hygiene, and independent living skills.

The Kentucky School for the Deaf also supports an outreach program which provides consultative, technical, and evaluative support to local school districts on how to provide effective educational services to deaf children attending school in a local district. The Kentucky School for the Deaf is the designated Statewide Educational Resource Center on Deafne

**Department of Education  
Learning and Results Services  
Career & Technical Education**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	37,116,400	38,876,100	38,804,400	39,163,500	39,237,800
State Salary and Compensation	120,000				
<b>Total General Fund</b>	<b>37,236,400</b>	<b>38,876,100</b>	<b>38,804,400</b>	<b>39,163,500</b>	<b>39,237,800</b>
<b>Restricted Funds</b>					
Balance Forward	1,252,204	2,169,170	2,705,889		
Current Receipts	1,243,236	886,590	39,397	2,795,400	2,827,000
Non-Revenue Receipts	18,506,402	18,724,366	19,964,214	20,069,600	20,069,600
<b>Total Restricted Funds</b>	<b>21,001,842</b>	<b>21,780,126</b>	<b>22,709,500</b>	<b>22,865,000</b>	<b>22,896,600</b>
<b>Federal Fund</b>					
Balance Forward	2,346,106	2,292,491	101,843		
Current Receipts	17,522,822	17,057,713	17,898,157	18,004,700	18,005,700
<b>Total Federal Fund</b>	<b>19,868,927</b>	<b>19,350,203</b>	<b>18,000,000</b>	<b>18,004,700</b>	<b>18,005,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>78,107,170</b>	<b>80,006,429</b>	<b>79,513,900</b>	<b>80,033,200</b>	<b>80,140,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	37,629,216	39,778,370	43,407,500	44,030,000	44,175,000
Operating Expenses	6,897,876	7,197,925	7,350,000	7,350,000	7,350,000
Grants Loans Benefits	28,947,618	28,932,825	28,756,400	28,653,200	28,615,100
Capital Outlay	133,297	111,330			
Construction	34,682	14,765			
<b>TOTAL EXPENDITURES</b>	<b>73,642,689</b>	<b>76,035,215</b>	<b>79,513,900</b>	<b>80,033,200</b>	<b>80,140,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	37,233,580	38,876,100	38,804,400	39,163,500	39,237,800
Restricted Funds	18,832,672	20,131,648	22,709,500	22,865,000	22,896,600
Federal Fund	17,576,437	17,027,466	18,000,000	18,004,700	18,005,700
<b>TOTAL EXPENDITURES</b>	<b>73,642,689</b>	<b>76,035,215</b>	<b>79,513,900</b>	<b>80,033,200</b>	<b>80,140,100</b>

The Office of Career and Technical Education provides occupational-specific education and training for Kentucky's citizens in order to develop a skilled and versatile workforce. The main responsibility is providing education and technical training to youth and incumbent workers that match the needs of Kentucky business and industry. The Office of Career and Technical Education manages 53 area technology centers. These area technology centers prepare students for postsecondary technical training leading to a certificate or an associate's degree, academic pursuits at a four-year college or university, or entry into the labor market with an industry-recognized qualification. The Office of Career and Technical Education is also responsible for programs under the Carl D. Perkins Vocational and Applied Technology Education Act of 1998 (Public Law 105-332).

**Department of Education  
Learning and Results Services  
Local District Health Insurance**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	639,568,000	672,662,900	686,116,200	694,800,000	696,247,500
Budget Reduction-General Fund	-263,337				
Other	11,421,300				
<b>Total General Fund</b>	<b>650,725,963</b>	<b>672,662,900</b>	<b>686,116,200</b>	<b>694,800,000</b>	<b>696,247,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>650,725,963</b>	<b>672,662,900</b>	<b>686,116,200</b>	<b>694,800,000</b>	<b>696,247,500</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	650,725,962	667,007,853	686,116,200	694,800,000	696,247,500
<b>TOTAL EXPENDITURES</b>	<b>650,725,962</b>	<b>667,007,853</b>	<b>686,116,200</b>	<b>694,800,000</b>	<b>696,247,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	650,725,962	667,007,853	686,116,200	694,800,000	696,247,500
<b>TOTAL EXPENDITURES</b>	<b>650,725,962</b>	<b>667,007,853</b>	<b>686,116,200</b>	<b>694,800,000</b>	<b>696,247,500</b>

Employees of local school districts have the option of participating in the Kentucky Employees' Health Plan (KEHP). KEHP is a self-insured program providing health insurance benefits to the employees and retirees of the Commonwealth of Kentucky, as well as local school boards, local health departments, and other quasi governmental agencies.

**Policy**

The Budget of the Commonwealth includes \$694,800,000 in fiscal year 2016-2017 and \$696,247,800 in fiscal year 2017-2018 for employer contributions for health insurance and the contribution to the health reimbursement account for employees waiving coverage. This is an increase from the fiscal year 2015-2016 budget of \$8,683,800 in fiscal year 2016-2017 and \$10,131,300 in fiscal year 2017-2018.

# Education and Workforce Development

---



## Education and Workforce Development

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	48,321,700	51,054,900	51,905,800	52,620,800	61,420,200
State Salary and Compensation	114,000				
Budget Reduction-General Fund	-357,700				
<b>Total General Fund</b>	<b>48,078,000</b>	<b>51,054,900</b>	<b>51,905,800</b>	<b>52,620,800</b>	<b>61,420,200</b>
<b>Restricted Funds</b>					
Balance Forward	10,285,183	26,689,187	37,217,300	55,821,700	77,684,100
Current Receipts	12,054,625	15,620,851	13,100,400	13,526,100	13,609,100
Non-Revenue Receipts	44,243,149	39,486,828	41,698,000	43,831,700	44,625,200
Fund Transfers		-900,000			
<b>Total Restricted Funds</b>	<b>66,582,957</b>	<b>80,896,866</b>	<b>92,015,700</b>	<b>113,179,500</b>	<b>135,918,400</b>
<b>Federal Fund</b>					
Balance Forward	3,375,635	506,603	2,249,800	288,300	344,400
Current Receipts	961,927,518	860,406,347	747,962,900	747,428,200	754,467,800
Non-Revenue Receipts	-211,903,942	-351,829,426			
<b>Total Federal Fund</b>	<b>753,399,211</b>	<b>509,083,524</b>	<b>750,212,700</b>	<b>747,716,500</b>	<b>754,812,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>868,060,167</b>	<b>641,035,289</b>	<b>894,134,200</b>	<b>913,516,800</b>	<b>952,150,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	101,381,659	102,148,309	100,083,300	101,768,500	100,821,500
Operating Expenses	30,485,985	33,065,188	34,810,200	33,803,600	33,859,900
Grants Loans Benefits	684,677,630	441,442,801	684,468,300	683,248,200	689,491,600
Debt Service	21,847,062	23,209,255	15,770,400	15,617,400	28,185,400
Capital Outlay	2,295,067	2,653,710	1,083,900	1,050,600	1,055,000
Construction	169,230	71,636	150,000		
<b>TOTAL EXPENDITURES</b>	<b>840,856,634</b>	<b>602,590,899</b>	<b>836,366,100</b>	<b>835,488,300</b>	<b>853,413,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	48,070,256	51,054,856	50,247,700	52,620,800	61,420,200
Restricted Funds	39,893,770	43,679,165	36,194,000	35,495,400	39,563,800
Federal Fund	752,892,608	507,856,878	749,924,400	747,372,100	752,429,400
<b>TOTAL EXPENDITURES</b>	<b>840,856,634</b>	<b>602,590,899</b>	<b>836,366,100</b>	<b>835,488,300</b>	<b>853,413,400</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Program Support	10,559,741	9,854,143	12,524,500	13,203,900	21,831,400
Commission on Proprietary Education	145,258	113,884	209,000	286,500	288,600
Deaf and Hard of Hearing	1,575,860	2,265,641	1,952,700	1,972,500	1,983,500
Kentucky Educational Television	14,400,257	14,301,665	14,100,000	15,265,300	15,374,200
Environmental Education Council	213,180	348,103	221,300	211,900	188,700
Libraries and Archives	15,991,695	17,120,987	16,168,700	17,119,900	17,175,300
Office for the Blind	9,210,156	9,541,403	11,079,500	10,530,100	10,595,200
Employment and Training	723,595,937	475,400,322	710,808,600	707,596,800	716,541,900
Vocational Rehabilitation	58,038,046	64,269,190	60,262,700	60,924,200	61,037,200
Education Professional Standards Board	7,126,506	9,375,561	9,039,100	8,377,200	8,397,400
<b>TOTAL EXPENDITURES</b>	<b>840,856,634</b>	<b>602,590,899</b>	<b>836,366,100</b>	<b>835,488,300</b>	<b>853,413,400</b>

During the 2006 Regular Session of the General Assembly, Senate Bill 105 combined several departments and offices from the former Education, Arts, and Humanities Cabinet and the former Workforce Development Cabinet to create the Education Cabinet. Senate Bill 78 from the 2009 Regular Session of the General Assembly renamed the cabinet to the Education and Workforce Development Cabinet to emphasize the important

connection between education and workforce development. Since that time, other changes have been implemented via enacted legislation including moving the Council on Postsecondary Education from the Education and Workforce Development Cabinet to the Governor's Office, for administrative purposes; moving the Governor's Scholars Program from the Governor's Office to the Education and Workforce Development Cabinet; and dissolving the Board for Proprietary Education and creating the Commission on Proprietary Education, and moving it to the Education and Workforce Development Cabinet for administrative purposes.

