



**COMMONWEALTH OF KENTUCKY**

2018 - 2020

# **BUDGET OF THE COMMONWEALTH**

**VOLUME I**

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GOVERNOR



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***Commonwealth of Kentucky***  
**2018 – 2020**  
**Budget of the Commonwealth**  
***Volume I***

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**Commonwealth of Kentucky**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	10,263,803,100	11,070,652,255	11,302,631,900	11,543,880,800	11,820,106,900
Surplus Expenditure Plan	82,514,310	52,708,970			
Special Appropriation	76,500,000	10,000,000	10,939,000		
Current Year Appropriation	32,257,500		29,592,000		
Continuing Approp-General Fund	104,162,565	240,212,537	201,475,959	18,890,200	52,345,300
Budget Reduction-General Fund		-59,370,386	-128,985,200		
Reorganization Adjustment					
Mandated Allotments	69,836,304		-69,827,700		
Other	-47,093,504	-11,378,815	-54,711,500		
<b>Total General Fund</b>	<b>10,581,980,275</b>	<b>11,302,824,561</b>	<b>11,291,114,459</b>	<b>11,562,771,000</b>	<b>11,872,452,200</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	74,579,500	89,151,400	95,018,000	121,531,400	120,087,500
Special Appropriation	23,506,600				
Current Year Appropriation	23,146,100		4,198,300		
Continuing Approp-Tob Settlement	38,551,336	69,878,135	64,283,100	18,766,200	14,714,900
<b>Total Tobacco Fund</b>	<b>159,783,536</b>	<b>159,029,535</b>	<b>163,499,400</b>	<b>140,297,600</b>	<b>134,802,400</b>
<b>Restricted Funds</b>					
Balance Forward	930,409,243	842,102,956	746,020,732	482,867,728	330,249,028
Current Receipts	5,955,863,108	6,504,751,372	7,323,375,196	7,769,328,900	8,100,453,800
Non-Revenue Receipts	1,004,517,865	790,050,784	853,904,500	796,531,600	800,265,800
Fund Transfers	-65,501,080	-145,298,050	-67,146,700	-77,859,900	-50,917,800
<b>Total Restricted Funds</b>	<b>7,825,289,135</b>	<b>7,991,607,063</b>	<b>8,856,153,728</b>	<b>8,970,868,328</b>	<b>9,180,050,828</b>
<b>Federal Fund</b>					
Balance Forward	91,815,673	62,585,682	56,339,719	21,846,219	16,708,519
Current Receipts	11,960,595,155	12,054,196,242	13,207,458,600	13,527,508,700	13,903,246,700
Non-Revenue Receipts	-74,436,798	22,233,047	-1,157,500	-572,800	-971,600
<b>Total Federal Fund</b>	<b>11,977,974,029</b>	<b>12,139,014,971</b>	<b>13,262,640,819</b>	<b>13,548,782,119</b>	<b>13,918,983,619</b>
<b>Road Fund</b>					
Regular Appropriation	1,562,872,600	1,463,545,200	1,473,941,300	1,527,470,900	1,507,557,500
Surplus Expenditure Plan	6,338,079	37,964,749	57,237,100		
Continuing Approp-Road Fund	448,706,725	275,673,542			
Budget Reduction-Road Fund	-31,989,700				
Other	-57,034,983	7,240,187	4,927,000		
<b>Total Road Fund</b>	<b>1,928,892,721</b>	<b>1,784,423,678</b>	<b>1,536,105,400</b>	<b>1,527,470,900</b>	<b>1,507,557,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>32,473,919,696</b>	<b>33,376,899,807</b>	<b>35,109,513,806</b>	<b>35,750,189,947</b>	<b>36,613,846,547</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,983,311,498	7,337,709,292	7,650,832,200	8,131,243,250	8,257,434,250
Operating Expenses	2,639,601,363	2,846,111,736	3,388,491,559	3,579,523,550	3,726,229,950
Grants Loans Benefits	18,221,981,836	19,176,823,871	20,664,897,100	21,045,764,700	21,518,929,000
Debt Service	1,056,426,283	1,089,226,329	1,232,294,400	1,188,867,800	1,197,235,400
Capital Outlay	293,311,244	239,374,538	238,452,900	242,187,800	247,438,100
Construction	1,488,458,033	1,148,700,617	1,330,126,700	1,115,352,400	1,108,912,000
<b>TOTAL EXPENDITURES</b>	<b>30,683,090,257</b>	<b>31,837,946,383</b>	<b>34,505,094,859</b>	<b>35,302,939,500</b>	<b>36,056,178,700</b>

**EXPENDITURES BY FUND SOURCE**

General Fund	10,222,281,936	11,076,641,180	11,223,462,359	11,482,592,100	11,597,672,400
Tobacco Fund	87,725,901	92,594,939	142,441,700	123,551,300	126,075,000
Restricted Funds	6,832,422,879	7,159,850,446	8,373,286,000	8,640,619,300	8,921,960,600
Federal Fund	11,915,342,347	12,077,638,276	13,240,794,600	13,532,073,600	13,906,280,900
Road Fund	1,625,317,193	1,431,221,441	1,525,110,200	1,524,103,200	1,504,189,800

<b>TOTAL EXPENDITURES</b>	<b>30,683,090,257</b>	<b>31,837,946,283</b>	<b>34,505,094,859</b>	<b>35,302,939,500</b>	<b>36,056,178,700</b>
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**EXPENDITURES BY UNIT**

Executive Branch	30,231,787,186	31,391,931,294	34,040,880,800	34,822,202,400	35,570,658,600
Legislative Branch	59,108,971	57,782,800	59,433,600	66,413,700	68,068,500
Judicial Branch	392,194,100	388,232,189	404,780,459	414,323,400	417,451,600

<b>TOTAL EXPENDITURES</b>	<b>30,683,090,257</b>	<b>31,837,946,283</b>	<b>34,505,094,859</b>	<b>35,302,939,500</b>	<b>36,056,178,700</b>
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**Executive Branch**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	9,866,214,000	10,648,096,055	10,874,212,600	11,090,376,000	11,361,566,700
Surplus Expenditure Plan	82,514,310	52,708,970			
Special Appropriation	76,500,000	10,000,000	10,939,000		
Current Year Appropriation	32,257,500		29,592,000		
Continuing Approp-General Fund	88,468,679	227,014,194	188,358,700	8,054,200	41,509,300
Budget Reduction-General Fund		-55,469,786	-126,634,800		
Reorganization Adjustment					
Mandated Allotments	69,836,304		-69,827,700		
Other	-47,093,504	-11,378,815	-54,711,500		
<b>Total General Fund</b>	<b>10,168,697,289</b>	<b>10,870,970,618</b>	<b>10,851,928,300</b>	<b>11,098,430,200</b>	<b>11,403,076,000</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	74,579,500	89,151,400	95,018,000	121,531,400	120,087,500
Special Appropriation	23,506,600				
Current Year Appropriation	23,146,100		4,198,300		
Continuing Approp-Tob Settlement	38,551,336	69,878,135	64,283,100	18,766,200	14,714,900
<b>Total Tobacco Fund</b>	<b>159,783,536</b>	<b>159,029,535</b>	<b>163,499,400</b>	<b>140,297,600</b>	<b>134,802,400</b>
<b>Restricted Funds</b>					
Balance Forward	916,695,981	840,280,866	734,338,059	472,878,928	320,628,528
Current Receipts	5,931,631,326	6,481,257,122	7,300,229,858	7,746,228,600	8,077,251,000
Non-Revenue Receipts	991,161,220	776,742,320	842,154,411	784,781,600	788,515,800
Fund Transfers	-65,501,080	-145,298,050	-67,146,700	-77,859,900	-50,917,800
<b>Total Restricted Funds</b>	<b>7,773,987,447</b>	<b>7,952,982,259</b>	<b>8,809,575,628</b>	<b>8,926,029,228</b>	<b>9,135,477,528</b>
<b>Federal Fund</b>					
Balance Forward	91,815,673	62,585,682	56,339,719	21,846,219	16,708,519
Current Receipts	11,956,882,623	12,050,374,990	13,204,699,900	13,525,526,000	13,901,877,500
Non-Revenue Receipts	-74,436,798	22,233,047	-1,157,500	-572,800	-971,600
<b>Total Federal Fund</b>	<b>11,974,261,497</b>	<b>12,135,193,719</b>	<b>13,259,882,119</b>	<b>13,546,799,419</b>	<b>13,917,614,419</b>
<b>Road Fund</b>					
Regular Appropriation	1,562,872,600	1,463,545,200	1,473,941,300	1,527,470,900	1,507,557,500
Surplus Expenditure Plan	6,338,079	37,964,749	57,237,100		
Continuing Approp-Road Fund	448,706,725	275,673,542			
Budget Reduction-Road Fund	-31,989,700				
Other	-57,034,983	7,240,187	4,927,000		
<b>Total Road Fund</b>	<b>1,928,892,721</b>	<b>1,784,423,678</b>	<b>1,536,105,400</b>	<b>1,527,470,900</b>	<b>1,507,557,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>32,005,622,490</b>	<b>32,902,599,808</b>	<b>34,620,990,847</b>	<b>35,239,027,347</b>	<b>36,098,527,847</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,713,331,922	7,062,728,108	7,369,172,600	7,819,732,950	7,940,976,150
Operating Expenses	2,458,966,579	2,675,313,943	3,206,074,100	3,410,436,750	3,557,307,950
Grants Loans Benefits	18,221,981,836	19,176,823,871	20,664,897,100	21,045,764,700	21,518,929,000
Debt Service	1,056,426,283	1,089,226,329	1,232,294,400	1,188,867,800	1,197,235,400
Capital Outlay	292,622,534	239,138,526	238,315,900	242,047,800	247,298,100
Construction	1,488,458,033	1,148,700,617	1,330,126,700	1,115,352,400	1,108,912,000
<b>TOTAL EXPENDITURES</b>	<b>30,231,787,186</b>	<b>31,391,931,394</b>	<b>34,040,880,800</b>	<b>34,822,202,400</b>	<b>35,570,658,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	9,824,170,996	10,661,389,439	10,798,596,300	11,039,056,300	11,148,901,200
Tobacco Fund	87,725,901	92,594,939	142,441,700	123,551,300	126,075,000
Restricted Funds	6,782,943,280	7,132,908,450	8,336,696,700	8,605,400,700	8,886,580,900
Federal Fund	11,911,629,815	12,073,817,024	13,238,035,900	13,530,090,900	13,904,911,700
Road Fund	1,625,317,193	1,431,221,441	1,525,110,200	1,524,103,200	1,504,189,800



**EXPENDITURES BY FUND SOURCE**

<b>TOTAL EXPENDITURES</b>	30,231,787,186	31,391,931,294	34,040,880,800	34,822,202,400	35,570,658,600
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**EXPENDITURES BY UNIT**

General Government	1,025,305,003	1,654,588,294	1,774,487,900	1,761,458,700	1,653,234,700
Economic Development	32,997,900	26,929,227	24,749,800	28,783,100	28,556,300
Department of Education	4,952,524,452	5,022,029,496	5,088,677,500	5,109,844,800	5,115,635,500
Education and Workforce Development	594,302,786	550,984,028	605,114,600	625,591,400	625,397,700
Energy and Environment	212,201,103	218,052,801	248,860,100	263,494,500	264,568,100
Finance and Administration	775,791,982	827,249,566	868,775,700	925,724,800	957,209,300
Health and Family Services	12,116,025,485	12,407,245,590	13,644,285,000	13,967,826,000	14,428,619,000
Justice and Public Safety	986,346,099	1,075,319,079	1,053,285,400	1,275,391,200	1,298,751,000
Labor	202,857,107	194,130,634	205,174,700	221,768,700	221,427,400
Personnel	57,409,730	56,754,842	63,931,100	66,174,600	66,486,800
Postsecondary Education	6,126,455,949	6,601,036,426	7,556,521,200	7,867,445,200	8,221,127,300
Public Protection	90,570,487	92,126,349	112,459,700	123,723,400	122,273,100
Tourism, Arts and Heritage	236,997,206	236,581,900	243,199,200	258,475,800	261,647,000
Transportation	2,809,001,896	2,400,712,576	2,551,358,900	2,326,500,200	2,305,725,400
Statewide	13,000,000	28,190,485			
<b>TOTAL EXPENDITURES</b>	<b>30,231,787,186</b>	<b>31,391,931,294</b>	<b>34,040,880,800</b>	<b>34,822,202,400</b>	<b>35,570,658,600</b>

# General Government

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**General Government**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	665,706,500	1,256,693,100	1,207,320,700	1,271,495,300	1,159,157,500
Current Year Appropriation			2,820,200		
Continuing Approp-General Fund	299,196	250,982	203,700		
Budget Reduction-General Fund		-875,682	-1,939,600		
Mandated Allotments	23,496,200	26,776,600	15,370,000		
Other	-33,432,304	-5,211,700	22,754,000		
<b>Total General Fund</b>	<b>656,069,592</b>	<b>1,277,633,300</b>	<b>1,246,529,000</b>	<b>1,271,495,300</b>	<b>1,159,157,500</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	14,733,700	28,008,000	31,100,200	43,103,300	40,929,300
Special Appropriation	16,000,000				
Current Year Appropriation	21,099,500		4,198,300		
Continuing Approp-Tob Settlement	21,440,717	42,286,301	39,822,200	18,766,200	14,714,900
<b>Total Tobacco Fund</b>	<b>73,273,917</b>	<b>70,294,301</b>	<b>75,120,700</b>	<b>61,869,500</b>	<b>55,644,200</b>
<b>Restricted Funds</b>					
Balance Forward	93,586,539	122,060,443	139,781,744	120,639,928	78,216,228
Current Receipts	152,941,700	164,511,599	209,744,673	228,870,400	233,993,300
Non-Revenue Receipts	71,589,857	60,591,187	77,027,311	70,679,000	71,611,600
Fund Transfers	-1,900,000	-4,896,400	-2,507,800	-27,500,000	-1,500,000
<b>Total Restricted Funds</b>	<b>316,218,096</b>	<b>342,266,829</b>	<b>424,045,928</b>	<b>392,689,328</b>	<b>382,321,128</b>
<b>Federal Fund</b>					
Balance Forward	15,063,047	14,476,660	13,749,919	9,926,819	6,529,619
Current Receipts	144,847,084	137,480,720	162,807,700	123,080,600	123,116,500
Non-Revenue Receipts	2,495,246	2,877,043	1,177,400	1,300,000	1,300,000
<b>Total Federal Fund</b>	<b>162,405,378</b>	<b>154,834,423</b>	<b>177,735,019</b>	<b>134,307,419</b>	<b>130,946,119</b>
<b>Road Fund</b>					
Regular Appropriation	512,500	519,200	520,400	557,900	562,000
<b>Total Road Fund</b>	<b>512,500</b>	<b>519,200</b>	<b>520,400</b>	<b>557,900</b>	<b>562,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,208,479,483</b>	<b>1,845,548,053</b>	<b>1,923,951,047</b>	<b>1,860,919,447</b>	<b>1,728,630,947</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	316,208,649	335,037,239	464,804,200	426,811,250	430,809,450
Operating Expenses	70,599,054	89,992,995	112,258,400	123,600,750	124,118,050
Grants Loans Benefits	404,213,837	987,349,949	901,452,000	938,345,100	840,591,700
Debt Service	228,797,777	232,623,862	288,043,500	261,154,400	247,730,800
Capital Outlay	5,419,788	9,574,280	7,929,800	11,547,200	9,984,700
Construction	65,898	9,969			
<b>TOTAL EXPENDITURES</b>	<b>1,025,305,003</b>	<b>1,654,588,294</b>	<b>1,774,487,900</b>	<b>1,761,458,700</b>	<b>1,653,234,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	651,718,573	1,277,236,499	1,246,398,800	1,271,495,300	1,159,157,500
Tobacco Fund	30,987,616	34,992,950	56,354,500	47,154,600	48,904,300
Restricted Funds	194,157,653	202,484,794	303,406,000	314,473,100	318,002,000
Federal Fund	147,928,718	139,380,913	167,808,200	127,777,800	126,608,900
Road Fund	512,443	493,139	520,400	557,900	562,000
<b>TOTAL EXPENDITURES</b>	<b>1,025,305,003</b>	<b>1,654,588,294</b>	<b>1,774,487,900</b>	<b>1,761,458,700</b>	<b>1,653,234,700</b>
<b>EXPENDITURES BY UNIT</b>					
Office of the Governor	8,284,830	10,066,397	14,711,400	9,142,400	9,142,500
Office of State Budget Director	3,268,466	3,116,713	3,245,600	3,834,300	3,917,300
State Planning Fund	150,800				
Homeland Security	5,012,957	5,994,410	5,791,200	5,996,900	6,025,200