The following agencies comprise the Education and Workforce Development Cabinet:

- Department of Education
- Kentucky Center for School Safety
- Governor's Scholars Program
- Education Professional Standards Board
- Kentucky Commission on the Deaf and Hard of Hearing
- Environmental Education Council
- Department for Workforce Investment
- Kentucky Commission on Proprietary Education
- Kentucky Educational Television
- Department for Libraries and Archives

**Education and Workforce Development**  
**General Administration and Program Support**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,879,300	4,434,100	4,750,100	4,893,100	13,470,600
State Salary and Compensation	15,600				
Budget Reduction-General Fund	-60,000				
<b>Total General Fund</b>	4,834,900	4,434,100	4,750,100	4,893,100	13,470,600
<b>Restricted Funds</b>					
Balance Forward	271,034	617,801	994,000	595,700	625,500
Current Receipts	4,922	2,475		30,000	30,000
Non-Revenue Receipts	5,907,835	5,243,474	5,000,000	5,720,700	5,974,300
<b>Total Restricted Funds</b>	6,183,791	5,863,749	5,994,000	6,346,400	6,629,800
<b>Federal Fund</b>					
Balance Forward	291,000				
Current Receipts	-231,027	483,765	2,589,900	2,589,900	2,589,900
Non-Revenue Receipts	98,877	66,538			
<b>Total Federal Fund</b>	158,850	550,303	2,589,900	2,589,900	2,589,900
<b>TOTAL SOURCE OF FUNDS</b>	11,177,541	10,848,152	13,334,000	13,829,400	22,690,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	7,058,595	6,238,036	9,182,600	9,607,100	9,679,600
Operating Expenses	1,462,877	1,660,055	1,337,700	1,520,600	1,531,700
Grants Loans Benefits	2,031,058	1,942,654	1,853,200	2,075,200	2,076,100
Debt Service					8,543,000
Capital Outlay	3,714	1,029	1,000	1,000	1,000
Construction	3,496	12,370	150,000		
<b>TOTAL EXPENDITURES</b>	10,559,741	9,854,143	12,524,500	13,203,900	21,831,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,834,900	4,434,100	4,536,300	4,893,100	13,470,600
Restricted Funds	5,565,991	4,869,741	5,398,300	5,720,900	5,770,900
Federal Fund	158,850	550,303	2,589,900	2,589,900	2,589,900
<b>TOTAL EXPENDITURES</b>	10,559,741	9,854,143	12,524,500	13,203,900	21,831,400
<b>EXPENDITURES BY UNIT</b>					
Secretary	8,133,272	6,948,920	7,477,700	7,918,600	16,535,400
Governor's Scholars	1,830,615	1,934,100	1,853,200	2,075,200	2,076,100
Education and Workforce Statistics	595,854	971,123	3,193,600	3,210,100	3,219,900
<b>TOTAL EXPENDITURES</b>	10,559,741	9,854,143	12,524,500	13,203,900	21,831,400

General Administration and Program Support provides the central coordination and direction for the overall planning, management and oversight of the agencies within the Cabinet. It is responsible for policy and budget development and personnel transactions; legal services including legislative and regulatory development and oversight; a communications strategy with the public, business, and industry; economic analysis and research; accounting, purchasing, and facilities management; and information technology and other administrative support services.

The program includes the following units:

- The Office of the Secretary provides strategic direction and leadership to establish the focus for policy development, implementation, and program priorities. The Office coordinates Cabinet activities among its departments and agencies to ensure continuous improvement in administration and efficient service to the citizens of the Commonwealth. The Secretary serves as the Chief Executive Officer of the Cabinet and is an advisor to the Governor and the General Assembly.

- The Office of Educational Programs assists in maintaining the Cabinet's presence with educational agencies and managing state-wide educational programs, among other responsibilities.
- The Office of Legal and Legislative Services oversees the Cabinet's legislative agenda and issues, including constituent services and board and commissions responsibilities.
- The Office of Budget and Administration is the Cabinet's chief financial and administrative office. The Division of Administrative Services is responsible for all central office purchasing, auditing and processing financial documents, compliance with the Federal Cash Management Act, federal reporting, development of the Indirect Cost Plan, monitoring and reconciliation of all financial transactions, and compliance with state and federal guidelines. The Division of Human Resources is responsible for all Cabinet personnel activities including personnel and payroll processing, providing benefits services to Cabinet employees and developing workshops and training programs for employees.
- The Office of Technology Services oversees and assists with the Cabinet's application development needs and serves as the central location for all Cabinet data processing programs statewide. The Office works with the Commonwealth Office of Technology to effectuate the Cabinet's information technology infrastructure objectives.
- The Office of Communication provides internal and external communications, marketing support and media advisory services to the Cabinet, Executive Offices, Department for Workforce Investment and other Cabinet agencies. The Office interprets and disseminates information about the Cabinet and its components to employees, the media and the general public.
- The Office of Education and Workforce Statistics and the Board of the Kentucky Center for Education and Workforce Statistics manage and oversee the Kentucky Longitudinal Data System. The System is a data repository housing early childhood through postsecondary education, and training and employment information. The Office removes individual identifiers from the data and links information across agencies, schools, and institutions to provide a complete picture of the education-to-employment process to better inform decisions made by state and local policy makers, the general public, and other stakeholders. The office conducts studies and provides feedback about the performance of high school graduates after they go to college; the outcome of teacher preparation, college, adult education, and other programs; and develops the Kentucky County Profiles book. The Kentucky Center for Education and Workforce Statistics Board is comprised of the heads of the five participating agencies and includes the commissioner of the Department of Education, the president of the Kentucky Council on Postsecondary Education, the secretary of the Education and Workforce Development Cabinet, the Executive Director of the Education Professional Standards Board, and the CEO/Executive Director of the Kentucky Higher Education Assistance Authority. The board is charged with developing a detailed access and use policy for data and information request, overseeing the Office and establishing its research agenda, and overseeing compliance by the Office with the federal Family Educational Rights and Privacy Act and other relevant federal and state privacy laws.
- The Governor's Scholars Program (GSP) is designed to motivate and empower Kentucky's brightest young people to become effective thinkers and citizen leaders with a zeal for excellence and a mind for innovation. The program provides an intensive residential summer academic and personal growth program for academically talented rising high school seniors. The scholars, chosen competitively, spend five uninterrupted weeks in the program on three college campuses. The Program served 1,113 students in the summer of 2015.

## **Policy**

The Budget of the Commonwealth provides General Fund in the amount of \$8,543,000 in fiscal year 2018 for debt service on new bonds for the Workforce Development Construction Pool.

**Education and Workforce Development  
Proprietary Education**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	230,318	283,341	360,600	436,000	387,300
Current Receipts	198,280	191,189	237,800	237,800	237,800
Non-Revenue Receipts			46,600		
<b>Total Restricted Funds</b>	<b>428,598</b>	<b>474,530</b>	<b>645,000</b>	<b>673,800</b>	<b>625,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>428,598</b>	<b>474,530</b>	<b>645,000</b>	<b>673,800</b>	<b>625,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	132,388	108,298	199,200	277,000	279,100
Operating Expenses	12,869	5,587	9,800	9,500	9,500
<b>TOTAL EXPENDITURES</b>	<b>145,258</b>	<b>113,884</b>	<b>209,000</b>	<b>286,500</b>	<b>288,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	145,258	113,884	209,000	286,500	288,600
<b>TOTAL EXPENDITURES</b>	<b>145,258</b>	<b>113,884</b>	<b>209,000</b>	<b>286,500</b>	<b>288,600</b>
<b>EXPENDITURES BY UNIT</b>					
Proprietary Education	145,258	113,884	209,000	286,500	288,600
<b>TOTAL EXPENDITURES</b>	<b>145,258</b>	<b>113,884</b>	<b>209,000</b>	<b>286,500</b>	<b>288,600</b>

The Kentucky Commission on Proprietary Education was established by action of the 2012 Kentucky General Assembly; it replaced the Board of Proprietary Education. The 11-member commission is charged with licensing and regulating all proprietary schools, doing business in Kentucky, other than those that offer a four year bachelor's degree. The duties of the Commission include issuing and renewing licenses to eligible proprietary schools, investigating complaints from students and schools, and administering and enforcing the provisions of KRS Chapter 165A pertaining to the conduct, operation, maintenance, and establishment of proprietary education institutions and the activities of agents of the schools.

The Commission also administers the Student Protection Fund. Each licensed school is obligated to contribute to the fund which reimburses eligible students in the event a school closes, loses its accreditation, or discontinues a program.

**Education and Workforce Development  
Deaf and Hard of Hearing**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	775,900	861,300	883,200	862,900	873,900
State Salary and Compensation	2,600				
<b>Total General Fund</b>	<b>778,500</b>	<b>861,300</b>	<b>883,200</b>	<b>862,900</b>	<b>873,900</b>
<b>Restricted Funds</b>					
Balance Forward	3,164	13,170			
Current Receipts	808,800	1,358,200	1,109,200	1,109,600	1,109,600
Non-Revenue Receipts	-1,434	33,009			
<b>Total Restricted Funds</b>	<b>810,530</b>	<b>1,404,380</b>	<b>1,109,200</b>	<b>1,109,600</b>	<b>1,109,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,589,030</b>	<b>2,265,680</b>	<b>1,992,400</b>	<b>1,972,500</b>	<b>1,983,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	960,807	1,054,343	1,168,500	1,188,200	1,199,200
Operating Expenses	615,053	1,211,298	784,200	784,300	784,300
<b>TOTAL EXPENDITURES</b>	<b>1,575,860</b>	<b>2,265,641</b>	<b>1,952,700</b>	<b>1,972,500</b>	<b>1,983,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	778,500	861,300	843,500	862,900	873,900
Restricted Funds	797,360	1,404,341	1,109,200	1,109,600	1,109,600
<b>TOTAL EXPENDITURES</b>	<b>1,575,860</b>	<b>2,265,641</b>	<b>1,952,700</b>	<b>1,972,500</b>	<b>1,983,500</b>
<b>EXPENDITURES BY UNIT</b>					
Commission on the Deaf and Hard of Hearing	1,575,860	2,265,641	1,952,700	1,972,500	1,983,500
<b>TOTAL EXPENDITURES</b>	<b>1,575,860</b>	<b>2,265,641</b>	<b>1,952,700</b>	<b>1,972,500</b>	<b>1,983,500</b>

In accordance with KRS 163.510, the Commission on the Deaf and Hard of Hearing advises the Governor and the General Assembly concerning policies and programs to enhance the quality and coordination of services for deaf and hard of hearing individuals in both the public and private sectors. The Commission oversees the provision of interpreter services to deaf and hard of hearing individuals; identifies and evaluates public and private entities that provide services to deaf and hard of hearing residents of Kentucky for information, referral, and advocacy services; administers a Telecommunications Access Program which provides specialized telecommunications equipment to qualified deaf, hard of hearing, and speech-impaired residents of Kentucky; assists local, state, and federal governments and public and private agencies in the development of programs for the deaf and hard of hearing; and reviews legislative programs relating to services for deaf and hard of hearing persons and conducts studies of conditions affecting the health and welfare of the deaf and hard of hearing.

**Education and Workforce Development  
Kentucky Educational Television**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	12,049,200	13,037,900	13,245,000	13,814,300	13,923,200
State Salary and Compensation	37,200				
<b>Total General Fund</b>	<b>12,086,400</b>	<b>13,037,900</b>	<b>13,245,000</b>	<b>13,814,300</b>	<b>13,923,200</b>
<b>Restricted Funds</b>					
Balance Forward	1,180,538				
Current Receipts	1,364,123	1,358,421	1,451,000	1,451,000	1,451,000
Non-Revenue Receipts	-230,804	-94,656			
<b>Total Restricted Funds</b>	<b>2,313,857</b>	<b>1,263,765</b>	<b>1,451,000</b>	<b>1,451,000</b>	<b>1,451,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>14,400,257</b>	<b>14,301,665</b>	<b>14,696,000</b>	<b>15,265,300</b>	<b>15,374,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	9,760,859	9,973,963	10,018,400	11,136,700	11,357,600
Operating Expenses	4,363,571	4,076,953	4,001,600	4,048,600	3,936,600
Grants Loans Benefits	150,500	150,500			
Capital Outlay	125,327	100,249	80,000	80,000	80,000
<b>TOTAL EXPENDITURES</b>	<b>14,400,257</b>	<b>14,301,665</b>	<b>14,100,000</b>	<b>15,265,300</b>	<b>15,374,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	12,086,400	13,037,900	12,649,000	13,814,300	13,923,200
Restricted Funds	2,313,857	1,263,765	1,451,000	1,451,000	1,451,000
<b>TOTAL EXPENDITURES</b>	<b>14,400,257</b>	<b>14,301,665</b>	<b>14,100,000</b>	<b>15,265,300</b>	<b>15,374,200</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	2,388,200	2,343,000	2,403,000	2,532,100	2,559,000
Broadcasting and Education	9,921,157	9,910,000	9,475,500	10,359,800	10,430,700
Engineering	2,090,900	2,048,665	2,221,500	2,373,400	2,384,500
<b>TOTAL EXPENDITURES</b>	<b>14,400,257</b>	<b>14,301,665</b>	<b>14,100,000</b>	<b>15,265,300</b>	<b>15,374,200</b>

KET was established by the Kentucky General Assembly in the early 1960s for the purpose of supporting educational excellence in the Commonwealth. The agency's mission includes service to citizens of the Commonwealth in the home, in institutions of education, and in the workplace. As required by KRS 168, the Kentucky Authority for Educational Television (KET) produces and transmits educational programming for students in public schools, state supported institutions of higher education, and others desiring broadcast programs and services. KET is divided into three program areas: General Administration and Support, Broadcasting and Education, and Engineering.

The Broadcasting and Education unit acquires and produces programs and related support material which will most effectively carry out the mission and policies set by the Kentucky Authority for Educational Television. This process includes soliciting feedback from appropriate audiences and seeking input from agencies and groups such as the Kentucky Department of Education and the Higher Education Telecommunications Consortium. The unit assembles three channels of television programming: KET1 carries educational and informational programs for all Kentucky citizens; KET2 carries additional programs and repeats of important programs carried on KET1; and KETKY carries programs about Kentucky and Kentuckians and overnight feeds of instructional programs for schools. KETKY also carries the Kentucky General Assembly when in session or in committee, as well as, occasional special feeds for the State Department of Education, Kentucky Community and Technical College System or other partners as needed.

Instructional programming for elementary and secondary schools directly supports the learning goals and outcomes of Kentucky's Common Core Standards, adopted in February 2010. The Broadcasting and Education unit produces interactive and other distance learning courses designed to provide equal access to a variety of learning opportunities for all students. It produces professional development opportunities for educators

throughout the state and broadcasts programs designed to help people in the workplace. Acquired and/or locally produced programming services are delivered to under-educated adults, professionals in need of training, and other citizens with various needs related to their jobs and professions. The unit also produces multiple schedules of nationally- and locally-produced programs for citizens at home and in the workplace. This includes educational and public affairs programming as well as quality arts experiences for all Kentuckians. A full line-up of children's educational programs offers a quality alternative to commercial television viewing.

KET's Engineering Service unit oversees the delivery of KET programs and other services. It operates and maintains a land-based broadcast network of 16 digital transmitters and three translators capable of delivering multiple channels of content and data into all parts of the state. The Engineering Service unit operates all technical equipment to specifications mandated by the Federal Communications Commission.

The General Administration and Support unit oversees the implementation of KET's mission as directed by the Kentucky Authority for Educational Television and recommends and carries out the policies of the Authority in all matters of the agency. The unit assures that the agency is in compliance with pertinent state regulations and federal broadcast laws and works to ascertain the desires of the citizens of the Commonwealth. The unit conducts research and planning activities to verify the needs of current and potential audiences then works to assure effective, efficient, and appropriate service to those audiences.



**Education and Workforce Development  
Environmental Education Council**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	307,918	250,789	66,000	27,100	17,800
Current Receipts		13,287	31,000	51,600	47,300
Non-Revenue Receipts	156,051	150,000	151,400	151,000	150,500
<b>Total Restricted Funds</b>	<b>463,969</b>	<b>414,076</b>	<b>248,400</b>	<b>229,700</b>	<b>215,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>463,969</b>	<b>414,076</b>	<b>248,400</b>	<b>229,700</b>	<b>215,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	182,093	208,829	185,800	196,000	188,500
Operating Expenses	29,207	26,878	28,600	15,900	200
Grants Loans Benefits	1,880	112,396	6,900		
<b>TOTAL EXPENDITURES</b>	<b>213,180</b>	<b>348,103</b>	<b>221,300</b>	<b>211,900</b>	<b>188,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	213,180	348,103	221,300	211,900	188,700
<b>TOTAL EXPENDITURES</b>	<b>213,180</b>	<b>348,103</b>	<b>221,300</b>	<b>211,900</b>	<b>188,700</b>
<b>EXPENDITURES BY UNIT</b>					
Ky Environmental Education Council	213,180	348,103	221,300	211,900	188,700
<b>TOTAL EXPENDITURES</b>	<b>213,180</b>	<b>348,103</b>	<b>221,300</b>	<b>211,900</b>	<b>188,700</b>

The Kentucky Environmental Education Council was established in 1990 by KRS 157.910 and is charged with improving the environmental literacy of all Kentuckians. The Council provides opportunities for all Kentuckians to understand both that environmental problems exist and how each person's actions contribute to the health of the environment. In accordance with KRS 224.10-250, the Council receives the first \$150,000 in environmental fines and penalties collected by the Energy and Environment Cabinet for funding programs and activities that improve the quality of environmental education in the Commonwealth. These programs and activities include:

- Working with citizens, especially those engaged in environmental education, to implement the master plan for improving environmental education and environmental literacy.
- Working with the Kentucky Department of Education, the Education Professional Standards Board, and agencies that make up the Environmental Education Interagency Committee to establish guidelines for improving professional development in environmental education for educators.
- Establishing standards for environmental education that fit within the Kentucky Department of Education's instructional standards and help insure balanced, ecologically-based curriculum and instruction.
- Working to ensure that environmental education is equitably distributed to all Kentuckians.

Additionally, in accordance with KRS 224.43-505, the Council provides interest accrued on the Kentucky Pride Fund, a fund that receives environmental remediation fees charged on each ton of waste disposed of at Kentucky landfills, to the eight state public universities to operate environmental education centers.