**EXPENDITURES BY UNIT**

Department of Veterans' Affairs	68,589,837	70,147,107	95,437,200	104,058,500	104,774,700
Governor's Office of Agricultural Policy	28,980,358	32,881,262	49,595,500	44,704,600	46,454,300
Kentucky Infrastructure Authority	26,711,636	31,770,335	83,868,700	77,341,500	82,965,600
Military Affairs	128,308,861	118,476,191	130,304,700	99,457,700	100,228,800
Commission on Human Rights	2,070,953	1,980,966	1,945,500	2,129,800	2,260,600
Commission on Women	158,231	211,255	225,200		
Department for Local Government	32,318,670	45,637,600	45,316,300	39,806,900	39,942,900
Local Government Economic Assistance Fund	35,594,339	33,025,156	31,746,400	26,257,600	22,825,700
Local Government Economic Development Fund	8,089,557	11,400,000	11,400,000	17,923,300	13,570,500
Area Development Fund	452,300	431,000	408,900		
Executive Branch Ethics Commission	524,175	689,605	785,200	883,900	890,700
Secretary of State	3,064,453	3,405,692	4,654,400	5,113,500	5,155,100
Board of Elections	4,616,915	4,486,372	8,280,200	8,507,200	7,403,300
Registry of Election Finance	1,165,898	1,221,400	1,231,700	1,511,000	1,529,400
Attorney General	37,419,903	32,569,163	37,098,000	36,570,200	36,448,100
Unified Prosecutorial System	88,461,289	95,070,133	96,922,800	115,621,300	116,691,300
Treasury	2,961,137	3,073,391	4,063,100	4,403,900	4,359,800
Agriculture	29,707,187	30,807,187	35,085,200	36,118,200	36,327,400
Auditor of Public Accounts	12,549,269	13,446,646	14,651,800	16,491,700	16,708,900
Personnel Board	742,046	695,699	913,800	1,009,800	1,018,500
Kentucky Retirement Systems	32,656,530	131,954,307	130,534,700	48,393,500	48,788,700
Occupational & Professional Boards & Commissions	19,150,020	20,020,995	21,877,700	25,187,000	25,400,300
Kentucky River Authority	3,259,651	3,400,140	3,846,300	7,572,200	7,575,700
School Facilities Construction Commission	109,169,000	122,976,300	134,918,000	129,898,300	129,071,300
Teachers' Retirement System	310,491,511	790,833,824	758,352,200	842,109,700	733,463,400
Judgments	2,007,641	291,823			
Appropriations Not Otherwise Classified	18,291,345	20,592,138	17,026,400	14,526,400	14,526,400
KY Communications Network Authority	1,075,237	13,915,085	30,249,800	36,887,400	35,768,300
<b>TOTAL EXPENDITURES</b>	<b>1,025,305,003</b>	<b>1,654,588,294</b>	<b>1,774,487,900</b>	<b>1,761,458,700</b>	<b>1,653,234,700</b>

**General Government  
Office of the Governor**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,629,800	5,455,700	5,516,800	6,170,900	6,258,000
Budget Reduction-General Fund		-54,600	-282,600		
<b>Total General Fund</b>	5,629,800	5,401,100	5,234,200	6,170,900	6,258,000
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	1,912,500	2,050,000	2,050,000	2,050,000	2,050,000
Continuing Approp-Tob Settlement	3,155,026	3,483,087	4,010,700		
<b>Total Tobacco Fund</b>	5,067,526	5,533,087	6,060,700	2,050,000	2,050,000
<b>Restricted Funds</b>					
Balance Forward	255,133	287,658	505,200	325,000	173,200
Current Receipts	338,355	547,111	267,200	267,200	267,200
Non-Revenue Receipts			232,500	240,500	245,400
<b>Total Restricted Funds</b>	593,488	834,769	1,004,900	832,700	685,800
<b>Federal Fund</b>					
Balance Forward	18,828	14,405			
Current Receipts	848,291	2,847,728	2,857,600	262,000	175,000
Non-Revenue Receipts	165,347	-44,390	-121,000		
<b>Total Federal Fund</b>	1,032,465	2,817,743	2,736,600	262,000	175,000
<b>TOTAL SOURCE OF FUNDS</b>	12,323,280	14,586,699	15,036,400	9,315,600	9,168,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,962,359	6,250,334	5,555,600	6,514,500	6,610,200
Operating Expenses	1,103,552	1,251,206	1,488,300	1,461,800	1,461,800
Grants Loans Benefits	1,218,919	2,564,858	7,667,500	1,166,100	1,070,500
<b>TOTAL EXPENDITURES</b>	8,284,830	10,066,397	14,711,400	9,142,400	9,142,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,376,500	5,396,814	5,234,200	6,170,900	6,258,000
Tobacco Fund	1,584,440	1,522,350	6,060,700	2,050,000	2,050,000
Restricted Funds	305,830	329,489	679,900	659,500	659,500
Federal Fund	1,018,060	2,817,743	2,736,600	262,000	175,000
<b>TOTAL EXPENDITURES</b>	8,284,830	10,066,397	14,711,400	9,142,400	9,142,500
<b>EXPENDITURES BY UNIT</b>					
Governor	4,392,981	4,344,158	4,271,200	4,985,200	5,047,600
Governor's Office Expense Allowance	26,011	27,624	28,300	33,900	34,400
Lieutenant Governor	568,378	719,169	744,800	880,600	897,300
Lieutenant Governor's Expense Allowance	14,601	15,471	15,800	18,900	19,200
Secretary of the Cabinet	371,724	331,885	250,600	293,300	297,200
Kentucky Commission on Military Affairs	480,397	866,330	396,400	253,700	257,000
Office of Minority Empowerment	72,371	1,960			
Faith Based Initiatives	42,129	2,504			
Early Childhood Advisory Council	2,316,240	3,757,296	9,004,300	2,676,800	2,589,800
<b>TOTAL EXPENDITURES</b>	8,284,830	10,066,397	14,711,400	9,142,400	9,142,500

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 Early Childhood Advisory Council (KRS 200.700) was established in the Governor's Office in 2011. The office 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 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,195,400	3,135,100	3,165,500	3,486,400	3,533,700
Budget Reduction-General Fund		-31,398	-162,200		
<b>Total General Fund</b>	3,195,400	3,103,702	3,003,300	3,486,400	3,533,700
<b>Restricted Funds</b>					
Balance Forward	243,303	26,436	246,900	246,900	141,300
Non-Revenue Receipts		233,447	242,300	242,300	242,300
<b>Total Restricted Funds</b>	243,303	259,883	489,200	489,200	383,600
<b>TOTAL SOURCE OF FUNDS</b>	3,438,703	3,363,585	3,492,500	3,975,600	3,917,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,893,393	2,693,629	2,841,800	3,430,500	3,513,500
Operating Expenses	375,073	423,084	403,800	403,800	403,800
<b>TOTAL EXPENDITURES</b>	3,268,466	3,116,713	3,245,600	3,834,300	3,917,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,051,600	3,103,701	3,003,300	3,486,400	3,533,700
Restricted Funds	216,866	13,011	242,300	347,900	383,600
<b>TOTAL EXPENDITURES</b>	3,268,466	3,116,713	3,245,600	3,834,300	3,917,300
<b>EXPENDITURES BY UNIT</b>					
Budget & Policy Analysis	2,513,897	2,447,937	2,435,200	2,881,700	2,951,800
Policy Research	211,567	136,589	324,500	384,800	390,300
Economic Analysis	543,002	532,187	485,900	567,800	575,200
<b>TOTAL EXPENDITURES</b>	3,268,466	3,116,713	3,245,600	3,834,300	3,917,300

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 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	150,800	137,200	137,200		
Budget Reduction-General Fund		-1,400	-7,000		
<b>Total General Fund</b>	150,800	135,800	130,200		
<b>TOTAL SOURCE OF FUNDS</b>	150,800	135,800	130,200		
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	150,800				
<b>TOTAL EXPENDITURES</b>	150,800				
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	150,800				
<b>TOTAL EXPENDITURES</b>	150,800				
<b>EXPENDITURES BY UNIT</b>					
State Planning Fund	150,800				
<b>TOTAL EXPENDITURES</b>	150,800				

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.

**Policy**

The Budget of the Commonwealth provides no General Fund for the State Planning Fund in the Office of State Budget Director.



**General Government  
Homeland Security**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	236,600	229,200	231,800	251,900	255,200
Budget Reduction-General Fund		-2,300	-11,900		
<b>Total General Fund</b>	<b>236,600</b>	<b>226,900</b>	<b>219,900</b>	<b>251,900</b>	<b>255,200</b>
<b>Restricted Funds</b>					
Balance Forward	1,820,898	2,477,135	2,636,600	2,482,800	2,283,100
Current Receipts	1,646,209	1,308,232	1,183,400	1,150,900	1,145,400
Non-Revenue Receipts	117,505	1,382	1,700	1,400	1,400
<b>Total Restricted Funds</b>	<b>3,584,612</b>	<b>3,786,749</b>	<b>3,821,700</b>	<b>3,635,100</b>	<b>3,429,900</b>
<b>Federal Fund</b>					
Balance Forward	114,164	50,878			
Current Receipts	3,470,315	4,370,434	3,962,000	4,085,100	4,096,200
Non-Revenue Receipts	-116,620				
<b>Total Federal Fund</b>	<b>3,467,858</b>	<b>4,421,312</b>	<b>3,962,000</b>	<b>4,085,100</b>	<b>4,096,200</b>
<b>Road Fund</b>					
Regular Appropriation	262,500	269,200	270,400	307,900	312,000
<b>Total Road Fund</b>	<b>262,500</b>	<b>269,200</b>	<b>270,400</b>	<b>307,900</b>	<b>312,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,551,570</b>	<b>8,704,161</b>	<b>8,274,000</b>	<b>8,280,000</b>	<b>8,093,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,668,551	1,725,941	1,999,400	2,277,400	2,302,100
Operating Expenses	218,611	178,662	234,500	239,800	239,800
Grants Loans Benefits	3,125,795	4,089,807	3,557,300	3,479,700	3,483,300
<b>TOTAL EXPENDITURES</b>	<b>5,012,957</b>	<b>5,994,410</b>	<b>5,791,200</b>	<b>5,996,900</b>	<b>6,025,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	226,000	226,900	219,900	251,900	255,200
Restricted Funds	1,107,478	1,150,174	1,338,900	1,352,000	1,361,800
Federal Fund	3,416,980	4,348,136	3,962,000	4,085,100	4,096,200
Road Fund	262,500	269,200	270,400	307,900	312,000
<b>TOTAL EXPENDITURES</b>	<b>5,012,957</b>	<b>5,994,410</b>	<b>5,791,200</b>	<b>5,996,900</b>	<b>6,025,200</b>
<b>EXPENDITURES BY UNIT</b>					
Office of Homeland Security	4,492,828	5,451,162	5,052,300	5,162,600	5,182,700
Commerical Mobile Radio Service	520,129	543,248	738,900	834,300	842,500
<b>TOTAL EXPENDITURES</b>	<b>5,012,957</b>	<b>5,994,410</b>	<b>5,791,200</b>	<b>5,996,900</b>	<b>6,025,200</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 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	17,984,100	18,881,300	19,083,000	25,098,600	25,810,200
Budget Reduction-General Fund		-188,800			
<b>Total General Fund</b>	17,984,100	18,692,500	19,083,000	25,098,600	25,810,200
<b>Restricted Funds</b>					
Balance Forward	7,141,168	15,907,810	23,733,400	6,388,000	1,897,000
Current Receipts	59,372,379	59,276,423	60,001,100	74,468,900	77,067,500
Non-Revenue Receipts		3,750			
Fund Transfers			-992,300		
<b>Total Restricted Funds</b>	66,513,547	75,187,983	82,742,200	80,856,900	78,964,500
<b>TOTAL SOURCE OF FUNDS</b>	84,497,647	93,880,483	101,825,200	105,955,500	104,774,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	49,941,635	52,204,310	72,793,400	80,863,500	81,230,700
Operating Expenses	10,153,313	11,302,681	16,406,800	16,955,600	17,307,000
Grants Loans Benefits	6,256,371	6,566,263	6,166,200	6,168,600	6,166,200
Debt Service	169,000				
Capital Outlay	2,051,537	70,825	70,800	70,800	70,800
Construction	17,981	3,028			
<b>TOTAL EXPENDITURES</b>	68,589,837	70,147,107	95,437,200	104,058,500	104,774,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	17,984,100	18,692,487	19,083,000	25,098,600	25,810,200
Restricted Funds	50,605,737	51,454,620	76,354,200	78,959,900	78,964,500
<b>TOTAL EXPENDITURES</b>	68,589,837	70,147,107	95,437,200	104,058,500	104,774,700
<b>EXPENDITURES BY UNIT</b>					
Field Services and Cemeteries	5,736,723	6,342,966	6,747,600	7,840,500	7,926,000
Kentucky Veterans' Centers	62,853,114	63,804,142	88,689,600	96,218,000	96,848,700
<b>TOTAL EXPENDITURES</b>	68,589,837	70,147,107	95,437,200	104,058,500	104,774,700

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 four 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. In July 2017, a fourth 120-bed Veterans' Center, in Hardin County, opened utilizing the "Community Living Concept."

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 be fully staffed and operational in calendar year 2018.