**Policy**

The Budget of the Commonwealth proposes to permit interest income that accrues to the Environmental Education Council from the Kentucky Pride Fund.

**Education and Workforce Development  
Libraries and Archives**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	11,107,500	12,444,200	12,543,400	12,957,000	13,001,800
State Salary and Compensation	22,200				
<b>Total General Fund</b>	<b>11,129,700</b>	<b>12,444,200</b>	<b>12,543,400</b>	<b>12,957,000</b>	<b>13,001,800</b>
<b>Restricted Funds</b>					
Balance Forward	2,343,956	2,057,447	2,843,400	3,011,900	3,138,900
Current Receipts	2,633,084	4,228,142	2,699,100	2,702,700	2,734,900
Fund Transfers		-300,000			
<b>Total Restricted Funds</b>	<b>4,977,040</b>	<b>5,985,590</b>	<b>5,542,500</b>	<b>5,714,600</b>	<b>5,873,800</b>
<b>Federal Fund</b>					
Balance Forward	94,546		1,000	30,400	86,500
Current Receipts	1,580,011	1,717,276	1,537,800	1,643,300	1,629,700
Non-Revenue Receipts	267,861	-182,764			
<b>Total Federal Fund</b>	<b>1,942,419</b>	<b>1,534,511</b>	<b>1,538,800</b>	<b>1,673,700</b>	<b>1,716,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>18,049,158</b>	<b>19,964,301</b>	<b>19,624,700</b>	<b>20,345,300</b>	<b>20,591,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,805,394	6,658,285	6,560,800	6,675,000	6,747,000
Operating Expenses	2,792,400	3,455,245	2,823,700	2,794,600	2,778,000
Grants Loans Benefits	6,349,456	6,997,202	6,784,200	7,650,300	7,650,300
Capital Outlay	44,445				
Construction		10,256			
<b>TOTAL EXPENDITURES</b>	<b>15,991,695</b>	<b>17,120,987</b>	<b>16,168,700</b>	<b>17,119,900</b>	<b>17,175,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	11,129,684	12,444,200	12,129,700	12,957,000	13,001,800
Restricted Funds	2,919,593	3,142,276	2,530,600	2,575,700	2,573,300
Federal Fund	1,942,419	1,534,511	1,508,400	1,587,200	1,600,200
<b>TOTAL EXPENDITURES</b>	<b>15,991,695</b>	<b>17,120,987</b>	<b>16,168,700</b>	<b>17,119,900</b>	<b>17,175,300</b>
<b>EXPENDITURES BY UNIT</b>					
Libraries and Archives	9,455,578	10,016,571	9,244,600	9,329,700	9,385,100
Direct Local Aid	6,536,117	7,104,416	6,924,100	7,790,200	7,790,200
<b>TOTAL EXPENDITURES</b>	<b>15,991,695</b>	<b>17,120,987</b>	<b>16,168,700</b>	<b>17,119,900</b>	<b>17,175,300</b>

The Department for Libraries and Archives supports and promotes equitable access to quality library services and information resources, and ensures that adequate documentation of government programs is created, maintained, and available for public use.

The Department is directed by three goals:

- To provide effective services that meet the needs of library and public records customers,
- To build effective and productive partnerships with other organizations and public agencies for enhanced management of and access to information and services, and
- To improve employee job satisfaction and agency operations.

The Department serves both governmental agencies and the people of Kentucky directly through local public libraries. The Department also serves several distinct customer populations including the general public, the blind and physically disabled, institutionalized persons, state government personnel, state and local public agencies, and researchers needing historic public records.

**Education and Workforce Development  
Libraries and Archives**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,781,600	6,118,300	6,217,500	5,898,900	5,943,700
State Salary and Compensation	22,200				
<b>Total General Fund</b>	<b>5,803,800</b>	<b>6,118,300</b>	<b>6,217,500</b>	<b>5,898,900</b>	<b>5,943,700</b>
<b>Restricted Funds</b>					
Balance Forward	1,959,828	1,642,430	2,370,900	2,187,300	1,962,200
Current Receipts	1,825,245	3,278,418	1,754,800	1,758,400	1,790,600
<b>Total Restricted Funds</b>	<b>3,785,072</b>	<b>4,920,848</b>	<b>4,125,700</b>	<b>3,945,700</b>	<b>3,752,800</b>
<b>Federal Fund</b>					
Balance Forward	94,546			29,400	85,500
Current Receipts	1,361,408	1,350,353	1,397,900	1,503,400	1,489,800
Non-Revenue Receipts	53,197	-2,139			
<b>Total Federal Fund</b>	<b>1,509,151</b>	<b>1,348,214</b>	<b>1,397,900</b>	<b>1,532,800</b>	<b>1,575,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>11,098,023</b>	<b>12,387,362</b>	<b>11,741,100</b>	<b>11,377,400</b>	<b>11,271,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,805,394	6,658,285	6,560,800	6,675,000	6,747,000
Operating Expenses	2,595,989	3,345,281	2,683,800	2,654,700	2,638,100
Grants Loans Benefits	9,750	2,750			
Capital Outlay	44,445				
Construction		10,256			
<b>TOTAL EXPENDITURES</b>	<b>9,455,578</b>	<b>10,016,571</b>	<b>9,244,600</b>	<b>9,329,700</b>	<b>9,385,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,803,784	6,118,300	5,937,700	5,898,900	5,943,700
Restricted Funds	2,142,643	2,550,057	1,938,400	1,983,500	1,981,100
Federal Fund	1,509,151	1,348,214	1,368,500	1,447,300	1,460,300
<b>TOTAL EXPENDITURES</b>	<b>9,455,578</b>	<b>10,016,571</b>	<b>9,244,600</b>	<b>9,329,700</b>	<b>9,385,100</b>
<b>EXPENDITURES BY UNIT</b>					
Administrative Services	2,620,111	2,490,899	2,435,900	2,362,900	2,369,800
Field Services	1,632,481	1,630,586	1,605,200	1,646,200	1,662,200
Library Services	1,286,683	1,273,680	1,250,000	1,294,500	1,308,000
Archives & Records Management	3,916,303	4,621,406	3,953,500	4,026,100	4,045,100
<b>TOTAL EXPENDITURES</b>	<b>9,455,578</b>	<b>10,016,571</b>	<b>9,244,600</b>	<b>9,329,700</b>	<b>9,385,100</b>

The Department for Libraries and Archives supports and promotes equitable access to quality library services and information resources, and ensures that adequate documentation of government programs is created, maintained, and available for public use.

**Administrative Services**

The Libraries and Archives Commissioner's Office sets overall policy and direction for the Department and provides communication advice and support to each division. The Office supports the activities of the State Advisory Council on Libraries, chairs the Archives and Records Commission, and serves on the State Information Systems Commission, the Communications Advisory Committee, and the Oral History Commission.

The Division of Administrative Services formulates and implements executive direction for planning, policy, and procedures for the Department in accordance with KRS Chapter 171. The Division provides administrative support to the program areas of the Department. This division funds and supports the activities of the Commissioner's Office, as well as those of the Financial, Personnel and Payroll, Federal Grants Management, Information Systems, Building Facilities, and Administrative Support units.

## **Field Services**

The Division of Field Services supports Kentucky's public libraries for the improvement of library services by providing consultation, technical assistance, and financial aid. The Division provides services pursuant to KRS Chapter 171.

This division's Public Library Development Branch includes professional and technical staff who provide consultative and technical assistance concerning public library services and programs provided by the Department. The staff is located in regional offices that are mainly housed in local public libraries.

The Program Development Branch provides statewide guidance in specialized library services. This office plans and implements statewide continuing education programs. Services are also provided for technological development, automated operations, and statistical analysis. Branch staff provide consulting services in the areas of library construction; assistance in developing early childhood, children's, and young adult programs and materials; and provides administrative support to the Kentucky State Board for the Certification of Librarians.

The Kentucky Talking Book Library and Institutions Branch provides special library materials and playback equipment to eligible service clientele. Volunteers record materials that are of special interest to Kentucky Talking Book patrons, and department staff coordinate distribution. The Branch also provides library materials and professional consultation to state residential institution libraries.

## **State Library Services**

The Division of State Library Services operates the State Library that serves state government personnel, public libraries, other institutions, and individuals. In an effort to equalize library services and access to information across the state, this division promotes and maintains cooperative arrangements for information and resource sharing among all types of libraries, library consortia, and information centers including state agencies as mandated by Chapter 171.

State Library Support is the administrative unit of the Division and provides coordinated program planning and control to ensure the best service in a cost-effective manner. The unit directs the statewide library resource-sharing activities of the Department, including direct service delivery, coordination of activities on a statewide basis, and support via direct local aid. The Department works closely with the Kentucky Virtual Library (KYVL) in the delivery of services and coordination of activities, and also participates as an individual library institution.

The Public Services Branch is committed to providing resources, research, consultation, and assistance to state agencies and public libraries through use of a variety of information formats including the Internet. The State Library partners with the Governmental Services Center (GSC) and the Kentucky Employee Assistance Program (KEAP) to provide supplementary information resources for those agencies' clients through the Library's web site.

The Audiovisual unit of the Branch provides a centralized collection of videos and films that are loaned without a fee to public libraries, state agencies, and walk-in customers. The unit is unique in that it is the only major source of films and "public performance" videos in the Commonwealth. The primary needs are for children's films suitable for large audience viewing and videos designed for adult training and education.