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.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	12,221,200	25,358,000	28,450,200	40,553,300	38,379,300
Special Appropriation	16,000,000				
Current Year Appropriation	21,099,500		4,000,000		
Continuing Approp-Tob Settlement	18,285,691	38,803,214	35,811,500	18,766,200	14,714,900
<b>Total Tobacco Fund</b>	<b>67,606,391</b>	<b>64,161,214</b>	<b>68,261,700</b>	<b>59,319,500</b>	<b>53,094,200</b>
<b>Restricted Funds</b>					
Balance Forward	326,580	276,020	385,000	395,000	305,000
Current Receipts	126,621	119,621	110,000	10,000	10,000
<b>Total Restricted Funds</b>	<b>453,201</b>	<b>395,642</b>	<b>495,000</b>	<b>405,000</b>	<b>315,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>68,059,592</b>	<b>64,556,856</b>	<b>68,756,700</b>	<b>59,724,500</b>	<b>53,409,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,248,086	1,188,582	1,317,600	1,540,100	1,559,700
Operating Expenses	230,151	260,003	259,800	259,800	259,800
Grants Loans Benefits	27,502,120	31,432,676	48,018,100	42,904,700	44,634,800
<b>TOTAL EXPENDITURES</b>	<b>28,980,358</b>	<b>32,881,262</b>	<b>49,595,500</b>	<b>44,704,600</b>	<b>46,454,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Tobacco Fund	28,803,177	32,870,599	49,495,500	44,604,600	46,354,300
Restricted Funds	177,181	10,663	100,000	100,000	100,000
<b>TOTAL EXPENDITURES</b>	<b>28,980,358</b>	<b>32,881,262</b>	<b>49,595,500</b>	<b>44,704,600</b>	<b>46,454,300</b>
<b>EXPENDITURES BY UNIT</b>					
Governor's Office of Agricultural Policy	28,980,358	32,881,262	49,595,500	44,704,600	46,454,300
<b>TOTAL EXPENDITURES</b>	<b>28,980,358</b>	<b>32,881,262</b>	<b>49,595,500</b>	<b>44,704,600</b>	<b>46,454,300</b>

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 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.

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.

**General Government**  
**Kentucky Infrastructure Authority**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,563,800	1,507,900	1,216,900	1,398,800	1,914,800
Budget Reduction-General Fund		-12,200	-62,300		
<b>Total General Fund</b>	1,563,800	1,495,700	1,154,600	1,398,800	1,914,800
<b>Restricted Funds</b>					
Balance Forward	178,754	194,768	112,627		54,800
Current Receipts	14,223	842	53,219,573	46,615,600	51,746,200
Non-Revenue Receipts	1,280,019	1,035,561			
<b>Total Restricted Funds</b>	1,472,996	1,231,171	53,332,200	46,615,600	51,801,000
<b>Federal Fund</b>					
Balance Forward	1	1			
Current Receipts	23,929,809	29,160,791	29,381,900	29,381,900	29,381,900
<b>Total Federal Fund</b>	23,929,810	29,160,792	29,381,900	29,381,900	29,381,900
<b>TOTAL SOURCE OF FUNDS</b>	26,966,606	31,887,663	83,868,700	77,396,300	83,097,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,720,742	2,398,790	2,612,200	2,816,700	2,834,800
Operating Expenses	145,809	130,403	161,000	161,200	161,200
Grants Loans Benefits	23,563,264	28,947,115	28,964,300	29,090,600	29,090,600
Debt Service	226,500	291,000	52,131,200	45,273,000	50,879,000
Capital Outlay	38,111				
Construction	17,209	3,027			
<b>TOTAL EXPENDITURES</b>	26,711,636	31,770,335	83,868,700	77,341,500	82,965,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,503,600	1,491,000	1,154,600	1,398,800	1,914,800
Restricted Funds	1,278,228	1,118,544	53,332,200	46,560,800	51,668,900
Federal Fund	23,929,809	29,160,791	29,381,900	29,381,900	29,381,900
<b>TOTAL EXPENDITURES</b>	26,711,636	31,770,335	83,868,700	77,341,500	82,965,600
<b>EXPENDITURES BY UNIT</b>					
Kentucky Infrastructure Authority	26,711,636	31,770,335	83,868,700	77,341,500	82,965,600
<b>TOTAL EXPENDITURES</b>	26,711,636	31,770,335	83,868,700	77,341,500	82,965,600

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 issue 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 \$146,000 in fiscal year 2018-2019 and \$438,000 in fiscal year 2019-2020 for debt service to support \$6,802,000 in bonds to match an estimated \$34,010,000 in Federal Funds for the Federally Assisted Wastewater Revolving Loan Fund program (Fund A).

Included in the General Fund appropriation is \$112,000 in fiscal year 2018-2019 and \$336,000 in fiscal year 2019-2020 for debt service to support \$5,176,000 in bonds to match an estimated \$25,882,000 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 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	9,330,700	9,779,500	9,912,800	15,036,400	15,256,400
Budget Reduction-General Fund		-97,800			
Mandated Allotments	8,052,200	10,749,455	3,370,000		
<b>Total General Fund</b>	<b>17,382,900</b>	<b>20,431,155</b>	<b>13,282,800</b>	<b>15,036,400</b>	<b>15,256,400</b>
<b>Restricted Funds</b>					
Balance Forward	21,374,808	20,704,696	24,467,900	24,826,500	24,317,300
Current Receipts	28,005,621	37,425,141	33,654,200	40,211,200	40,432,100
Non-Revenue Receipts	-1,638,687	103,732	534,700	-2,314,800	-921,000
Fund Transfers			-515,500		
<b>Total Restricted Funds</b>	<b>47,741,742</b>	<b>58,233,568</b>	<b>58,141,300</b>	<b>62,722,900</b>	<b>63,828,400</b>
<b>Federal Fund</b>					
Balance Forward					611,500
Current Receipts	83,019,067	61,286,932	83,707,100	46,627,200	47,041,900
Non-Revenue Receipts	2,734,299	2,993,026			
<b>Total Federal Fund</b>	<b>85,753,366</b>	<b>64,279,958</b>	<b>83,707,100</b>	<b>46,627,200</b>	<b>47,653,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>150,878,008</b>	<b>142,944,681</b>	<b>155,131,200</b>	<b>124,386,500</b>	<b>126,738,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	38,574,074	40,881,254	40,971,700	48,404,100	48,985,300
Operating Expenses	23,594,213	29,506,152	32,036,800	34,028,100	34,128,000
Grants Loans Benefits	61,491,342	38,075,033	50,837,800	7,895,500	7,895,500
Debt Service	1,838,206	1,739,971	1,740,000	1,751,000	1,841,000
Capital Outlay	2,799,171	8,273,780	4,718,400	7,379,000	7,379,000
Construction	11,854				
<b>TOTAL EXPENDITURES</b>	<b>128,308,861</b>	<b>118,476,191</b>	<b>130,304,700</b>	<b>99,457,700</b>	<b>100,228,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	15,518,448	20,430,601	13,282,800	15,036,400	15,256,400
Restricted Funds	27,037,046	33,765,632	33,314,800	38,405,600	38,642,500
Federal Fund	85,753,366	64,279,958	83,707,100	46,015,700	46,329,900
<b>TOTAL EXPENDITURES</b>	<b>128,308,861</b>	<b>118,476,191</b>	<b>130,304,700</b>	<b>99,457,700</b>	<b>100,228,800</b>
<b>EXPENDITURES BY UNIT</b>					
Statutory State Operations	30,549,486	30,545,769	31,853,900	33,538,300	33,849,800
Emergency Management	69,286,878	50,573,699	59,070,300	16,977,800	17,072,700
National Guard Operations	330,708	184,495	183,000	182,600	272,600
Emergency & Public Safety Operations	1,884,119	3,687,647	370,000	4,500,000	4,500,000
Bluegrass Station	8,670,839	11,146,145	13,487,100	16,378,500	16,415,800
Central Clothing Distribution	15,570,593	20,265,332	16,723,900	18,529,900	18,693,800
Federal & Grant Operations	2,016,239	2,073,105	8,616,500	9,350,600	9,424,100
<b>TOTAL EXPENDITURES</b>	<b>128,308,861</b>	<b>118,476,191</b>	<b>130,304,700</b>	<b>99,457,700</b>	<b>100,228,800</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 Department consists of the following organizational units: The Division of Emergency Management; the Office of Kentucky Community Crisis Response; and the Office of Management and Administration, which contains the Division of



Administrative Services, Division of Facilities, Logistics Operations Division, Bluegrass Station Division, and the Youth Challenge Program.

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 780 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 General Fund debt service in the amount of \$11,000 in fiscal year 2018-2019 and \$101,000 in fiscal year 2019-2020 for debt service on new bonds included in the capital budget.

The Budget of the Commonwealth includes Restricted Funds in the amount of \$2,612,300 in fiscal year 2018-2019 and \$2,624,300 in fiscal year 2019-2020 to fund new operating costs at Bluegrass Station.

The Budget of the Commonwealth includes additional General Fund in the amount of \$4,500,000 in each fiscal year for Emergency and Public Safety costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

**General Government  
Commission on Human Rights**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,738,800	1,762,900	1,781,800	1,874,800	2,005,600
Budget Reduction-General Fund		-17,600	-91,300		
<b>Total General Fund</b>	<b>1,738,800</b>	<b>1,745,300</b>	<b>1,690,500</b>	<b>1,874,800</b>	<b>2,005,600</b>
<b>Restricted Funds</b>					
Balance Forward			3,400		
Current Receipts	4,500	14,356	6,600	10,000	10,000
<b>Total Restricted Funds</b>	<b>4,500</b>	<b>14,356</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Federal Fund</b>					
Balance Forward			10,700	10,700	10,700
Current Receipts	333,253	388,100	245,000	245,000	245,000
Non-Revenue Receipts	72,600	-152,693			
<b>Total Federal Fund</b>	<b>405,853</b>	<b>235,407</b>	<b>255,700</b>	<b>255,700</b>	<b>255,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,149,153</b>	<b>1,995,063</b>	<b>1,956,200</b>	<b>2,140,500</b>	<b>2,271,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,733,334	1,684,788	1,699,500	1,899,100	2,029,900
Operating Expenses	337,619	296,178	246,000	230,700	230,700
<b>TOTAL EXPENDITURES</b>	<b>2,070,953</b>	<b>1,980,966</b>	<b>1,945,500</b>	<b>2,129,800</b>	<b>2,260,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,660,600	1,745,300	1,690,500	1,874,800	2,005,600
Restricted Funds	4,500	10,956	10,000	10,000	10,000
Federal Fund	405,853	224,710	245,000	245,000	245,000
<b>TOTAL EXPENDITURES</b>	<b>2,070,953</b>	<b>1,980,966</b>	<b>1,945,500</b>	<b>2,129,800</b>	<b>2,260,600</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	710,400	749,756	747,400	769,600	807,800
Enforcement Branch	745,353	577,410	388,400	483,300	516,000
Research and Information	343,200	362,100	365,100	384,300	410,600
Legal Affairs	272,000	291,700	444,600	492,600	526,200
<b>TOTAL EXPENDITURES</b>	<b>2,070,953</b>	<b>1,980,966</b>	<b>1,945,500</b>	<b>2,129,800</b>	<b>2,260,600</b>

The Kentucky Commission on Human Rights is the sole state civil rights enforcement agency in Kentucky, and is charged 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 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	232,000	235,000	237,400		
Budget Reduction-General Fund		-2,200	-12,200		
<b>Total General Fund</b>	232,000	232,800	225,200		
<b>Restricted Funds</b>					
Balance Forward	44	44			
<b>Total Restricted Funds</b>	44	44			
<b>TOTAL SOURCE OF FUNDS</b>	232,044	232,844	225,200		
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	140,321	191,024	198,800		
Operating Expenses	17,910	20,232	26,400		
<b>TOTAL EXPENDITURES</b>	158,231	211,255	225,200		
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	158,231	211,255	225,200		
<b>TOTAL EXPENDITURES</b>	158,231	211,255	225,200		
<b>EXPENDITURES BY UNIT</b>					
Commission on Women	158,231	211,255	225,200		
<b>TOTAL EXPENDITURES</b>	158,231	211,255	225,200		

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 statewide 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.

**Policy**

Notwithstanding KRS, 12.020, 12.023, 14.260, 15A.190, 212.554 and 344.510-30, the Budget of the Commonwealth provides no General Fund for the Commission on Women.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	8,487,600	16,397,400	15,705,300	9,207,400	9,326,700
Budget Reduction-General Fund		-113,589	-804,500		
<b>Total General Fund</b>	<b>8,487,600</b>	<b>16,283,811</b>	<b>14,900,800</b>	<b>9,207,400</b>	<b>9,326,700</b>
<b>Restricted Funds</b>					
Balance Forward	802,149	1,704,117	2,258,400	2,118,500	2,022,100
Current Receipts	833,083	747,109	742,500	791,800	791,800
Non-Revenue Receipts	815,137	199,182			
<b>Total Restricted Funds</b>	<b>2,450,370</b>	<b>2,650,408</b>	<b>3,000,900</b>	<b>2,910,300</b>	<b>2,813,900</b>
<b>Federal Fund</b>					
Balance Forward	662,711	500,184	267,000	387,700	397,000
Current Receipts	23,634,878	28,864,924	28,353,800	28,420,600	28,421,900
Non-Revenue Receipts	-320,703	235,863	1,300,000	1,300,000	1,300,000
<b>Total Federal Fund</b>	<b>23,976,886</b>	<b>29,600,971</b>	<b>29,920,800</b>	<b>30,108,300</b>	<b>30,118,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>34,914,855</b>	<b>48,535,190</b>	<b>47,822,500</b>	<b>42,226,000</b>	<b>42,259,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,086,309	5,701,265	6,177,700	6,249,600	6,345,600
Operating Expenses	761,133	752,671	706,100	2,020,300	2,060,300
Grants Loans Benefits	26,471,228	39,183,663	38,432,500	31,537,000	31,537,000
<b>TOTAL EXPENDITURES</b>	<b>32,318,670</b>	<b>45,637,600</b>	<b>45,316,300</b>	<b>39,806,900</b>	<b>39,942,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	8,095,715	16,283,811	14,900,800	9,207,400	9,326,700
Restricted Funds	746,253	392,011	882,400	888,200	888,700
Federal Fund	23,476,702	28,961,778	29,533,100	29,711,300	29,727,500
<b>TOTAL EXPENDITURES</b>	<b>32,318,670</b>	<b>45,637,600</b>	<b>45,316,300</b>	<b>39,806,900</b>	<b>39,942,900</b>
<b>EXPENDITURES BY UNIT</b>					
Operations	5,334,241	13,937,208	12,722,900	7,035,300	7,155,100
Grants	26,984,429	31,700,392	32,593,400	32,771,600	32,787,800
<b>TOTAL EXPENDITURES</b>	<b>32,318,670</b>	<b>45,637,600</b>	<b>45,316,300</b>	<b>39,806,900</b>	<b>39,942,900</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.

**General Government**

**Local Government Economic Assistance Fund**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	48,690,000	50,031,100	31,746,400	26,257,600	22,825,700
Other	-13,095,661	-17,005,944			
<b>Total General Fund</b>	<b>35,594,339</b>	<b>33,025,156</b>	<b>31,746,400</b>	<b>26,257,600</b>	<b>22,825,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>35,594,339</b>	<b>33,025,156</b>	<b>31,746,400</b>	<b>26,257,600</b>	<b>22,825,700</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	35,594,339	33,025,156	31,746,400	26,257,600	22,825,700
<b>TOTAL EXPENDITURES</b>	<b>35,594,339</b>	<b>33,025,156</b>	<b>31,746,400</b>	<b>26,257,600</b>	<b>22,825,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	35,594,339	33,025,156	31,746,400	26,257,600	22,825,700
<b>TOTAL EXPENDITURES</b>	<b>35,594,339</b>	<b>33,025,156</b>	<b>31,746,400</b>	<b>26,257,600</b>	<b>22,825,700</b>
<b>EXPENDITURES BY UNIT</b>					
County Coal Severance	18,380,898	17,690,347	14,823,700	11,771,600	10,235,400
Cities Coal Severance	2,027,165	1,955,967	1,526,500	1,306,700	1,135,700
County Mineral Severance	13,699,278	12,072,502	13,856,600	11,861,400	10,309,100
Cities Mineral Severance	1,486,998	1,306,340	1,539,600	1,317,900	1,145,500
<b>TOTAL EXPENDITURES</b>	<b>35,594,339</b>	<b>33,025,156</b>	<b>31,746,400</b>	<b>26,257,600</b>	<b>22,825,700</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 2018-20 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, and 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 notwithstanding KRS 42.450 to 42.495 suspending the statutory severance allocations formula and directs 15 percent of the net severance and processing taxes on coal from the General Fund to the Local Government Economic Assistance Fund. In addition, notwithstanding KRS 42.450 to 42.495, an additional amount equal to \$3,686,100 in fiscal year 2018-2019 and 642,900 in fiscal year 2019-2020 shall be transferred from the Local Government Economic Development Fund (LGEDF) to LGEAF.

Before allocations to either LGEAF or LGEDF, a number of specified uses of General Fund coal severance tax revenues are outlined on the following pages.

**Off-the-Top Funding Items:** funds are provided for three 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) Kentucky Infrastructure Authority for LGEDF administrative support: \$370,000 each fiscal year;
- (2) Department for Local Government for LGEDF administrative support: \$669,700 each fiscal year;
- (3) Debt Service to the Finance and Administration Cabinet equating to 100 percent of the debt service needed in each fiscal year to support bonds authorized in the 2003, 2005, 2006, 2008, and 2010 sessions of the General Assembly;

Prior to LGEAF distributions to local governments, transfers in the amount of \$1,000,000 in fiscal year 2018-2019 to the University of Kentucky for the Robinsons Scholars program; \$350,000 in each fiscal year to the University of Kentucky for the Mining Engineering Scholarship program; and \$500,000 each fiscal year to the Secretary of the Justice and Public Safety Cabinet for the Operation Unite grant. 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 LGEAF.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	28,426,200	11,400,000	11,400,000	17,923,300	13,570,500
Other	-20,336,643				
<b>Total General Fund</b>	<b>8,089,557</b>	<b>11,400,000</b>	<b>11,400,000</b>	<b>17,923,300</b>	<b>13,570,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>8,089,557</b>	<b>11,400,000</b>	<b>11,400,000</b>	<b>17,923,300</b>	<b>13,570,500</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	8,089,557	11,400,000	11,400,000	17,923,300	13,570,500
<b>TOTAL EXPENDITURES</b>	<b>8,089,557</b>	<b>11,400,000</b>	<b>11,400,000</b>	<b>17,923,300</b>	<b>13,570,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	8,089,557	11,400,000	11,400,000	17,923,300	13,570,500
<b>TOTAL EXPENDITURES</b>	<b>8,089,557</b>	<b>11,400,000</b>	<b>11,400,000</b>	<b>17,923,300</b>	<b>13,570,500</b>
<b>EXPENDITURES BY UNIT</b>					
Economic Development Fund	8,089,557	11,400,000	11,400,000	17,923,300	13,570,500
<b>TOTAL EXPENDITURES</b>	<b>8,089,557</b>	<b>11,400,000</b>	<b>11,400,000</b>	<b>17,923,300</b>	<b>13,570,500</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 2018-2020 budget. The Budget of the Commonwealth provides \$17,923,300 in net General Fund coal severance tax revenues to the LGEDF in fiscal 2018-2019 and \$13,570,500 in fiscal year 2019-2020. 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.

**Policy**

The Budget of the Commonwealth, notwithstanding KRS 42.450 to 42.495 and transfers an amount equal to \$15,896,000 in fiscal year 2018-2019 and \$7,500,000 in fiscal year 2019-2020 from the General Fund's portion of coal severance and processing taxes to LGEDF. In addition, pursuant to HB265 the Budget of the Commonwealth notwithstanding KRS 42.450 to 42.295 and transfers \$7,563,400 each fiscal year from the Kentucky Coal Fields Endowment 2016-2018 biennial budget ending balance to LGEDF.

Before LGDEF distribution, \$3,689,100 in fiscal year 2018-2019 and \$642,900 in fiscal year 2019-2020 are transferred from LGEDF to LGEAF; \$1,000,000 in fiscal year 2018-2019 to University of Kentucky's Robinson Scholar's program; \$350,000 each fiscal year to the University of Kentucky's Mining Engineering Scholarship program; and \$500,000 each fiscal year to Operation UNITE.



**Severance Tax Dedicated Programs 2018-2020 Biennium**  
Using Consensus Forecast Estimate

	FY 2018 Revised	FY 2019 Enacted	FY 2020 Enacted
<b>Coal Severance Tax Resources</b>			
<b>Coal Severance Tax</b>	<b>90,676,100</b>	<b>79,986,800</b>	<b>68,188,000</b>
Less: Osteopathic Medicine Scholarship Program (KRS 164.7891)	(326,000)		
Less: Pharmacy Scholarships (KRS 164.7890)	(580,000)		
Less: Trover Clinic Grant	(910,000)		
Less: Robinson Scholars Program (UK)	(1,000,000)		
Less: Mining Engineering Scholarship Program (UK)	(300,000)		
Less: Operation Unite	(2,000,000)		
Less: SOAR Administrative Costs (DLG)	(200,000)		
Less: KIA LGEDF Admin cost	(370,000)	(370,000)	(370,000)
Less: DLG LGEDF Admin cost	(669,700)	(669,700)	(669,700)
Less: Save the Children (Education)	(500,000)		
Less: Debt Service (Past Bond Appropriations)	(7,352,300)	(28,955,100)	(27,456,700)
Less: Reservation of Additional Coal Severance Revenues	(4,000,000)		
<b>Total coal severance tax resources to be distributed</b>	<b>72,468,100</b>	<b>49,992,000</b>	<b>39,691,600</b>

<b>Local Government Economic Assistance Fund (LGEAF) Total Funds</b>			
Coal Severance Tax Revenue (15%) KRS 42.4585	36,234,100	7,498,800	5,953,700
Other Mineral Severance Tax Revenue	16,319,700	15,072,700	16,229,100
Less: Debt Service (Past Bond Appropriations)	(22,057,000)		
Plus: Additional Coal Severance Revenues	600,000		
Plus: Additional Coal Severance from LGEDF		3,686,100	642,900
<b>Total LGEAF enacted</b>	<b>31,746,400</b>	<b>26,257,600</b>	<b>22,825,700</b>

<b>Local Government Economic Development Fund (LGEDF)</b>			
Coal Severance Tax Revenue	22,500,000	15,896,000	7,500,000
Plus: Additional Coal Severance Revenues	1,400,000		
Less: Coal County College Completion Scholarship Program	(5,000,000)		
Less: Transfer to Kentucky Coal Fields Endowment Fund	(7,500,000)		
Plus: Fund transfer from Ky Coal Fields Endowment Fund		7,563,400	7,563,400
Less: Robinson Scholars		(1,000,000)	
Less: Operation Unite		(500,000)	(500,000)
Less: Mining Engineering Scholarships		(350,000)	(350,000)
Less: Transfer to LGEAF		(3,686,100)	(642,900)
<b>Total LGEDF enacted</b>	<b>11,400,000</b>	<b>17,923,300</b>	<b>13,570,500</b>

**General Government  
Area Development Fund**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	473,600	431,000	431,000		
Budget Reduction-General Fund			-22,100		
<b>Total General Fund</b>	473,600	431,000	408,900		
<b>TOTAL SOURCE OF FUNDS</b>	473,600	431,000	408,900		
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	452,300	431,000	408,900		
<b>TOTAL EXPENDITURES</b>	452,300	431,000	408,900		
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	452,300	431,000	408,900		
<b>TOTAL EXPENDITURES</b>	452,300	431,000	408,900		
<b>EXPENDITURES BY UNIT</b>					
Area Development Fund	452,300	431,000	408,900		
<b>TOTAL EXPENDITURES</b>	452,300	431,000	408,900		

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.

**Policy**

The Budget of the Commonwealth provides no funding for the Area Development Fund program.

**General Government  
Executive Branch Ethics Commission**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	463,200	445,700	450,200	548,900	555,700
Budget Reduction-General Fund		-4,500			
<b>Total General Fund</b>	463,200	441,200	450,200	548,900	555,700
<b>Restricted Funds</b>					
Balance Forward	183	20,412	76,400	62,300	48,200
Current Receipts	81,204	304,418	320,900	320,900	320,900
<b>Total Restricted Funds</b>	81,387	324,830	397,300	383,200	369,100
<b>TOTAL SOURCE OF FUNDS</b>	544,587	766,030	847,500	932,100	924,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	445,142	602,385	696,900	778,200	786,000
Operating Expenses	79,033	87,220	88,300	105,700	104,700
<b>TOTAL EXPENDITURES</b>	524,175	689,605	785,200	883,900	890,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	463,200	441,200	450,200	548,900	555,700
Restricted Funds	60,975	248,405	335,000	335,000	335,000
<b>TOTAL EXPENDITURES</b>	524,175	689,605	785,200	883,900	890,700
<b>EXPENDITURES BY UNIT</b>					
Executive Branch Ethics Commission	524,175	689,605	785,200	883,900	890,700
<b>TOTAL EXPENDITURES</b>	524,175	689,605	785,200	883,900	890,700

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 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.

The Budget of the Commonwealth includes additional funding of \$13,400 in fiscal year 2018-2019 and \$12,400 in fiscal year 2019-2020 for relocation expenses.

**General Government  
Secretary of State**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,662,800	1,756,600	1,784,100	2,204,100	2,252,500
Budget Reduction-General Fund			-22,800		
<b>Total General Fund</b>	1,662,800	1,756,600	1,761,300	2,204,100	2,252,500
<b>Restricted Funds</b>					
Balance Forward	4,436,656	4,881,675	5,969,000	5,057,800	3,565,400
Current Receipts	3,073,029	3,665,367	2,760,500	2,695,600	2,731,300
Non-Revenue Receipts	79,993				
Fund Transfers	-1,300,000	-1,000,000	-1,000,000	-1,500,000	-1,500,000
<b>Total Restricted Funds</b>	6,289,678	7,547,042	7,729,500	6,253,400	4,796,700
<b>Federal Fund</b>					
Current Receipts	66,098	54,612	221,400	221,400	221,400
Non-Revenue Receipts	2,353	16,455			
<b>Total Federal Fund</b>	68,450	71,067	221,400	221,400	221,400
<b>TOTAL SOURCE OF FUNDS</b>	8,020,928	9,374,709	9,712,200	8,678,900	7,270,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,297,140	2,636,323	3,171,800	3,688,900	3,744,700
Operating Expenses	767,314	691,158	1,459,800	1,390,600	1,380,400
Capital Outlay	0	78,211	22,800	34,000	30,000
<b>TOTAL EXPENDITURES</b>	3,064,453	3,405,692	4,654,400	5,113,500	5,155,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,588,000	1,756,600	1,761,300	2,204,100	2,252,500
Restricted Funds	1,408,003	1,578,025	2,671,700	2,688,000	2,681,200
Federal Fund	68,450	71,067	221,400	221,400	221,400
<b>TOTAL EXPENDITURES</b>	3,064,453	3,405,692	4,654,400	5,113,500	5,155,100
<b>EXPENDITURES BY UNIT</b>					
General Administration	1,836,209	1,956,456	2,526,000	2,968,800	3,017,200
General Operations	1,228,244	1,449,237	2,128,400	2,144,700	2,137,900
<b>TOTAL EXPENDITURES</b>	3,064,453	3,405,692	4,654,400	5,113,500	5,155,100

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, de-acidifying, laminating, and bonding, thus safely preserving Kentucky's original land grants.

**General Government  
Board of Elections**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,047,200	3,980,400	3,989,300	4,216,200	4,231,100
Mandated Allotments	28,100				
<b>Total General Fund</b>	<b>4,075,300</b>	<b>3,980,400</b>	<b>3,989,300</b>	<b>4,216,200</b>	<b>4,231,100</b>
<b>Restricted Funds</b>					
Balance Forward	756,633	773,108	806,333	607,533	408,433
Current Receipts	31,578	33,225	47,200	46,900	46,600
<b>Total Restricted Funds</b>	<b>788,211</b>	<b>806,333</b>	<b>853,533</b>	<b>654,433</b>	<b>455,033</b>
<b>Federal Fund</b>					
Balance Forward	14,267,344	13,911,191	13,472,219	9,447,319	5,422,319
Current Receipts	285,364	71,097	20,000	20,000	20,000
<b>Total Federal Fund</b>	<b>14,552,708</b>	<b>13,982,288</b>	<b>13,492,219</b>	<b>9,467,319</b>	<b>5,442,319</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>19,416,219</b>	<b>18,769,021</b>	<b>18,335,052</b>	<b>14,337,952</b>	<b>10,128,452</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,189,499	1,254,129	1,280,500	1,443,500	1,458,400
Operating Expenses	587,687	595,049	495,300	559,300	559,300
Grants Loans Benefits	2,839,730	2,637,194	6,504,400	6,504,400	5,385,600
<b>TOTAL EXPENDITURES</b>	<b>4,616,915</b>	<b>4,486,372</b>	<b>8,280,200</b>	<b>8,507,200</b>	<b>7,403,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,960,295	3,976,302	3,989,300	4,216,200	4,231,100
Restricted Funds	15,103		246,000	246,000	246,000
Federal Fund	641,517	510,070	4,044,900	4,045,000	2,926,200
<b>TOTAL EXPENDITURES</b>	<b>4,616,915</b>	<b>4,486,372</b>	<b>8,280,200</b>	<b>8,507,200</b>	<b>7,403,300</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	1,235,988	1,339,108	1,375,300	1,602,200	1,617,100
State Share of County Election Expenses	1,495,684	1,463,844	1,490,700	1,490,700	1,490,700
State Share of Voter Registration Expenses	1,238,446	1,173,350	1,173,300	1,173,300	1,173,300
Election Fund	646,797	510,070	4,240,900	4,241,000	3,122,200
<b>TOTAL EXPENDITURES</b>	<b>4,616,915</b>	<b>4,486,372</b>	<b>8,280,200</b>	<b>8,507,200</b>	<b>7,403,300</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.