The Technical Support Branch provides computerized access to information for the State Library's collections and public libraries. The Branch serves as a model for quality control throughout the state, and supplies training and consulting services to librarians and state agency personnel involved in the organization of reference materials.

## **Public Records**

The Division of Public Records, under KRS 171.410-740, works with government agencies to create and preserve documentation of agencies' organizational functions, policies, decisions, procedures, and essential transactions, as well as information that protects the legal and financial rights of government and of individuals directly affected by an agency's activities. The Division establishes standards, procedures, and administrative regulations for recording, managing, preserving, and reproducing government records. It works with the heads of state and local government agencies to ensure that the agencies create and maintain active programs for efficient records management.

The Public Records Support Office provides overall policy development, coordination of program planning, and administrative direction of division programs in public records administration and archival management.

The State Records Branch assists state agencies, boards and commissions, public universities, and judicial offices in developing and maintaining programs to manage government information. Branch staff manage the State Records Center for high volume storage of non-permanent records still in business use.

The Archival Services Branch operates the state's central repository for valuable government records. It serves as the official point of access for state government information. The Branch is also involved in a variety of outreach and educational activities that inform public officials and the general public about the wealth and range of materials housed at the State Archives.

The Technology Analysis and Support Branch provides support to agencies on archival and records management considerations in the application of information technology. It works with other units to provide guidance to public agencies on the management of electronic records and oversees the work of the Department's Document Preservation Laboratory. This includes professional consulting, education and training programs, records disaster recovery assistance, and laboratory conservation treatment.

The Image Management Branch provides centralized image management and micrographics services to state and local government agencies on a cost recovery basis. These central services help improve access to information, reduce the volume of paper-based files, and ensure archival preservation of information contained in fragile paper records.

The Local Records Branch assists local government agencies in implementing and maintaining archives and records management programs.

**Education and Workforce Development**

**Direct Local Aid**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,325,900	6,325,900	6,325,900	7,058,100	7,058,100
<b>Total General Fund</b>	<b>5,325,900</b>	<b>6,325,900</b>	<b>6,325,900</b>	<b>7,058,100</b>	<b>7,058,100</b>
<b>Restricted Funds</b>					
Balance Forward	384,128	415,018	472,500	824,600	1,176,700
Current Receipts	807,839	949,724	944,300	944,300	944,300
Fund Transfers		-300,000			
<b>Total Restricted Funds</b>	<b>1,191,967</b>	<b>1,064,742</b>	<b>1,416,800</b>	<b>1,768,900</b>	<b>2,121,000</b>
<b>Federal Fund</b>					
Balance Forward			1,000	1,000	1,000
Current Receipts	218,603	366,922	139,900	139,900	139,900
Non-Revenue Receipts	214,665	-180,625			
<b>Total Federal Fund</b>	<b>433,268</b>	<b>186,297</b>	<b>140,900</b>	<b>140,900</b>	<b>140,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,951,135</b>	<b>7,576,939</b>	<b>7,883,600</b>	<b>8,967,900</b>	<b>9,320,000</b>
<b>EXPENDITURES BY CLASS</b>					
Operating Expenses	196,412	109,964	139,900	139,900	139,900
Grants Loans Benefits	6,339,706	6,994,452	6,784,200	7,650,300	7,650,300
<b>TOTAL EXPENDITURES</b>	<b>6,536,117</b>	<b>7,104,416</b>	<b>6,924,100</b>	<b>7,790,200</b>	<b>7,790,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,325,900	6,325,900	6,192,000	7,058,100	7,058,100
Restricted Funds	776,950	592,219	592,200	592,200	592,200
Federal Fund	433,268	186,297	139,900	139,900	139,900
<b>TOTAL EXPENDITURES</b>	<b>6,536,117</b>	<b>7,104,416</b>	<b>6,924,100</b>	<b>7,790,200</b>	<b>7,790,200</b>
<b>EXPENDITURES BY UNIT</b>					
Libraries Support	5,293,728	6,157,464	5,952,400	6,823,700	6,823,700
Library Technology	189,825	109,964	139,900	139,900	139,900
Public Records	1,052,565	836,988	831,800	826,600	826,600
<b>TOTAL EXPENDITURES</b>	<b>6,536,117</b>	<b>7,104,416</b>	<b>6,924,100</b>	<b>7,790,200</b>	<b>7,790,200</b>

Direct Local Aid provides the following services to citizens of the Commonwealth:

- Federal grants are provided for continuing education, training, and demonstration projects.
- State aid provides cash grants to all counties with legally established public libraries. The grant funds may be used for the following purposes: purchase, upgrade, and maintenance of technology resources; purchase of library materials and equipment; maintenance and operation of bookmobiles and extension programs; staff and trustee training and compensation; building maintenance; debt service; resource-sharing; program development; and certain other local library needs and services.
- The Bookmobile program furnishes and replaces bookmobiles used by Kentucky's public libraries. The bookmobiles provide informational and educational resources to those who cannot physically reach a public library. Bookmobiles make regular stops at schools, daycare centers, and after-school centers. Services are also provided to the elderly and homebound individuals. Funds are also provided for maintenance and repair of existing bookmobiles. Services are provided as funds are available.
- Construction grants are available through a competitive application process to assist with retiring debt associated with the construction or repair of library facilities.
- Institution grants are given to two local libraries to administer library service in three state prisons. The Danville Library works with the Northpoint Training Center, and the Oldham County Public Library works with the Kentucky State Reformatory and the Kentucky Correctional Institution for Women.
- Kentucky Talking Book Library grants are given to assist in the delivery of services directly to blind and physically disabled library patrons.

- Local Records grants provide funds to assist local governments with the protection and preservation of public records, and the improvement of local government records management programs.

These services are administered by the Department's program divisions: Field Services, State Library Services, and Public Records. Direct services include cash grants, library materials, and bookmobiles.

### **Policy**

The Budget of the Commonwealth provides additional General Fund in the amount of \$1,000,000 in each fiscal year for construction grants to public libraries.

**Education and Workforce Development  
Office for the Blind**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,229,600	1,385,100	1,413,700	1,424,800	1,438,700
State Salary and Compensation	5,600				
<b>Total General Fund</b>	<b>1,235,200</b>	<b>1,385,100</b>	<b>1,413,700</b>	<b>1,424,800</b>	<b>1,438,700</b>
<b>Restricted Funds</b>					
Balance Forward	459,101	843,963	992,700	1,118,700	1,132,500
Current Receipts	1,099,464	1,247,534	2,478,000	1,491,400	1,184,000
<b>Total Restricted Funds</b>	<b>1,558,566</b>	<b>2,091,496</b>	<b>3,470,700</b>	<b>2,610,100</b>	<b>2,316,500</b>
<b>Federal Fund</b>					
Balance Forward	13,104	194,135	196,800	196,800	196,800
Current Receipts	7,441,383	7,059,995	7,377,400	7,627,700	7,674,200
Non-Revenue Receipts		200			
<b>Total Federal Fund</b>	<b>7,454,487</b>	<b>7,254,329</b>	<b>7,574,200</b>	<b>7,824,500</b>	<b>7,871,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>10,248,253</b>	<b>10,730,926</b>	<b>12,458,600</b>	<b>11,859,400</b>	<b>11,626,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,151,018	6,269,176	7,328,800	7,210,400	7,328,900
Operating Expenses	1,296,439	1,530,257	1,925,300	1,484,500	1,497,300
Grants Loans Benefits	1,756,584	1,663,273	1,708,000	1,714,200	1,648,000
Capital Outlay	5,047	77,834	117,400	121,000	121,000
Construction	1,068	863			
<b>TOTAL EXPENDITURES</b>	<b>9,210,156</b>	<b>9,541,403</b>	<b>11,079,500</b>	<b>10,530,100</b>	<b>10,595,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,235,200	1,385,100	1,350,100	1,424,800	1,438,700
Restricted Funds	714,603	1,098,767	2,352,000	1,477,600	1,482,300
Federal Fund	7,260,353	7,057,536	7,377,400	7,627,700	7,674,200
<b>TOTAL EXPENDITURES</b>	<b>9,210,156</b>	<b>9,541,403</b>	<b>11,079,500</b>	<b>10,530,100</b>	<b>10,595,200</b>
<b>EXPENDITURES BY UNIT</b>					
General Blind Services	8,428,737	8,560,364	9,541,600	8,934,900	8,989,400
Business Enterprise Program	424,143	639,807	870,000	895,600	900,300
Center for Independent Living	357,275	341,231	667,900	699,600	705,500
<b>TOTAL EXPENDITURES</b>	<b>9,210,156</b>	<b>9,541,403</b>	<b>11,079,500</b>	<b>10,530,100</b>	<b>10,595,200</b>

Pursuant to KRS 163.470 and the Rehabilitation Act of 1973 as amended, the Office for the Blind provides services to assist individuals who are blind and visually impaired in preparing for, obtaining, improving, and maintaining employment, as well as enabling them to live more independent and fulfilling lives. Office for the Blind has professional staff located at the central office as well as in Kentucky Career Centers throughout the state. Kentucky Career Centers house not only Office for the Blind staff, but also staff from partner agencies such as Office of Vocational Rehabilitation, Office of Employment and Training, Department for Community Based Services, Kentucky Adult Education, Community Action, and others. Such collaboration affords consumers the convenience of a one-stop approach for accessing various types of assistance necessary for reaching employment goals.