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 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,220,800	1,221,400	1,231,700	1,511,000	1,529,400
<b>Total General Fund</b>	1,220,800	1,221,400	1,231,700	1,511,000	1,529,400
<b>TOTAL SOURCE OF FUNDS</b>	1,220,800	1,221,400	1,231,700	1,511,000	1,529,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,057,492	1,130,160	1,157,900	1,404,850	1,423,250
Operating Expenses	108,407	91,241	73,800	106,150	106,150
<b>TOTAL EXPENDITURES</b>	1,165,898	1,221,400	1,231,700	1,511,000	1,529,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,165,898	1,221,400	1,231,700	1,511,000	1,529,400
<b>TOTAL EXPENDITURES</b>	1,165,898	1,221,400	1,231,700	1,511,000	1,529,400
<b>EXPENDITURES BY UNIT</b>					
Registry of Election Finance	1,165,898	1,221,400	1,231,700	1,511,000	1,529,400
<b>TOTAL EXPENDITURES</b>	1,165,898	1,221,400	1,231,700	1,511,000	1,529,400

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 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	10,622,700	10,931,400	11,034,400	12,081,100	12,239,600
Budget Reduction-General Fund		-109,300	-141,000		
Mandated Allotments	143,100	169,567			
<b>Total General Fund</b>	<b>10,765,800</b>	<b>10,991,667</b>	<b>10,893,400</b>	<b>12,081,100</b>	<b>12,239,600</b>
<b>Restricted Funds</b>					
Balance Forward	14,443,205	12,243,440	9,578,300	6,015,000	2,975,000
Current Receipts	13,132,447	9,454,080	9,026,700	7,351,700	7,351,700
Non-Revenue Receipts	7,857,161	6,141,185	7,435,700	8,389,500	8,488,400
<b>Total Restricted Funds</b>	<b>35,432,813</b>	<b>27,838,705</b>	<b>26,040,700</b>	<b>21,756,200</b>	<b>18,815,100</b>
<b>Federal Fund</b>					
Current Receipts	3,400,410	3,308,445	6,178,900	5,707,900	5,393,400
Non-Revenue Receipts	64,320	8,720			
<b>Total Federal Fund</b>	<b>3,464,730</b>	<b>3,317,165</b>	<b>6,178,900</b>	<b>5,707,900</b>	<b>5,393,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>49,663,343</b>	<b>42,147,537</b>	<b>43,113,000</b>	<b>39,545,200</b>	<b>36,448,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	19,897,436	20,518,344	22,663,700	25,065,300	25,194,300
Operating Expenses	3,116,202	2,904,151	3,837,700	3,731,700	3,560,500
Grants Loans Benefits	14,390,265	9,122,933	10,596,600	7,773,200	7,693,300
Capital Outlay	16,000	23,735			
<b>TOTAL EXPENDITURES</b>	<b>37,419,903</b>	<b>32,569,163</b>	<b>37,098,000</b>	<b>36,570,200</b>	<b>36,448,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	10,765,800	10,991,653	10,893,400	12,081,100	12,239,600
Restricted Funds	23,189,373	18,260,345	20,025,700	18,781,200	18,815,100
Federal Fund	3,464,730	3,317,165	6,178,900	5,707,900	5,393,400
<b>TOTAL EXPENDITURES</b>	<b>37,419,903</b>	<b>32,569,163</b>	<b>37,098,000</b>	<b>36,570,200</b>	<b>36,448,100</b>
<b>EXPENDITURES BY UNIT</b>					
Administrative Services	2,560,008	2,422,594	2,630,700	2,960,200	3,032,000
Criminal Services	7,861,568	7,917,391	8,769,000	9,667,500	9,653,600
Uninsured Employers Fund	6,050,144	6,816,661	6,948,100	7,509,400	7,443,800
Advocacy Services	13,562,474	8,053,183	10,259,600	7,268,600	7,059,800
Civil Services	7,385,709	7,359,334	8,490,600	9,164,500	9,258,900
<b>TOTAL EXPENDITURES</b>	<b>37,419,903</b>	<b>32,569,163</b>	<b>37,098,000</b>	<b>36,570,200</b>	<b>36,448,100</b>

The Attorney General has the statutory responsibility (KRS 15.020) to act as the chief law officer for the Commonwealth. This involves a wide and diverse range of responsibilities and duties, the power to investigate matters and other legal activities, including representation, on behalf of the Commonwealth. The Office of the Attorney General's four-part mission of Preventing Child Abuse, Protecting Seniors, Justice for Rape Victims and Addressing Kentucky's Drug Problem is supported by 12 organizational units arranged under five allotment programs.

The Office of Administrative Services provides the administrative support network for agency operations including budget, personnel and payroll, fiscal services, procurement services, ADA, Title VI and EEO programs, employee training, federal grant administration, audit coordination and operation management.

Criminal Services encompass the Office of Criminal Appeals, Office of Special Prosecutions, Department of Criminal Litigation, and the Prosecutors Advisory Council.

- The Office of Criminal Appeals appears for the Commonwealth in all criminal appeals in which the Commonwealth has an interest in both state and federal courts, fulfilling the mandate of KRS 15.020. Staff also advises prosecutors concerning the merits of appeals from adverse interlocutory rulings and the likelihood of successfully requesting certifications of the law. The Office of Criminal Appeals also reviews and participates in amicus curiae efforts by other states.



- The Office of Special Prosecutions prosecutes criminal cases pursuant to KRS 15.190 to KRS 15.715; and includes taking over the prosecution of cases in which the local prosecutor disqualifies himself, prosecuting thefts affecting the treasury of the Commonwealth and crimes arising from audits of local government financial administrations. The Office investigates and prosecutes election law violations, environmental crimes, ethics law violations as referred by the Executive Branch Ethics Commission and theft from the state treasury as referred by the Auditor of Public Accounts.
- The Department of Criminal Investigations (DCI) provides expert criminal investigative services in Cyber Crimes and Drug and Public Integrity/Special Investigations. DCI Investigators are sworn law enforcement officers and are certified by Kentucky Peace Officer Professional Standards. The mission of DCI is to uphold the law through the highest standards of excellence, investigating violations of state criminal statutes; to deter and reduce crime; to enhance public safety; and to provide assistance to local, state and federal law enforcement agencies by utilizing innovative programs and technologies.
- The Prosecutors Advisory Council administers the budget of the Unified Prosecutorial System, which consists of 177 Commonwealth's and County Attorneys and their employees, and oversees the training of the Commonwealth's prosecutors. The Council provides basic training courses for newly elected officials and sponsors the Kentucky Prosecutors Institute, a weeklong trial skills course for new prosecutors.

The Advocacy Services program include the offices of Consumer Protection, Senior Protection, Victims Advocacy, Child Abuse and Human Trafficking Prevention and Prosecution.

- The Office of Consumer Protection enforces the Kentucky Consumer Protection Act (KCPA) to safeguard the state's consumers and combat unethical business practices pursuant to authority granted to the Attorney General under KRS 367.110, et seq. and common law. The KCPA protects Kentucky's citizens from unfair, false, misleading or deceptive acts or practices in trade or commerce. The Office of Consumer Protection enforces the Act by bringing lawsuits in the public interest to obtain civil penalties and consumer redress, including restitution and injunctive relief aimed at changing unscrupulous business practices.
- The Office of Senior Protection is responsible for providing services and training to protect seniors against fraud, scams and financial exploitation.
- The Office of Victims Advocacy works to ensure justice for Kentucky's victims of crime, assist victims in navigating the legal process and in implementing strategies to reduce the number of crime victims in the future. Victims Advocacy provides technical assistance to victim advocates, prosecutors, law enforcement and allied health providers across the Commonwealth.
- The Office of Child Abuse and Human Trafficking Prevention and Prosecution (CAHTPP) provides direct assistance to the public on cases of child abuse, internet safety, crimes against children and human trafficking and provides direct training, response, technical assistance, and legal assistance to prosecutors and law enforcement. The CAHTPP is also responsible for administering the Kentucky Multidisciplinary Commission on Child Sexual Abuse (KRS 431.650-670) and the Child Sexual Abuse and Exploitation Prevention Board (KRS 15.905).

The Civil Services Division contains the Office of Civil and Environmental Law, Office of Rate Intervention and Office of Medicaid Fraud and Abuse Control.

- Pursuant to KRS 15.020, the Office of Civil and Environmental Law represents state boards and agencies, issues formal opinions, represents state officials, elected prosecutors, and the judiciary in legal proceedings, adjudicates administrative hearings and intervenes in constitutional challenges to state statutes.
- The Office of Rate Intervention is responsible for representing the interests of Kentucky consumers/ratepayers before federal, state, and local governmental ratemaking agencies (KRS 367.150(8)).
- The Office of Medicaid Fraud and Abuse Control, authorized by Congress in 42 USC § 1396 and by federal regulation in 42 CFR 455.15, investigates and prosecutes cases of Medicaid provider fraud pursuant to KRS Chapters 194 and 205. The Office also investigates and prosecutes complaints of abuse, neglect and exploitation of residents in facilities that receive Medicaid funding and in board and care facilities.

The Uninsured Employers Fund is part of the Kentucky Workers Compensation Program and KRS 342.760 directs the Attorney General's office to serve as legal representation for the Fund in all claims made against it or on its behalf. The Uninsured Employer's Fund is responsible for payment of Workers' Compensation to employees when the employer does not have Workers' Compensation insurance.

**General Government  
Commonwealth's Attorneys**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	45,444,800	48,439,600	49,024,300	59,068,600	59,913,100
<b>Total General Fund</b>	45,444,800	48,439,600	49,024,300	59,068,600	59,913,100
<b>Restricted Funds</b>					
Balance Forward	1,661,687	1,956,963	2,406,000	2,409,300	1,854,700
Current Receipts	2,629,273	3,604,364	3,906,200	1,915,000	1,825,000
<b>Total Restricted Funds</b>	4,290,960	5,561,327	6,312,200	4,324,300	3,679,700
<b>Federal Fund</b>					
Balance Forward	-88,233	-87,852	-81,100		7,000
Current Receipts	22,411	42,090	121,400	47,300	47,700
<b>Total Federal Fund</b>	-65,821	-45,762	40,300	47,300	54,700
<b>TOTAL SOURCE OF FUNDS</b>	49,669,938	53,955,165	55,376,800	63,440,200	63,647,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	42,589,313	45,818,558	48,690,600	57,275,400	57,690,400
Operating Expenses	5,201,532	5,499,151	4,235,900	4,235,900	4,235,900
Grants Loans Benefits	9,982		41,000	42,200	35,000
Capital Outlay		312,490		25,000	25,000
<b>TOTAL EXPENDITURES</b>	47,800,827	51,630,199	52,967,500	61,578,500	61,986,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	45,444,800	48,439,598	49,024,300	59,068,600	59,913,100
Restricted Funds	2,333,997	3,155,283	3,902,900	2,469,600	2,032,900
Federal Fund	22,031	35,319	40,300	40,300	40,300
<b>TOTAL EXPENDITURES</b>	47,800,827	51,630,199	52,967,500	61,578,500	61,986,300
<b>EXPENDITURES BY UNIT</b>					
Commonwealth's Attorneys	47,800,827	51,630,199	52,967,500	61,578,500	61,986,300
<b>TOTAL EXPENDITURES</b>	47,800,827	51,630,199	52,967,500	61,578,500	61,986,300

Established by Section 99;100 of the Kentucky Constitution, the Commonwealth's Attorneys program is made up of 57 elected Commonwealth's Attorneys and their staffs, one for each judicial circuit. Currently 52 circuits have full-time Commonwealth's Attorneys, with the remaining circuits with part-time attorneys. 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 their 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.

**Policy**

The Budget of the Commonwealth provides General Fund appropriation of \$1,141,600 in fiscal year 2019 and \$1,212,500 in fiscal year 2020 for additional personnel. The enacted budget directs \$387,700 of General Fund in each fiscal year to support the Rocket Docket Program.

**General Government  
County Attorneys**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	39,640,500	42,080,300	42,647,000	52,266,800	53,058,600
<b>Total General Fund</b>	39,640,500	42,080,300	42,647,000	52,266,800	53,058,600
<b>Restricted Funds</b>					
Balance Forward	486,497	578,685	781,100	716,200	427,300
Current Receipts	707,078	949,525	739,700	493,300	526,700
<b>Total Restricted Funds</b>	1,193,575	1,528,210	1,520,800	1,209,500	954,000
<b>Federal Fund</b>					
Balance Forward	88,233	87,852	81,100	81,100	81,100
Current Receipts	444,943	536,394	503,700	993,800	1,003,700
Non-Revenue Receipts	-40,252	69,408			
<b>Total Federal Fund</b>	492,924	693,653	584,800	1,074,900	1,084,800
<b>TOTAL SOURCE OF FUNDS</b>	41,326,999	44,302,164	44,752,600	54,551,200	55,097,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	39,134,228	41,800,602	43,163,300	52,503,400	53,165,300
Operating Expenses	1,526,234	1,639,332	792,000	1,539,400	1,539,700
<b>TOTAL EXPENDITURES</b>	40,660,462	43,439,934	43,955,300	54,042,800	54,705,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	39,640,500	42,080,300	42,647,000	52,266,800	53,058,600
Restricted Funds	614,890	747,061	804,600	782,200	642,700
Federal Fund	405,072	612,572	503,700	993,800	1,003,700
<b>TOTAL EXPENDITURES</b>	40,660,462	43,439,934	43,955,300	54,042,800	54,705,000
<b>EXPENDITURES BY UNIT</b>					
County Attorneys	40,660,462	43,439,934	43,955,300	54,042,800	54,705,000
<b>TOTAL EXPENDITURES</b>	40,660,462	43,439,934	43,955,300	54,042,800	54,705,000

Established in Sections 99 and 100 of the Kentucky Constitution, the offices of the County Attorney are present in each of the 120 counties of the Commonwealth. 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.

**Policy**

The Budget of the Commonwealth provides General Fund appropriation of \$1,619,000 in fiscal year 2019 and \$1,720,900 in fiscal year 2020 for additional personnel. The enacted budget directs \$549,800 of General Fund in each fiscal year to support the Rocket Docket Program. Decrease in General Fund support of \$144,000 was included to accommodate language notwithstanding KRS 15.765 changing the monthly expense allowance for a County Attorney to \$400 a month instead of \$500 contained in statute.

**General Government**

**Treasury**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,818,600	1,937,200	1,989,900	2,225,600	2,261,200
Budget Reduction-General Fund		-19,400	-25,400		
<b>Total General Fund</b>	<b>1,818,600</b>	<b>1,917,800</b>	<b>1,964,500</b>	<b>2,225,600</b>	<b>2,261,200</b>
<b>Restricted Funds</b>					
Balance Forward	254,723	326,757	411,700	121,100	20,700
Current Receipts	35,900	34,965	34,300	34,300	34,300
Non-Revenue Receipts	1,020,800	1,003,700	1,523,700	1,793,600	1,793,600
<b>Total Restricted Funds</b>	<b>1,311,423</b>	<b>1,365,422</b>	<b>1,969,700</b>	<b>1,949,000</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>3,380,023</b>	<b>3,533,222</b>	<b>4,184,200</b>	<b>4,424,600</b>	<b>4,359,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,427,412	2,550,251	3,117,300	3,416,700	3,387,300
Operating Expenses	528,466	523,140	894,800	974,700	960,000
Capital Outlay	5,259		51,000	12,500	12,500
<b>TOTAL EXPENDITURES</b>	<b>2,961,137</b>	<b>3,073,391</b>	<b>4,063,100</b>	<b>4,403,900</b>	<b>4,359,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,726,528	1,895,729	1,964,500	2,225,600	2,261,200
Restricted Funds	984,666	953,723	1,848,600	1,928,300	1,848,600
Road Fund	249,943	223,939	250,000	250,000	250,000
<b>TOTAL EXPENDITURES</b>	<b>2,961,137</b>	<b>3,073,391</b>	<b>4,063,100</b>	<b>4,403,900</b>	<b>4,359,800</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	1,097,600	1,243,461	1,354,500	1,485,400	1,504,000
Disbursements and Accounting	878,871	876,207	915,000	1,124,900	1,062,200
Abandoned Property Administration	984,666	953,723	1,793,600	1,793,600	1,793,600
<b>TOTAL EXPENDITURES</b>	<b>2,961,137</b>	<b>3,073,391</b>	<b>4,063,100</b>	<b>4,403,900</b>	<b>4,359,800</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 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 \$1,793,600 in each fiscal year. 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 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	16,690,900	16,903,000	17,041,200	17,691,200	17,910,800
Continuing Approp-General Fund	299,196	250,982	203,700		
Budget Reduction-General Fund		-169,000	-217,800		
Other					
<b>Total General Fund</b>	<b>16,990,096</b>	<b>16,984,982</b>	<b>17,027,100</b>	<b>17,691,200</b>	<b>17,910,800</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	600,000	600,000	600,000	500,000	500,000
Current Year Appropriation			198,300		
<b>Total Tobacco Fund</b>	<b>600,000</b>	<b>600,000</b>	<b>798,300</b>	<b>500,000</b>	<b>500,000</b>
<b>Restricted Funds</b>					
Balance Forward	13,351,629	14,375,484	13,787,395	12,366,595	10,415,595
Current Receipts	6,665,682	7,287,218	6,700,600	6,837,600	6,824,800
Non-Revenue Receipts	2,144,898	2,067,407	2,070,000	2,070,000	2,070,000
Fund Transfers		-1,500,000			
<b>Total Restricted Funds</b>	<b>22,162,209</b>	<b>22,230,109</b>	<b>22,557,995</b>	<b>21,274,195</b>	<b>19,310,395</b>
<b>Federal Fund</b>					
Balance Forward					
Current Receipts	5,392,248	6,386,679	7,068,400	7,068,400	7,068,400
Non-Revenue Receipts	-171,798	-145,257			
<b>Total Federal Fund</b>	<b>5,220,449</b>	<b>6,241,422</b>	<b>7,068,400</b>	<b>7,068,400</b>	<b>7,068,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>44,972,754</b>	<b>46,056,513</b>	<b>47,451,795</b>	<b>46,533,795</b>	<b>44,789,595</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	16,803,661	17,834,694	20,399,600	21,921,300	22,121,100
Operating Expenses	5,716,916	5,786,342	5,881,000	5,557,400	5,566,800
Grants Loans Benefits	7,180,224	6,510,425	8,033,700	7,549,700	7,549,700
Capital Outlay		675,685	770,900	1,089,800	1,089,800
Construction	6,387	41			
<b>TOTAL EXPENDITURES</b>	<b>29,707,187</b>	<b>30,807,187</b>	<b>35,085,200</b>	<b>36,118,200</b>	<b>36,327,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	16,100,013	16,781,312	17,027,100	17,691,200	17,910,800
Tobacco Fund	600,000	600,000	798,300	500,000	500,000
Restricted Funds	7,786,725	8,442,678	10,191,400	10,858,600	10,848,200
Federal Fund	5,220,449	4,983,197	7,068,400	7,068,400	7,068,400
<b>TOTAL EXPENDITURES</b>	<b>29,707,187</b>	<b>30,807,187</b>	<b>35,085,200</b>	<b>36,118,200</b>	<b>36,327,400</b>
<b>EXPENDITURES BY UNIT</b>					
Strategic Planning and Administration	5,124,278	5,525,902	6,213,500	6,215,900	6,291,000
Motor Fuel Inspection and Testing	188,379	202,633	203,700	204,700	204,700
Consumer and Environmental Programs	12,686,229	13,252,706	15,300,300	15,992,700	16,067,000
State Veterinarian	3,546,510	3,610,730	3,764,900	4,123,800	4,159,700
Animal Control	82,154	43,656	100,800	95,700	95,700
Farmland Preservation	9,625	1,027	582,300	582,300	582,300
Agriculture Marketing and Product Promotion	7,623,492	7,718,324	8,326,000	8,903,100	8,927,000
Small Winery Support Fund	446,521	452,208	593,700		
<b>TOTAL EXPENDITURES</b>	<b>29,707,187</b>	<b>30,807,187</b>	<b>35,085,200</b>	<b>36,118,200</b>	<b>36,327,400</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.

**General Government  
Auditor of Public Accounts**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,775,300	4,899,500	4,948,600	5,634,200	5,735,700
Budget Reduction-General Fund		-48,995	-63,300		
<b>Total General Fund</b>	<b>4,775,300</b>	<b>4,850,505</b>	<b>4,885,300</b>	<b>5,634,200</b>	<b>5,735,700</b>
<b>Restricted Funds</b>					
Balance Forward	121,903	1,087,530	450,100	450,100	225,000
Current Receipts	8,954,496	7,958,701	9,766,500	10,632,400	10,748,200
<b>Total Restricted Funds</b>	<b>9,076,399</b>	<b>9,046,231</b>	<b>10,216,600</b>	<b>11,082,500</b>	<b>10,973,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>13,851,699</b>	<b>13,896,736</b>	<b>15,101,900</b>	<b>16,716,700</b>	<b>16,708,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	11,279,281	12,355,639	13,483,800	15,521,300	15,738,500
Operating Expenses	1,184,336	1,091,007	1,168,000	970,400	970,400
Capital Outlay	85,651				
<b>TOTAL EXPENDITURES</b>	<b>12,549,269</b>	<b>13,446,646</b>	<b>14,651,800</b>	<b>16,491,700</b>	<b>16,708,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,560,400	4,850,505	4,885,300	5,634,200	5,735,700
Restricted Funds	7,988,869	8,596,141	9,766,500	10,857,500	10,973,200
<b>TOTAL EXPENDITURES</b>	<b>12,549,269</b>	<b>13,446,646</b>	<b>14,651,800</b>	<b>16,491,700</b>	<b>16,708,900</b>
<b>EXPENDITURES BY UNIT</b>					
Auditor of Public Accounts	1,500,000	1,450,000	1,502,300	1,747,900	1,778,800
Financial Audit	8,949,269	10,195,641	11,348,200	12,670,300	12,819,700
Technology and Specialized Audits	2,100,000	1,801,005	1,801,300	2,073,500	2,110,400
<b>TOTAL EXPENDITURES</b>	<b>12,549,269</b>	<b>13,446,646</b>	<b>14,651,800</b>	<b>16,491,700</b>	<b>16,708,900</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.



**General Government  
Personnel Board**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	180,486	289,833	480,100	451,900	242,100
Current Receipts	851,393	885,979	885,600	800,000	800,000
<b>Total Restricted Funds</b>	<b>1,031,879</b>	<b>1,175,812</b>	<b>1,365,700</b>	<b>1,251,900</b>	<b>1,042,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,031,879</b>	<b>1,175,812</b>	<b>1,365,700</b>	<b>1,251,900</b>	<b>1,042,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	626,363	583,810	772,900	868,900	877,600
Operating Expenses	115,683	111,889	140,900	140,900	140,900
<b>TOTAL EXPENDITURES</b>	<b>742,046</b>	<b>695,699</b>	<b>913,800</b>	<b>1,009,800</b>	<b>1,018,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	742,046	695,699	913,800	1,009,800	1,018,500
<b>TOTAL EXPENDITURES</b>	<b>742,046</b>	<b>695,699</b>	<b>913,800</b>	<b>1,009,800</b>	<b>1,018,500</b>
<b>EXPENDITURES BY UNIT</b>					
Personnel Board	742,046	695,699	913,800	1,009,800	1,018,500
<b>TOTAL EXPENDITURES</b>	<b>742,046</b>	<b>695,699</b>	<b>913,800</b>	<b>1,009,800</b>	<b>1,018,500</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 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		98,193,000	87,574,300	1,086,200	1,086,200
<b>Total General Fund</b>		98,193,000	87,574,300	1,086,200	1,086,200
<b>Restricted Funds</b>					
Balance Forward		3,395,352			
Current Receipts	1,882	12,116			
Non-Revenue Receipts	36,050,000	30,353,839	42,960,400	47,307,300	47,702,500
<b>Total Restricted Funds</b>	36,051,882	33,761,307	42,960,400	47,307,300	47,702,500
<b>TOTAL SOURCE OF FUNDS</b>	36,051,882	131,954,307	130,534,700	48,393,500	48,788,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	27,223,582	28,951,838	122,762,300	39,794,600	40,369,800
Operating Expenses	3,479,035	3,797,176	7,772,400	8,548,900	8,418,900
Grants Loans Benefits	1,534,438	99,114,367			
Capital Outlay	419,475	90,925		50,000	
<b>TOTAL EXPENDITURES</b>	32,656,530	131,954,307	130,534,700	48,393,500	48,788,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		98,193,000	87,574,300	1,086,200	1,086,200
Restricted Funds	32,656,530	33,761,307	42,960,400	47,307,300	47,702,500
<b>TOTAL EXPENDITURES</b>	32,656,530	131,954,307	130,534,700	48,393,500	48,788,700
<b>EXPENDITURES BY UNIT</b>					
Kentucky Retirement Systems	32,656,530	131,954,307	130,534,700	48,393,500	48,788,700
<b>TOTAL EXPENDITURES</b>	32,656,530	131,954,307	130,534,700	48,393,500	48,788,700

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 seventeen-member board of trustees consisting of the Secretary of the Personnel Cabinet, ten 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 provides additional General Fund in the amount of \$1,086,200 in each fiscal year in a direct appropriation for the unfunded liabilities of the State Police Retirement System.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	17,017,094	19,755,385	23,280,800	23,616,500	22,021,600
Current Receipts	22,469,958	23,546,441	22,213,400	23,592,100	22,682,600
Non-Revenue Receipts	18,353				
Fund Transfers	-600,000				
<b>Total Restricted Funds</b>	<b>38,905,405</b>	<b>43,301,826</b>	<b>45,494,200</b>	<b>47,208,600</b>	<b>44,704,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>38,905,405</b>	<b>43,301,826</b>	<b>45,494,200</b>	<b>47,208,600</b>	<b>44,704,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	15,007,260	16,060,062	17,485,100	20,615,000	20,836,700
Operating Expenses	3,672,757	3,482,011	3,896,400	4,075,800	4,067,400
Grants Loans Benefits	452,951	448,019	495,700	495,700	495,700
Capital Outlay	4,584	27,030	500	500	500
Construction	12,468	3,873			
<b>TOTAL EXPENDITURES</b>	<b>19,150,020</b>	<b>20,020,995</b>	<b>21,877,700</b>	<b>25,187,000</b>	<b>25,400,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	19,150,020	20,020,995	21,877,700	25,187,000	25,400,300
<b>TOTAL EXPENDITURES</b>	<b>19,150,020</b>	<b>20,020,995</b>	<b>21,877,700</b>	<b>25,187,000</b>	<b>25,400,300</b>
<b>EXPENDITURES BY UNIT</b>					
Accountancy	509,409	524,998	581,400	649,500	655,500
Certification of Alcohol and Drug Counselors	106,143	108,072	102,200	150,200	150,200
Applied Behavior Analysis	13,807	30,896	30,600	30,600	30,600
Licensing					
Architects	415,366	415,173	463,700	547,300	552,400
Certification for Professional Art Therapists	10,287	11,830	11,200	11,200	11,200
Barbering	310,746	328,486	340,800	423,100	426,000
Chiropractic Examiners	293,094	280,450	336,500	374,400	377,900
Dentistry	657,141	518,142	940,200	1,011,100	1,017,500
Diabetes Educators	9,908	18,838	26,800	26,800	26,800
Licensure & Cert. for Dietitians & Nutritionists	66,460	59,446	73,900	73,900	73,900
Embalmers and Funeral Directors	461,339	465,710	427,800	483,500	488,600
Licensure for Prof. Engineers and Land Surveyors	1,249,774	1,271,066	1,393,000	1,578,100	1,594,500
Certification of Fee-Based Pastoral Counselors	3,308	4,598	3,600	3,600	3,600
Registration for Professional Geologists	92,016	83,669	95,000	95,000	95,000
Hairdressers and Cosmetologists	1,302,824	1,249,638	1,451,800	1,719,300	1,733,700
Specialists in Hearing Instruments	57,360	46,652	58,000	58,000	58,000
Interpreters for the Deaf and Hard of Hearing	37,877	43,036	38,200	38,200	38,200
Examiners & Registration of Landscape Architects	66,979	68,673	69,300	76,800	77,500
Licensure of Marriage and Family Therapists	117,564	113,274	133,600	133,600	133,600
Licensure for Massage Therapy	188,443	170,457	169,900	169,900	169,900
Medical Imaging and Radiation Therapy	229,277	245,382	314,400	435,300	438,300
Medical Licensure	2,633,302	2,861,702	3,088,200	3,407,900	3,426,800
Nursing	6,048,692	6,675,031	7,266,000	8,266,800	8,355,200

**EXPENDITURES BY UNIT**

Licensure for Nursing Home Administrators	59,460	53,186	61,100	61,100	61,100
Licensure for Occupational Therapy	175,715	138,631	176,600	191,600	191,600
Ophthalmic Dispensers	50,921	44,560	49,700	68,200	68,200
Optometric Examiners	196,618	206,504	208,700	231,300	233,300
Pharmacy	1,654,970	1,881,184	1,740,000	2,437,400	2,465,300
Physical Therapy	519,396	570,331	583,700	647,000	652,700
Podiatry	35,923	28,193	39,900	40,000	40,000
Private Investigators	69,241	61,966	73,700	73,700	73,700
Licensed Professional Counselors	217,366	225,706	215,800	260,800	260,800
Prosthetics, Orthotics and Pedorthics	44,545	38,503	46,200	46,200	46,200
Examiners of Psychology	318,333	216,948	256,400	256,400	256,400
Respiratory Care	204,517	223,514	223,600	240,300	242,900
Social Work	347,596	359,045	338,300	421,000	425,300
Speech-Language Pathology and Audiology	164,080	146,746	172,900	172,900	172,900
Veterinary Examiners	210,223	230,757	275,000	275,000	275,000
<b>TOTAL EXPENDITURES</b>	<b>19,150,020</b>	<b>20,020,995</b>	<b>21,877,700</b>	<b>25,187,000</b>	<b>25,400,300</b>

The forty-two occupational, professional 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 that are licensed or regulated by these Boards. Board members are appointed by the Governor and represent both industry and consumer interests.

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

Twenty-seven of the Boards and Commissions employ the services of the Department of Professional Licensing established in KRS 324B.020 within the Public Protection Cabinet to perform their administrative functions. Department of Professional Licensing executes administrative support services including but not limited to applications and renewals, preparation of board meeting materials, database entry, maintenance of Board records and files, preparation of correspondence, administration of examinations and communications with the public regarding board activity and functions.