The Office provides vocational rehabilitation of blind and visually impaired Kentuckians. Vocational Rehabilitation Counselors provide vocational counseling, evaluation, physical and mental restoration, vocational and higher education training, assistive technology training, adaptive devices, orientation and mobility training, and job placement services. The Counselors receive ongoing training to maintain certification and to gain knowledge of the latest developments in rehabilitation techniques. The Office provides services through the following avenues:



- The Office has 10 field offices that provide direct vocational rehabilitation services to individuals with severe visual impairments.
- The Charles McDowell Comprehensive Rehabilitation Center for the Blind is a facility in Louisville that provides training in vocational preparation, personal adjustment services, independent living skills, orientation and mobility skills, Braille, assistive technology, career assessment, vocational planning, work adjustment, and work experience.
- In Lexington and Paducah, the Office operates two volunteer recording units that provide audio-recorded materials statewide for blind and visually impaired individuals.
- The Business Enterprise Program trains and provides equipment to blind individuals for self-employment at vending facilities located statewide.
- The Independent Living Program provides training to blind and visually impaired individuals in areas that will enable them to live and function independently.

Pursuant to KRS 163.470(11) and the federal Randolph-Sheppard Act, the Division of Business Enterprises Program (BEP) establishes vending facilities on state, federal, and other property to provide remunerative employment for licensed merchants who are visually impaired. Business Enterprises staff provides management services and training to individuals who are visually impaired, identifies and develops new sites suitable for vending facilities, and repairs and replaces equipment in existing vending facilities.

The Business Enterprise Program also collects a set-aside, or fee based upon the percentage of gross sales from vending operations. The visually impaired merchants currently contribute five percent of their net income to be used for their own health insurance and an IRA. The funds received from the interstate vending contract are utilized exclusively in the Business Enterprises Program.

Pursuant to KRS 163.470 and Title VII of the Rehabilitation Act, independent living specialists provide short-term, individualized instruction for individuals who are blind so they may be able to function independently. Services include information, counseling, and skills training in activities of daily living. Mobility training, assistive devices, referrals to community resources in housing and transportation, and information on services offered by other agencies are provided. The service population consists mainly of individuals who are elderly or unable to work due to the severity of disabilities.

The Office employs independent living specialists who are located throughout the state. These specialists make home visits and provide specially-adapted aids and appliances such as Braille and talking watches, controls on stoves, writing guides, phone dials, and canes. They provide limited instruction in household tasks such as cooking, keeping time, and learning in the home. The specialists also work with families to educate them about blindness and how to promote independent living.

**Education and Workforce Development  
Employment and Training**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	3,205,210	19,852,439	30,687,100	49,565,300	71,917,900
Current Receipts	1,481,477	1,423,349	1,249,000	2,394,900	2,407,200
Non-Revenue Receipts	38,411,502	34,155,001	36,500,000	37,960,000	38,500,400
<b>Total Restricted Funds</b>	43,098,189	55,430,789	68,436,100	89,920,200	112,825,500
<b>Federal Fund</b>					
Balance Forward	2,213,780	165,093	2,010,600		
Current Receipts	910,198,857	803,560,254	689,927,200	689,594,500	696,513,300
Non-Revenue Receipts	-211,897,358	-352,080,377			
<b>Total Federal Fund</b>	700,515,280	451,644,970	691,937,800	689,594,500	696,513,300
<b>TOTAL SOURCE OF FUNDS</b>	743,613,468	507,075,759	760,373,900	779,514,700	809,338,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	43,722,491	43,793,463	37,026,700	36,729,100	35,124,800
Operating Expenses	14,520,634	14,933,254	17,275,600	16,104,000	16,304,600
Grants Loans Benefits	641,605,923	393,292,944	640,619,400	639,029,800	645,353,600
Debt Service	21,847,062	23,209,255	15,770,400	15,617,400	19,642,400
Capital Outlay	1,770,525	130,035	116,500	116,500	116,500
Construction	129,301	41,372			
<b>TOTAL EXPENDITURES</b>	723,595,937	475,400,322	710,808,600	707,596,800	716,541,900
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	23,245,750	24,743,725	18,870,800	18,002,300	22,037,500
Federal Fund	700,350,187	450,656,598	691,937,800	689,594,500	694,504,400
<b>TOTAL EXPENDITURES</b>	723,595,937	475,400,322	710,808,600	707,596,800	716,541,900
<b>EXPENDITURES BY UNIT</b>					
Employer and Placement Services	23,497,817	27,357,594	24,060,700	21,823,200	20,730,000
Unemployment Insurance	660,091,234	411,131,243	650,764,600	646,853,500	648,781,900
Workforce Innovation and Opportunity Act	40,006,885	36,911,485	35,983,300	38,920,100	47,030,000
<b>TOTAL EXPENDITURES</b>	723,595,937	475,400,322	710,808,600	707,596,800	716,541,900

The Office of Employment and Training (OET) administers federally-funded programs that provide employment-related services to the citizens of Kentucky. OET provides a wide array of professional services to employers and job seekers. These services include employment counseling, testing, assessment, job search assistance, and placement services to all citizens, as well as training programs for dislocated workers and other individuals who are economically disadvantaged.

The programs are funded by federal grants, with the principal revenue source derived from the Unemployment Insurance (UI) program. The federal government, through the employer-paid Federal Unemployment Tax Act (FUTA), provides the Office's operating and capital funding for the two programs.

The Office also receives funds to administer several smaller programs that are related to UI and Employment Services, including: Veterans' Employment and Training Services, Labor Market Information, Alien Labor Certification, Agricultural Wage Surveys, and Alien Farmworker Housing Inspections. The Office administers training programs under the Trade Adjustment Assistance program and Title I of the Workforce Innovation and Opportunity Act. These programs are designed to provide temporary income maintenance through UI to individuals who are unemployed through no fault of their own, and to assist the unemployed, underemployed, and persons who wish to change occupations in finding suitable employment. Additional benefits include the reduction of public burden through the early placement of welfare recipients and UI claimants.

The Department is also responsible for assessing and collecting taxes from employers to distribute benefits to those who qualify for unemployment compensation.

## **Policy**

Notwithstanding KRS 341.295 and 341.240, penalty and interest collections credited to the unemployment compensation administration fund may be used during each fiscal year by the Office of Employment and Training for Wagner-Peyser and Unemployment Insurance Administration purposes.

**Education and Workforce Development  
Employment and Training  
Employer and Placement Services**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,993,455	1,981,487	1,860,400		
Current Receipts	1,478,067	1,413,247	1,240,000	2,333,700	2,340,900
Non-Revenue Receipts	-109,025	95			
<b>Total Restricted Funds</b>	<b>3,362,497</b>	<b>3,394,828</b>	<b>3,100,400</b>	<b>2,333,700</b>	<b>2,340,900</b>
<b>Federal Fund</b>					
Balance Forward	-1,196,766	-641,456	18,700		
Current Receipts	22,682,864	25,578,308	20,941,600	19,489,500	18,390,200
Non-Revenue Receipts	-10,747	-117,168			
<b>Total Federal Fund</b>	<b>21,475,351</b>	<b>24,819,684</b>	<b>20,960,300</b>	<b>19,489,500</b>	<b>18,390,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>24,837,848</b>	<b>28,214,512</b>	<b>24,060,700</b>	<b>21,823,200</b>	<b>20,731,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	14,433,222	17,578,957	11,040,200	13,051,500	13,127,700
Operating Expenses	4,540,926	5,339,070	6,802,500	5,395,600	5,226,200
Grants Loans Benefits	4,330,080	4,315,558	6,101,500	3,259,600	2,259,600
Capital Outlay	193,202	121,314	116,500	116,500	116,500
Construction	388	2,695			
<b>TOTAL EXPENDITURES</b>	<b>23,497,817</b>	<b>27,357,594</b>	<b>24,060,700</b>	<b>21,823,200</b>	<b>20,730,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	1,381,010	1,534,470	3,100,400	2,333,700	2,339,800
Federal Fund	22,116,807	25,823,125	20,960,300	19,489,500	18,390,200
<b>TOTAL EXPENDITURES</b>	<b>23,497,817</b>	<b>27,357,594</b>	<b>24,060,700</b>	<b>21,823,200</b>	<b>20,730,000</b>

There are two objectives of the Employer and Placement Services program. The first is to assist individuals who are unemployed, underemployed, or simply seeking to change their employment situation. The second is to assist employers in obtaining qualified workers to fill job openings as quickly as possible. This program provides counseling, employment testing, job development, referral, and placement.