**General Government  
Kentucky River Authority**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	255,500	256,000	258,200	282,700	286,400
Budget Reduction-General Fund		-2,600	-13,200		
<b>Total General Fund</b>	255,500	253,400	245,000	282,700	286,400
<b>Restricted Funds</b>					
Balance Forward	3,996,761	4,180,676	5,013,000	5,570,200	4,405,700
Current Receipts	4,212,167	4,464,984	4,158,500	7,125,000	7,131,000
Non-Revenue Receipts	-1,012,600	-485,900		-1,000,000	-2,000,000
<b>Total Restricted Funds</b>	7,196,328	8,159,761	9,171,500	11,695,200	9,536,700
<b>TOTAL SOURCE OF FUNDS</b>	7,451,828	8,413,161	9,416,500	11,977,900	9,823,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	774,243	769,422	823,300	1,004,800	1,016,800
Operating Expenses	340,781	256,481	283,800	333,500	333,500
Grants Loans Benefits	233,818	220,718	259,200	259,200	259,200
Debt Service	1,910,809	2,143,622	2,480,000	5,760,000	5,760,000
Capital Outlay		9,898		214,700	206,200
<b>TOTAL EXPENDITURES</b>	3,259,651	3,400,140	3,846,300	7,572,200	7,575,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	244,000	253,400	245,000	282,700	286,400
Restricted Funds	3,015,651	3,146,740	3,601,300	7,289,500	7,289,300
<b>TOTAL EXPENDITURES</b>	3,259,651	3,400,140	3,846,300	7,572,200	7,575,700
<b>EXPENDITURES BY UNIT</b>					
General Operations	1,088,400	1,001,111	1,055,100	1,147,600	1,155,900
Locks and Dams Construction/ Maintenance	1,910,809	2,143,622	2,500,000	5,905,000	5,905,000
Locks and Dams Operations	260,442	255,407	291,200	519,600	514,800
<b>TOTAL EXPENDITURES</b>	3,259,651	3,400,140	3,846,300	7,572,200	7,575,700

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.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	108,580,000	121,991,300	134,918,000	129,898,300	129,071,300
<b>Total General Fund</b>	<b>108,580,000</b>	<b>121,991,300</b>	<b>134,918,000</b>	<b>129,898,300</b>	<b>129,071,300</b>
<b>Restricted Funds</b>					
Balance Forward	2,324,551	7,922,359	13,119,400	26,412,700	412,700
Non-Revenue Receipts	6,186,808	8,578,439	13,293,300		
Fund Transfers		-2,396,400		-26,000,000	
<b>Total Restricted Funds</b>	<b>8,511,359</b>	<b>14,104,398</b>	<b>26,412,700</b>	<b>412,700</b>	<b>412,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>117,091,359</b>	<b>136,095,698</b>	<b>161,330,700</b>	<b>130,311,000</b>	<b>129,484,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	323,300	334,300	333,700	355,100	360,100
Operating Expenses	40,000	46,100	40,000	38,800	38,800
Grants Loans Benefits	589,000	985,000			
Debt Service	108,216,700	121,610,900	134,544,300	129,504,400	128,672,400
<b>TOTAL EXPENDITURES</b>	<b>109,169,000</b>	<b>122,976,300</b>	<b>134,918,000</b>	<b>129,898,300</b>	<b>129,071,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	108,580,000	121,991,300	134,918,000	129,898,300	129,071,300
Restricted Funds	589,000	985,000			
<b>TOTAL EXPENDITURES</b>	<b>109,169,000</b>	<b>122,976,300</b>	<b>134,918,000</b>	<b>129,898,300</b>	<b>129,071,300</b>
<b>EXPENDITURES BY UNIT</b>					
School Facilities Construction Commission	109,169,000	122,976,300	134,918,000	129,898,300	129,071,300
<b>TOTAL EXPENDITURES</b>	<b>109,169,000</b>	<b>122,976,300</b>	<b>134,918,000</b>	<b>129,898,300</b>	<b>129,071,300</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 \$1,117,000 in fiscal year 2018-2019 and \$4,654,100 in fiscal year 2019-2020 for debt service for \$58,000,000 in bonds to finance the offers of assistance authorized by the 2016 Regular Session of the General Assembly. Also included is General Fund in the amount of \$612,300 in fiscal year 2018-2019 and \$1,224,600 in fiscal year 2019-2020 for debt service for \$15,263,000 in bonds to finance Special Offers of Assistance for two urgent needs schools.

The Budget of the Commonwealth authorizes the School Facilities Construction Commission to make an additional \$58,000,000 in new offers of assistance during the 2018-2020 biennium in anticipation of debt service availability during the 2020-2022 biennium.

The Budget of the Commonwealth suspends the provisions of KRS 157.618 and transfers \$26,000,000 in fiscal year 2018-2019 from the Emergency and Targeted Investment Fund to the General Fund.

**General Government  
Teachers' Retirement System**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	299,318,400	779,248,000	744,837,200	828,160,500	719,474,400
<b>Total General Fund</b>	<b>299,318,400</b>	<b>779,248,000</b>	<b>744,837,200</b>	<b>828,160,500</b>	<b>719,474,400</b>
<b>Restricted Funds</b>					
Balance Forward	2,411,695	5,419,137	5,025,589		
Current Receipts	-245,378	-163,155			
Non-Revenue Receipts	14,425,969	11,355,463	8,489,411	13,949,200	13,989,000
<b>Total Restricted Funds</b>	<b>16,592,287</b>	<b>16,611,444</b>	<b>13,515,000</b>	<b>13,949,200</b>	<b>13,989,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>315,910,687</b>	<b>795,859,444</b>	<b>758,352,200</b>	<b>842,109,700</b>	<b>733,463,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	9,670,459	10,352,332	11,070,600	11,504,300	11,543,600
Operating Expenses	1,371,489	1,212,624	2,318,500	2,319,000	2,319,500
Grants Loans Benefits	183,013,002	672,430,500	647,689,200	749,294,500	658,896,000
Debt Service	116,436,562	106,838,369	97,148,000	78,866,000	60,578,400
Capital Outlay			125,900	125,900	125,900
<b>TOTAL EXPENDITURES</b>	<b>310,491,511</b>	<b>790,833,824</b>	<b>758,352,200</b>	<b>842,109,700</b>	<b>733,463,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	299,318,362	779,247,969	744,837,200	828,160,500	719,474,400
Restricted Funds	11,173,150	11,585,856	13,515,000	13,949,200	13,989,000
<b>TOTAL EXPENDITURES</b>	<b>310,491,511</b>	<b>790,833,824</b>	<b>758,352,200</b>	<b>842,109,700</b>	<b>733,463,400</b>
<b>EXPENDITURES BY UNIT</b>					
Teachers' Retirement System	310,491,511	790,833,824	758,352,200	842,109,700	733,463,400
<b>TOTAL EXPENDITURES</b>	<b>310,491,511</b>	<b>790,833,824</b>	<b>758,352,200</b>	<b>842,109,700</b>	<b>733,463,400</b>

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.

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, contributions by the state, and income accruing from the invested reserves of the system. The General Assembly has set the member 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. 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 required additional contributions to ensure the solvency and stability of the retirement system's medical insurance fund. Members hired prior to July 1, 2008 contribute an additional 3.0% and members hired July 1, 2008 or later contribute an additional 2.0% to the medical insurance fund. This brings the total member contributions for the medical insurance to 3.75% for all members.

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 includes General Fund support in the amount of \$78,866,000 in fiscal year 2019 and \$60,578,400 in fiscal year 2020 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 \$4,726,200 in fiscal year 2019 and \$9,552,200 in fiscal year 2020 in General Fund support for initial payments on the amortized cost of increased retirement allowances for those recipients retiring during the 2018-2020 biennium who are eligible to add accrued sick leave to their final year of service.

The Budget of the Commonwealth fulfilled the General Assembly's 2014 pledge to use lesser debt service in the amount of \$18,282,000 in fiscal year 2019 and \$36,569,600 in fiscal year 2020 to reduce the unfunded pension liability.

The Budget of the Commonwealth includes General Fund Support sufficient to fund the actuarially required contribution amount requested by the Teachers' Retirement System.

The Budget of the Commonwealth includes \$59,500,000 in fiscal year 2019 to support single coverage health insurance for retirees under age 65.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,026,400	5,026,400	5,026,400	14,526,400	14,526,400
Mandated Allotments	13,265,100	15,565,738	12,000,000		
Other					
<b>Total General Fund</b>	18,291,500	20,592,138	17,026,400	14,526,400	14,526,400
<b>TOTAL SOURCE OF FUNDS</b>	18,291,500	20,592,138	17,026,400	14,526,400	14,526,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	14,531,173	15,015,829	14,639,900	12,139,900	12,139,900
Operating Expenses	3,760,172	5,576,310	2,383,400	2,383,400	2,383,400
Grants Loans Benefits			3,100	3,100	3,100
<b>TOTAL EXPENDITURES</b>	18,291,345	20,592,138	17,026,400	14,526,400	14,526,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	18,291,345	20,592,138	17,026,400	14,526,400	14,526,400
<b>TOTAL EXPENDITURES</b>	18,291,345	20,592,138	17,026,400	14,526,400	14,526,400
<b>EXPENDITURES BY UNIT</b>					
Attorney General Expense	404,098	463,678	450,000	450,000	450,000
Board of Claims Award	199,662	106,775	200,000	200,000	200,000
Guardian Ad Litem	14,066,538	14,491,863	14,124,900	11,624,900	11,624,900
Prior Year Claims	448,286	1,793,534	100,000	100,000	100,000
Unredeemed Checks Refunded	2,270,157	2,865,986	1,252,400	1,252,400	1,252,400
Involuntary Commitments-ICF/MR	60,538	60,287	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
Survivor Benefits	488,877	488,877	488,900	488,900	488,900
Med Malpractice Liability Ins Reimb	108,469	76,416	97,100	97,100	97,100
Blanket Employee Bonds	49,721	49,721	50,000	50,000	50,000
<b>TOTAL EXPENDITURES</b>	18,291,345	20,592,138	17,026,400	14,526,400	14,526,400

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.

**Policy**

The Budget of the Commonwealth includes additional General Fund in the amount of \$9,500,000 in each fiscal year for the Guardian ad Litem program for costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation				33,387,400	34,268,300
Current Year Appropriation			2,820,200		
Other		11,794,245	22,754,000		
<b>Total General Fund</b>		11,794,245	25,574,200	33,387,400	34,268,300
<b>Restricted Funds</b>					
Balance Forward		3,274,963	4,247,100		
Current Receipts		3,034,534		3,500,000	1,500,000
Non-Revenue Receipts	4,244,500		243,600		
<b>Total Restricted Funds</b>	4,244,500	6,309,497	4,490,700	3,500,000	1,500,000
<b>Federal Fund</b>					
Current Receipts		162,494	186,500		
Non-Revenue Receipts	105,700	-104,088	-1,600		
<b>Total Federal Fund</b>	105,700	58,406	184,900		
<b>TOTAL SOURCE OF FUNDS</b>	4,350,200	18,162,148	30,249,800	36,887,400	35,768,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	962,860	1,548,643	2,923,300	3,514,300	3,543,900
Operating Expenses	57,985	12,189,520	24,526,900	30,828,100	31,179,400
Grants Loans Benefits	54,392	165,222	630,100		
Capital Outlay		11,700	2,169,500	2,545,000	1,045,000
<b>TOTAL EXPENDITURES</b>	1,075,237	13,915,085	30,249,800	36,887,400	35,768,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		11,794,245	25,574,200	33,387,400	34,268,300
Restricted Funds	969,537	2,062,434	4,490,700	3,500,000	1,500,000
Federal Fund	105,700	58,406	184,900		
<b>TOTAL EXPENDITURES</b>	1,075,237	13,915,085	30,249,800	36,887,400	35,768,300
<b>EXPENDITURES BY UNIT</b>					
KY Communications Network Authority	1,022,694	13,423,828	28,793,600	36,887,400	35,768,300
Regional Strategic Development Funds	52,542	491,257	1,456,200		
<b>TOTAL EXPENDITURES</b>	1,075,237	13,915,085	30,249,800	36,887,400	35,768,300

Executive Order 2015-574 created the Kentucky Communications Network Authority (KCNA), now codified in KRS Chapter 154.15.

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 network will be comprised of more than 3,000 miles of high-speed internet connectivity throughout Kentucky's 120 counties.

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.

Legislation passed by the 2018 Regular Session of the General Assembly codified new language in KRS 154.15-020 authorizing KCNA to leverage future revenues to incur up to \$110 million in debt in the name of the authority.

### **Policy**

Senate Bill 200 from the 2018 Regular Session of the General Assembly amended the 2018-2020 biennial appropriations act to provide additional General Fund resources in the amount of \$2,820,200 in fiscal year 2017-2018 to support the ongoing operations of the Kentucky Communications Network Authority. General Fund resources to support availability payments in fiscal year 2017-2018 are provided from the Finance and Administration Cabinet's Debt Service appropriation unit pursuant to the 2016-2018 biennial appropriations act.

Senate Bill 200 also provided General Fund resources in fiscal years 2018-2019 and 2019-2020 to fund both the Authority's ongoing operations and required availability payments.

# Economic Development

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## Economic Development

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	35,146,600	17,963,600	18,031,200	25,496,800	25,606,300
Continuing Approp-General Fund	24,930	10,756,428	3,251,400		
Budget Reduction-General Fund		-750,000			
<b>Total General Fund</b>	<b>35,171,530</b>	<b>27,970,028</b>	<b>21,282,600</b>	<b>25,496,800</b>	<b>25,606,300</b>
<b>Restricted Funds</b>					
Balance Forward	2,551,869	836,748	937,900	338,200	338,200
Current Receipts	2,526,930	2,501,421	2,413,600	2,888,800	2,950,000
Non-Revenue Receipts	22,775				
<b>Total Restricted Funds</b>	<b>5,101,575</b>	<b>3,338,168</b>	<b>3,351,500</b>	<b>3,227,000</b>	<b>3,288,200</b>
<b>Federal Fund</b>					
Balance Forward		332,576	13,000		
Current Receipts	5,608,300	350,238			
Non-Revenue Receipts	-89,611		440,900	397,500	
<b>Total Federal Fund</b>	<b>5,518,689</b>	<b>682,814</b>	<b>453,900</b>	<b>397,500</b>	
<b>TOTAL SOURCE OF FUNDS</b>	<b>45,791,794</b>	<b>31,991,010</b>	<b>25,088,000</b>	<b>29,121,300</b>	<b>28,894,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,456,696	8,426,026	10,925,600	13,659,400	13,830,800
Operating Expenses	2,904,641	2,301,023	2,810,200	6,508,100	6,108,700
Grants Loans Benefits	20,744,563	16,202,178	11,014,000	8,615,600	8,616,800
Debt Service	892,000				
<b>TOTAL EXPENDITURES</b>	<b>32,997,900</b>	<b>26,929,227</b>	<b>24,749,800</b>	<b>28,783,100</b>	<b>28,556,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	23,546,960	23,859,267	21,282,600	25,496,800	25,606,300
Restricted Funds	4,264,827	2,400,203	3,013,300	2,888,800	2,950,000
Federal Fund	5,186,113	669,758	453,900	397,500	
<b>TOTAL EXPENDITURES</b>	<b>32,997,900</b>	<b>26,929,227</b>	<b>24,749,800</b>	<b>28,783,100</b>	<b>28,556,300</b>
<b>EXPENDITURES BY UNIT</b>					
Economic Development	32,997,900	26,929,227	24,749,800	28,783,100	28,556,300
<b>TOTAL EXPENDITURES</b>	<b>32,997,900</b>	<b>26,929,227</b>	<b>24,749,800</b>	<b>28,783,100</b>	<b>28,556,300</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 General Fund of \$2,000,000 in fiscal year 2018-2019 and \$2,000,000 in fiscal year 2019-2020 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 2017-2018 and fiscal year 2018-2019 shall not lapse and shall carry forward.