**Education and Workforce Development  
Employment and Training  
Unemployment Insurance**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,211,023	17,870,221	28,826,000	49,564,600	71,917,200
Current Receipts	3,410	10,102	9,000	61,200	66,300
Non-Revenue Receipts	38,520,527	34,154,907	36,500,000	37,960,000	38,500,400
<b>Total Restricted Funds</b>	39,734,960	52,035,230	65,335,000	87,585,800	110,483,900
<b>Federal Fund</b>					
Balance Forward	2,355,112	-94,197	938,300		
Current Receipts	847,670,697	740,917,655	634,055,900	631,184,900	631,093,100
Non-Revenue Receipts	-211,893,511	-351,963,209			
<b>Total Federal Fund</b>	638,132,298	388,860,249	634,994,200	631,184,900	631,093,100
<b>TOTAL SOURCE OF FUNDS</b>	677,867,258	440,895,479	700,329,200	718,770,700	741,577,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	27,530,718	23,763,884	23,939,200	21,446,900	19,350,300
Operating Expenses	8,773,592	8,655,556	8,842,000	8,939,200	8,939,200
Grants Loans Benefits	600,359,720	355,455,152	602,213,000	600,850,000	600,850,000
Debt Service	21,847,062	23,209,255	15,770,400	15,617,400	19,642,400
Capital Outlay	1,577,323	8,720			
Construction	2,819	38,677			
<b>TOTAL EXPENDITURES</b>	660,091,234	411,131,243	650,764,600	646,853,500	648,781,900
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	21,864,740	23,209,255	15,770,400	15,668,600	19,697,700
Federal Fund	638,226,494	387,921,988	634,994,200	631,184,900	629,084,200
<b>TOTAL EXPENDITURES</b>	660,091,234	411,131,243	650,764,600	646,853,500	648,781,900
<b>EXPENDITURES BY UNIT</b>					
Unemployment Insurance Administration	59,011,454	56,389,735	49,775,900	46,853,500	48,781,900
Unemployment Insurance Benefits	601,079,780	354,741,507	600,988,700	600,000,000	600,000,000
<b>TOTAL EXPENDITURES</b>	660,091,234	411,131,243	650,764,600	646,853,500	648,781,900

The purpose of the Unemployment Insurance (UI) program is to provide temporary financial assistance to workers who become unemployed through no fault of their own, in the form of regular UI benefit payments in an amount determined by the claimant's wage history. Regular UI benefits are funded entirely through payment of the state unemployment taxes by employers determined liable under KRS Chapter 341 based upon the size and duration of payroll.

Within the Office of Employment and Training, the Division of Unemployment Insurance supports the claims activities initiated in the local offices of the Division of Field Services. In the central office, the Benefits Branch ensures and accounts for the proper payment of regular UI and federal program benefits, including the determination of chargeability to a specific employer for the cost of each regular UI claim. In cases where benefits have been drawn in error, the branch pursues restitution and, if fraud is involved, pursues prosecution of the claimant. The Benefits Branch also operates an interstate claims "local office" to serve claimants covered under Kentucky law but filing from other states.

In addition to regular UI benefits, the program also administers payment of federal benefits to unemployed federal employees and discharged military personnel, those affected by changes in international trade, those affected financially in federal disaster areas, and those covered under extended unemployment compensation programs. With the exception of partial payment from state UI funds in the case of some extended benefits, these programs are financed by employer federal unemployment tax collected by the Internal Revenue Service.

In addition to regular UI benefits, the program also administers payment of federal benefits to unemployed

federal employees and discharged military personnel, those affected by changes in international trade, those affected financially in federal disaster areas, and those covered under extended unemployment compensation programs. With the exception of partial payment from state UI funds in the case of some extended benefits, these programs are financed by employer federal unemployment tax collected by the Internal Revenue Service.

The administrative component of the UI program provides benefit payments based on earnings in a specific transaction period. Revenues for this program are derived from a federal unemployment tax on employers' payrolls.

KRS Chapter 341 provides the statutory authority and structure for the operation of the UI program in Kentucky. With regard to most particulars involving worker coverage, benefit entitlement, and employer liability, KRS Chapter 341 conforms to federal unemployment law derived from the Social Security Act of 1935. This state and federal statutory conformity is required in order for Kentucky employers to receive a credit against federal unemployment tax based on state tax payments, and in order for the agency to receive federal administrative funding.

During fiscal year 2015, the Office of Employment and Training paid 1.15 million weeks of compensation to out-of-work Kentuckians with benefits totaling approximately \$334.3 million.

## **Policy**

Notwithstanding KRS 341.240 and 341.295, funds from the Unemployment Compensation Administration Fund may be used each fiscal year to support the Wagner-Peyser program.

**Education and Workforce Development  
Employment and Training  
Workforce Innovation and Opportunity Act**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>Federal Fund</b>					
Balance Forward	1,055,434	900,745	1,053,600		
Current Receipts	39,845,297	37,064,291	34,929,700	38,920,100	47,030,000
Non-Revenue Receipts	6,900				
<b>Total Federal Fund</b>	<b>40,907,631</b>	<b>37,965,037</b>	<b>35,983,300</b>	<b>38,920,100</b>	<b>47,030,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>40,907,631</b>	<b>37,965,037</b>	<b>35,983,300</b>	<b>38,920,100</b>	<b>47,030,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,758,551	2,450,622	2,047,300	2,230,700	2,646,800
Operating Expenses	1,206,116	938,629	1,631,100	1,769,200	2,139,200
Grants Loans Benefits	36,916,123	33,522,234	32,304,900	34,920,200	42,244,000
Construction	126,095				
<b>TOTAL EXPENDITURES</b>	<b>40,006,885</b>	<b>36,911,485</b>	<b>35,983,300</b>	<b>38,920,100</b>	<b>47,030,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Fund	40,006,885	36,911,485	35,983,300	38,920,100	47,030,000
<b>TOTAL EXPENDITURES</b>	<b>40,006,885</b>	<b>36,911,485</b>	<b>35,983,300</b>	<b>38,920,100</b>	<b>47,030,000</b>

In accordance with the provisions of the Workforce Innovation and Opportunity Act (WIOA), Kentucky continues to consolidate, coordinate, and improve employment, training, literacy, and vocational rehabilitation programs. WIOA reforms implemented by the Commonwealth include streamlining services through a one-stop service delivery system housed in Kentucky Career Centers located throughout the state, empowering individuals by means of information and access to training resources through individual training accounts, providing universal access to core services, increasing accountability for results, ensuring a strong role for Local Workforce Investment Boards and the private sector in the workforce investment system, facilitating state and local flexibility, and improving youth services.

The Workforce Innovation and Opportunity Act specifies three funding streams to the states and local areas: adults, dislocated workers, and youth.

Most services for adults and dislocated workers are provided through the Kentucky Career Centers, and most customers use individual training accounts to determine which training programs and training providers best fit their needs. The Act authorizes core services available to all adults, and intensive services for unemployed individuals who are not able to find jobs through core services alone. In some cases, intensive services are available to employed workers who need more help to find or keep a job that will lead to self-sufficiency.

Through WIOA, youth are prepared for postsecondary educational opportunities or employment. Programs link academic and occupational learning and include tutoring, study skills training, and instruction leading to completion of secondary school (including drop-out prevention); alternative school services; mentoring by appropriate adults; paid and unpaid work experience (i.e. internships and job shadowing); occupational skills training; leadership development; and appropriate supportive services.

The 42-member Kentucky Workforce Investment Board (KWIB) serves as an advisory board to the Governor on workforce training and development issues. The KWIB is charged with creating a statewide vision for workforce development and adopting a plan to move Kentucky forward through workforce training and development.

**Education and Workforce Development  
Vocational Rehabilitation**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	11,109,500	11,585,200	11,709,100	11,849,300	11,872,700
State Salary and Compensation	23,000				
<b>Total General Fund</b>	<b>11,132,500</b>	<b>11,585,200</b>	<b>11,709,100</b>	<b>11,849,300</b>	<b>11,872,700</b>
<b>Restricted Funds</b>					
Balance Forward	444,948	253,093	206,500		
Current Receipts	3,685,187	4,930,567	3,095,200	3,307,100	3,308,800
<b>Total Restricted Funds</b>	<b>4,130,136</b>	<b>5,183,659</b>	<b>3,301,700</b>	<b>3,307,100</b>	<b>3,308,800</b>
<b>Federal Fund</b>					
Balance Forward	706,693	57,707	26,100	2,400	2,400
Current Receipts	42,752,840	47,308,627	45,228,200	45,767,800	45,855,700
Non-Revenue Receipts	-373,323	366,977			
<b>Total Federal Fund</b>	<b>43,086,210</b>	<b>47,733,312</b>	<b>45,254,300</b>	<b>45,770,200</b>	<b>45,858,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>58,348,846</b>	<b>64,502,171</b>	<b>60,265,100</b>	<b>60,926,600</b>	<b>61,039,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	23,718,551	24,552,814	24,762,000	25,493,600	25,638,200
Operating Expenses	4,867,405	5,497,033	5,578,800	5,654,500	5,633,600
Grants Loans Benefits	29,070,716	33,138,006	29,152,900	29,044,000	29,028,900
Capital Outlay	346,008	1,074,563	769,000	732,100	736,500
Construction	35,366	6,775			
<b>TOTAL EXPENDITURES</b>	<b>58,038,046</b>	<b>64,269,190</b>	<b>60,262,700</b>	<b>60,924,200</b>	<b>61,037,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	11,132,500	11,585,200	11,709,100	11,849,300	11,872,700
Restricted Funds	3,877,043	4,976,813	3,301,700	3,307,100	3,308,800
Federal Fund	43,028,503	47,707,177	45,251,900	45,767,800	45,855,700
<b>TOTAL EXPENDITURES</b>	<b>58,038,046</b>	<b>64,269,190</b>	<b>60,262,700</b>	<b>60,924,200</b>	<b>61,037,200</b>
<b>EXPENDITURES BY UNIT</b>					
Carl D. Perkins Vocational Training Center	7,686,919	8,851,914	9,273,900	9,426,600	9,453,900
Program Services	48,947,027	53,540,794	49,100,600	49,556,400	49,636,900
Executive Director	1,404,101	1,876,482	1,888,200	1,941,200	1,946,400
<b>TOTAL EXPENDITURES</b>	<b>58,038,046</b>	<b>64,269,190</b>	<b>60,262,700</b>	<b>60,924,200</b>	<b>61,037,200</b>

The Office of Vocational Rehabilitation provides for and improves the vocational rehabilitation of citizens with physical and mental disabilities and helps eligible persons with disabilities achieve suitable employment. The Office of Vocational Rehabilitation has professional staff located at the central office as well as in Kentucky Career Centers throughout the state. Kentucky Career Centers house not only Office of Vocational Rehabilitation staff, but also staff from partner agencies such as Office for the Blind, Office of Employment and Training, Department for Community Based Services, Kentucky Adult Education, Community Action, and others. Such collaboration affords consumers the convenience of a one-stop approach for accessing various types of assistance necessary for reaching employment goals.

The Office employs Vocational Rehabilitation Counselors and Program Specialists who utilize vocational assessments, and counseling and guidance services to match workers with disabilities to labor market needs. An array of services is provided to assist clients with reaching employment goals. Job preparation activities include on-the-job training and vocational and classroom instruction. Job development and placement services assist the individual in obtaining and maintaining suitable employment. Transition activities support a move from the classroom to the workplace. Rehabilitation technology adapts the physical environment at work or home to meet employment needs. Follow-up services ensure that employment is progressing satisfactorily. Counselors and Specialists receive ongoing training to maintain certification and to gain knowledge of the latest



developments in rehabilitation strategies and techniques.

The Office also provides services for employers. Such services include preparing job-qualified applicants, conducting job analyses, recommending job modifications, and conducting disability awareness programs. Other services include disability awareness training programs and affirmative action planning and services to employees with disability-related problems. As a result, employers experience risk reduction, save resources spent on training new hires, and increase cash flow through access to tax incentives.

The Rehabilitation Act of 1973, as amended, authorizes and provides federal funding for state vocational rehabilitation programs. Kentucky Revised Statutes 151B.180-210 complies with all provisions of the Act. The Code of Federal Regulations (CFR Chapter 34) and Title 781 of the Kentucky Administrative Regulations establish functions of the program. The Office also complies with relevant sections of the Kentucky Department of Education's administrative regulations.

The Program Services Division provides direct vocational rehabilitation services to eligible individuals who have physical or mental disabilities and is responsible for the actual intake and client service delivery efforts of the Office and performs certain administrative functions. The Division implements the federal Rehabilitation Act of 1973 and must make available, services appropriate to the needs of individuals with disabilities. The services enumerated in the Rehabilitation Act include: evaluation of vocational rehabilitation potential; counseling and guidance; physical and mental restoration services; vocational and other training services; maintenance; transportation; services to family members; interpreter services and note-taking services for persons who are deaf; reader services and note-taking services for persons who are blind; assistive technology and devices; personal assistance services; recruitment and training services; placement; post-employment services; occupational licenses, equipment, initial stock and supplies; and other goods and services needed for employment.

Program Planning and Development provides administrative and staff functions to enhance equitable and efficient service delivery to eligible individuals with disabilities. The Division has statewide responsibility for program planning, program evaluation, policy development, human resource development, job development and placement, and development of new and innovative programs. The Division also provides staff support to the Statewide Advisory Council for Vocational Rehabilitation and the Statewide Independent Living Council. Federal regulations require an approved State Plan for Vocational Rehabilitation Services under Title I of the Rehabilitation Act as a condition for receiving Federal Funds.

The Carl D. Perkins Vocational Training Center (CDPVTC) at Thelma, Kentucky, is a multi disciplinary residential rehabilitation facility located in Johnson County. The CDPVTC operates five major programs: Vocational Evaluation, Work Adjustment, Vocational Training, Physical Restoration/Outpatient Medical Rehabilitation, and Brain Injury Community Re-entry. All programs meet standards for program quality as documented by the Commission on Accreditation of Rehabilitation Facilities (CARF). Within these five programs, the following professional services are available: comprehensive vocational assessment, vocational training, physical therapy, occupational therapy, speech therapy, nursing services, physician services, adjustment services, psychological and psychiatric services, adult therapeutic recreation, vocational rehabilitation counseling, social services, assistive technology, transportation, and administrative services. A wide range of educational programs and services including developmental math, reading, GED test preparation, and the External Diploma Program are also available. The CDPVTC offers individualized placement services through Preparing Adults for Competitive Employment (PACE) and an Employment Relations Specialist.

The Kentucky Assistive Technology Service (KATS) Network is a federally funded project operating within the Office of Vocational Rehabilitation. KATS is a statewide collaborative system of consumer-oriented organizations that help to provide assistive technologies to individuals with a variety of disabilities.

The Administrative Management Division provides all administrative, technical, and budget related services for the Office and is responsive to the needs of the direct service delivery program staff. Responsibilities include budgeting, purchasing, financial reporting, and federal grant accounting. The Division oversees the implementation and administration of the automated case management system and coordinates the development of application programs. Beginning in fiscal year 2014, the Division absorbed the duties associated with budget and financial management of Office for the Blind.

**Education and Workforce Development  
Education Professional Standards Board**

	<b>Actual FY 2014</b>	<b>Actual FY 2015</b>	<b>Revised FY 2016</b>	<b>Enacted FY 2017</b>	<b>Enacted FY 2018</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,170,700	7,307,100	7,361,300	6,819,400	6,839,300
State Salary and Compensation	7,800				
Budget Reduction-General Fund	-297,700				
<b>Total General Fund</b>	<b>6,880,800</b>	<b>7,307,100</b>	<b>7,361,300</b>	<b>6,819,400</b>	<b>6,839,300</b>
<b>Restricted Funds</b>					
Balance Forward	1,838,995	2,517,145	1,067,000	1,067,000	464,200
Current Receipts	779,287	867,687	750,100	750,000	1,098,500
Fund Transfers		-600,000			
<b>Total Restricted Funds</b>	<b>2,618,282</b>	<b>2,784,832</b>	<b>1,817,100</b>	<b>1,817,000</b>	<b>1,562,700</b>
<b>Federal Fund</b>					
Balance Forward	56,512	89,668	15,300	58,700	58,700
Current Receipts	185,453	276,431	1,302,400	205,000	205,000
<b>Total Federal Fund</b>	<b>241,965</b>	<b>366,099</b>	<b>1,317,700</b>	<b>263,700</b>	<b>263,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>9,741,047</b>	<b>10,458,031</b>	<b>10,496,100</b>	<b>8,900,100</b>	<b>8,665,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,889,463	3,291,103	3,650,500	3,255,400	3,278,600
Operating Expenses	525,530	668,630	1,044,900	1,387,100	1,384,100
Grants Loans Benefits	3,711,513	4,145,828	4,343,700	3,734,700	3,734,700
Capital Outlay		1,270,000			
<b>TOTAL EXPENDITURES</b>	<b>7,126,506</b>	<b>9,375,561</b>	<b>9,039,100</b>	<b>8,377,200</b>	<b>8,397,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,873,072	7,307,056	7,030,000	6,819,400	6,839,300
Restricted Funds	101,137	1,717,751	750,100	1,352,800	1,353,100
Federal Fund	152,297	350,753	1,259,000	205,000	205,000
<b>TOTAL EXPENDITURES</b>	<b>7,126,506</b>	<b>9,375,561</b>	<b>9,039,100</b>	<b>8,377,200</b>	<b>8,397,400</b>
<b>EXPENDITURES BY UNIT</b>					
Operations	3,229,057	3,606,396	4,307,500	3,188,800	3,202,800
Kentucky Teacher Internship Program	3,214,513	3,463,165	3,272,500	3,124,700	3,124,700
Certification	682,936	2,306,000	1,459,100	2,063,700	2,069,900
<b>TOTAL EXPENDITURES</b>	<b>7,126,506</b>	<b>9,375,561</b>	<b>9,039,100</b>	<b>8,377,200</b>	<b>8,397,400</b>

Authorized in KRS 161.028, the Education Professional Standards Board (EPSB) is a 17-member body appointed by the Governor to oversee teacher and administrator preparation, internship, and certification.

The EPSB is responsible for issuing, suspending, and revoking certificates for Kentucky's more than 50,000 active Kentucky educators, and ensures, via an annual review, that all professional positions in the state's 173 public school districts are appropriately staffed. It is responsible for developing (in cooperation with the Kentucky Department of Education and the Council on Postsecondary Education) a statewide data system for the collection, interpretation, and dissemination of data relative to the quality of educator preparation, supply, demand, and effectiveness. The board establishes performance-based standards for teacher/administrator preparation and induction, and for the accreditation of the 29 preparation programs at Kentucky's public and independent colleges and universities. It oversees the teacher/administrator assessments and the related Title II reporting, and annually publishes the Kentucky Educator Preparation Program Report Card. It administers the Continuing Education Option, in which teachers can use professional development to renew certification and move up in rank. It also administers the supervising teacher stipend program, and alternative routes to certification, including the Troops to Teachers program.

The EPSB annually provides support to approximately 2,700 teacher interns, 3,500 supervising teachers.