Notwithstanding KRS 164.6011 to KRS 164.6041 the Budget of the Commonwealth authorizes the Cabinet for Economic Development to carry out provisions of KRS 164.6011 to KRS 164.6041. Included in the General Fund is \$4,792,800 in each fiscal year to carry out the Science and Technology program. This additional funding was authorized in House Bill 265. House Bill 265 from the 2018 Regular Session of the General Assembly amended the 2018-2020 Biennial Appropriations Act to include this provision.

# Department of Education

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**Department of Education**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,093,244,600	4,131,535,300	4,121,630,500	4,118,808,700	4,124,254,500
Continuing Approp-General Fund	454,052	835,410	12,090,700		
Budget Reduction-General Fund		-6,687,000	-20,522,100		
Mandated Allotments		4,641,221			
<b>Total General Fund</b>	<b>4,093,698,652</b>	<b>4,130,324,931</b>	<b>4,113,199,100</b>	<b>4,118,808,700</b>	<b>4,124,254,500</b>
<b>Tobacco Fund</b>					
<b>Restricted Funds</b>					
Balance Forward	9,881,712	11,061,331	7,216,915		
Current Receipts	3,648,362	3,693,149	34,471,985	42,213,600	42,446,600
Non-Revenue Receipts	19,215,745	19,501,390			
Fund Transfers		-491,719			
<b>Total Restricted Funds</b>	<b>32,745,818</b>	<b>33,764,151</b>	<b>41,688,900</b>	<b>42,213,600</b>	<b>42,446,600</b>
<b>Federal Fund</b>					
Balance Forward	3,134,025	2,696,146			
Current Receipts	837,931,779	879,560,969	948,493,100	948,822,500	948,934,400
Non-Revenue Receipts		-190			
<b>Total Federal Fund</b>	<b>841,065,805</b>	<b>882,256,924</b>	<b>948,493,100</b>	<b>948,822,500</b>	<b>948,934,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,967,510,275</b>	<b>5,046,346,006</b>	<b>5,103,381,100</b>	<b>5,109,844,800</b>	<b>5,115,635,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	115,903,984	118,821,474	116,235,800	116,154,700	116,543,500
Operating Expenses	32,103,560	36,570,354	40,103,300	37,569,200	37,704,800
Grants Loans Benefits	4,803,990,729	4,865,718,474	4,932,338,400	4,956,120,900	4,961,387,200
Debt Service	183,000	578,000			
Capital Outlay	325,191	339,589			
Construction	17,989	1,604			
<b>TOTAL EXPENDITURES</b>	<b>4,952,524,452</b>	<b>5,022,029,496</b>	<b>5,088,677,500</b>	<b>5,109,844,800</b>	<b>5,115,635,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,092,470,305	4,118,023,764	4,098,495,500	4,118,808,700	4,124,254,500
Tobacco Fund					
Restricted Funds	21,684,487	25,089,689	41,688,900	42,213,600	42,446,600
Federal Fund	838,369,659	878,916,043	948,493,100	948,822,500	948,934,400
<b>TOTAL EXPENDITURES</b>	<b>4,952,524,452</b>	<b>5,022,029,496</b>	<b>5,088,677,500</b>	<b>5,109,844,800</b>	<b>5,115,635,500</b>
<b>EXPENDITURES BY UNIT</b>					
Support Education Excellence in Kentucky (SEEK)	3,009,430,609	3,029,611,868	3,022,599,200	3,056,500,800	3,047,480,900
Operations and Support Services	409,659,419	447,499,208	451,913,000	452,777,500	452,905,900
Learning and Results Services	1,533,434,425	1,544,918,420	1,614,165,300	1,600,566,500	1,615,248,700
<b>TOTAL EXPENDITURES</b>	<b>4,952,524,452</b>	<b>5,022,029,496</b>	<b>5,088,677,500</b>	<b>5,109,844,800</b>	<b>5,115,635,500</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 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,009,490,600	3,035,747,400	3,024,776,100	3,056,500,800	3,047,480,900
Continuing Approp-General Fund			10,776,700		
Mandated Allotments		4,641,221			
<b>Total General Fund</b>	3,009,490,600	3,040,388,621	3,035,552,800	3,056,500,800	3,047,480,900
<b>TOTAL SOURCE OF FUNDS</b>	3,009,490,600	3,040,388,621	3,035,552,800	3,056,500,800	3,047,480,900
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	3,009,430,609	3,029,611,868	3,022,599,200	3,056,500,800	3,047,480,900
<b>TOTAL EXPENDITURES</b>	3,009,430,609	3,029,611,868	3,022,599,200	3,056,500,800	3,047,480,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,009,430,609	3,029,611,868	3,022,599,200	3,056,500,800	3,047,480,900
<b>TOTAL EXPENDITURES</b>	3,009,430,609	3,029,611,868	3,022,599,200	3,056,500,800	3,047,480,900
<b>EXPENDITURES BY UNIT</b>					
Base Funding	2,103,805,899	2,099,119,869	2,077,081,900	2,079,778,600	2,068,339,200
Pupil Transportation	214,752,800	214,751,377	225,529,500	214,752,800	214,752,800
Equalized Facilities	114,240,463	127,212,542	124,345,100	145,458,900	142,037,700
Tier I Equalization	168,093,347	171,662,280	170,111,400	179,961,700	176,702,400
National Board Certification Salary Supplement	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
State-Run Vocational Schools Reimbursement	22,881,900	22,881,900	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	380,489,300	388,817,000	397,482,500	408,500,000	417,600,000
<b>TOTAL EXPENDITURES</b>	3,009,430,609	3,029,611,868	3,022,599,200	3,056,500,800	3,047,480,900

**Policy**

The Budget of the Commonwealth provides funding to accommodate a projected average daily attendance of 600,992 in fiscal year 2018-2019 and 601,359 in fiscal year 2019-2020. The base SEEK per pupil guarantee amount is \$4,000 in each fiscal year. The projected total local school district assessed property valuation is \$334.2 billion in fiscal year 2018-2019 and \$342.5 billion in fiscal year 2019-2020. Projected numbers represent a consensus reached by the Department of Education and the Office of State Budget Director.

The Budget of the Commonwealth provides funding of \$214,752,800 in each fiscal year for the pupil transportation program. The budget includes \$179,961,700 in fiscal year 2018-2019 and \$176,702,400 in fiscal year 2019-2020 to provide Tier I funding to local school districts to equalize local revenues raised under this SEEK component at a level of \$834,000 of assessed property valuation per student (150 percent of the projected statewide average per pupil during the 2018-2020 biennium).

The Budget of the Commonwealth provides funding for the Facilities Support Program of Kentucky (FSPK) in the amounts of \$145,458,900 in fiscal year 2018-2019 and \$142,037,700 in fiscal year 2019-2020 to provide equalization funding for local district revenues from the equivalent nickel levy.

The Budget of the Commonwealth includes \$22,881,900 in each fiscal year 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 2017-2018 level of \$2,416,900 in fiscal year 2018-2019 and fiscal year 2019-2020.

The Budget of the Commonwealth includes funds \$408,500,000 in fiscal year 2018-2019 and \$417,600,000 in fiscal year 2019-2020 for the Teachers' Retirement employer match on behalf of local school districts.

The Budget of the Commonwealth 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.

The Budget of the Commonwealth appropriates \$7,000,000 of fiscal year 2017-2018 SEEK funds to 31 local school districts that experienced a loss of revenue due to a change in the assessed value of unmined minerals.

Not less than \$12,953,600 of unexpended SEEK funds in fiscal year 2017-2018 shall lapse.

**Department of Education  
Operations and Support Services**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	54,726,900	58,148,800	57,628,800	56,243,700	56,326,300
Continuing Approp-General Fund			609,600		
Budget Reduction-General Fund		-1,869,000	-943,300		
<b>Total General Fund</b>	<b>54,726,900</b>	<b>56,279,800</b>	<b>57,295,100</b>	<b>56,243,700</b>	<b>56,326,300</b>
<b>Restricted Funds</b>					
Balance Forward	5,610,339	5,821,315	1,718,857		
Current Receipts	2,535,039	278,230	5,682,643	7,401,500	7,401,500
Non-Revenue Receipts	290,330	595,375			
Fund Transfers		-126,165			
<b>Total Restricted Funds</b>	<b>8,435,708</b>	<b>6,568,755</b>	<b>7,401,500</b>	<b>7,401,500</b>	<b>7,401,500</b>
<b>Federal Fund</b>					
Balance Forward	616,757	185,533			
Current Receipts	351,886,901	387,866,794	388,966,400	389,132,300	389,178,100
<b>Total Federal Fund</b>	<b>352,503,658</b>	<b>388,052,327</b>	<b>388,966,400</b>	<b>389,132,300</b>	<b>389,178,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>415,666,266</b>	<b>450,900,881</b>	<b>453,663,000</b>	<b>452,777,500</b>	<b>452,905,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	14,651,626	19,124,943	19,718,800	19,387,300	19,517,800
Operating Expenses	20,704,321	22,221,976	22,905,000	21,811,100	21,811,700
Grants Loans Benefits	374,047,971	405,490,238	409,289,200	411,579,100	411,576,400
Debt Service	183,000	578,000			
Capital Outlay	71,000	84,050			
Construction	1,500				
<b>TOTAL EXPENDITURES</b>	<b>409,659,419</b>	<b>447,499,208</b>	<b>451,913,000</b>	<b>452,777,500</b>	<b>452,905,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	54,726,900	55,670,247	55,545,100	56,243,700	56,326,300
Restricted Funds	2,614,393	3,897,183	7,401,500	7,401,500	7,401,500
Federal Fund	352,318,125	387,931,778	388,966,400	389,132,300	389,178,100
<b>TOTAL EXPENDITURES</b>	<b>409,659,419</b>	<b>447,499,208</b>	<b>451,913,000</b>	<b>452,777,500</b>	<b>452,905,900</b>
<b>EXPENDITURES BY UNIT</b>					
Commissioner's Office/Board of Education	1,494,200	1,025,900	775,800	925,100	930,100
Administration and Support	367,201,919	406,372,011	410,576,400	410,112,600	410,199,300
Guiding Support Services	1,316,200	1,822,441	1,909,300	1,911,600	1,922,700
Knowledge, Information and Data Services	39,647,100	38,278,855	38,651,500	39,828,200	39,853,800
<b>TOTAL EXPENDITURES</b>	<b>409,659,419</b>	<b>447,499,208</b>	<b>451,913,000</b>	<b>452,777,500</b>	<b>452,905,900</b>

The Operations and Support Services program area consists of the Office of Finance and Operations; the Office of Education Technology; the Office of Legal, Legislative and Communication 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 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,494,200	1,025,900	931,100	925,100	930,100
Budget Reduction-General Fund			-155,300		
<b>Total General Fund</b>	<b>1,494,200</b>	<b>1,025,900</b>	<b>775,800</b>	<b>925,100</b>	<b>930,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,494,200</b>	<b>1,025,900</b>	<b>775,800</b>	<b>925,100</b>	<b>930,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,476,500	1,008,200	760,400	907,400	912,400
Operating Expenses	17,700	17,700	15,400	17,700	17,700
<b>TOTAL EXPENDITURES</b>	<b>1,494,200</b>	<b>1,025,900</b>	<b>775,800</b>	<b>925,100</b>	<b>930,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,494,200	1,025,900	775,800	925,100	930,100
<b>TOTAL EXPENDITURES</b>	<b>1,494,200</b>	<b>1,025,900</b>	<b>775,800</b>	<b>925,100</b>	<b>930,100</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 a Kentucky Board of Education. The board has 12 members. The governor appoints eleven voting members, seven representing the Supreme Court districts and four representing the state at large. These eleven voting members must be confirmed by the legislature. The additional member, the president of the Council on Postsecondary Education, serves as a non-voting member. Board members serve four-year terms and may be reappointed. 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**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	12,269,400	16,555,000	14,280,300	13,683,700	13,724,600
Continuing Approp-General Fund			609,600		
Budget Reduction-General Fund		-1,314,756	-576,500		
<b>Total General Fund</b>	12,269,400	15,240,244	14,313,400	13,683,700	13,724,600
<b>Restricted Funds</b>					
Balance Forward	5,533,037	5,739,566	1,718,388		
Current Receipts	2,530,593	271,096	5,578,212	7,296,600	7,296,600
Non-Revenue Receipts	290,330	595,375			
Fund Transfers		-125,393			
<b>Total Restricted Funds</b>	8,353,960	6,480,645	7,296,600	7,296,600	7,296,600
<b>Federal Fund</b>					
Balance Forward	615,329	184,105			
Current Receipts	351,886,901	387,866,794	388,966,400	389,132,300	389,178,100
<b>Total Federal Fund</b>	352,502,230	388,050,899	388,966,400	389,132,300	389,178,100
<b>TOTAL SOURCE OF FUNDS</b>	373,125,590	409,771,788	410,576,400	410,112,600	410,199,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	9,584,226	13,169,669	14,196,800	13,426,800	13,516,200
Operating Expenses	2,138,721	3,570,309	4,164,900	4,247,700	4,247,700
Grants Loans Benefits	355,223,471	388,969,983	392,214,700	392,438,100	392,435,400
Debt Service	183,000	578,000			
Capital Outlay	71,000	84,050			
Construction	1,500				
<b>TOTAL EXPENDITURES</b>	367,201,919	406,372,011	410,576,400	410,112,600	410,199,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	12,269,400	14,630,691	14,313,400	13,683,700	13,724,600
Restricted Funds	2,614,393	3,809,542	7,296,600	7,296,600	7,296,600
Federal Fund	352,318,125	387,931,778	388,966,400	389,132,300	389,178,100
<b>TOTAL EXPENDITURES</b>	367,201,919	406,372,011	410,576,400	410,112,600	410,199,300
<b>EXPENDITURES BY UNIT</b>					
Administration & Resource Management	6,608,893	9,320,855	11,261,000	11,751,300	11,773,700
District Support	4,337,500	5,194,978	6,431,700	5,630,700	5,648,100
School & Community Nutrition	356,255,525	391,856,178	392,883,700	392,730,600	392,777,500
<b>TOTAL EXPENDITURES</b>	367,201,919	406,372,011	410,576,400	410,112,600	410,199,300

The Office of Finance and Administration 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 includes \$1,000,000 in each fiscal year to pay the cost of Advanced Placement and International Baccalaureate examination fees for students who meet the eligibility requirements for free or reduced price meals.

The Budget of the Commonwealth includes \$600,000 in each fiscal year for the review of the classification of primary and secondary school buildings.

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

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,316,200	1,734,800	1,804,400	1,806,700	1,817,800
<b>Total General Fund</b>	<b>1,316,200</b>	<b>1,734,800</b>	<b>1,804,400</b>	<b>1,806,700</b>	<b>1,817,800</b>
<b>Restricted Funds</b>					
Balance Forward	76,530	80,976	469		
Current Receipts	4,446	7,134	104,431	104,900	104,900
<b>Total Restricted Funds</b>	<b>80,976</b>	<b>88,110</b>	<b>104,900</b>	<b>104,900</b>	<b>104,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,397,176</b>	<b>1,822,910</b>	<b>1,909,300</b>	<b>1,911,600</b>	<b>1,922,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,296,200	1,716,375	1,889,300	1,891,600	1,902,700
Operating Expenses	20,000	106,067	20,000	20,000	20,000
<b>TOTAL EXPENDITURES</b>	<b>1,316,200</b>	<b>1,822,441</b>	<b>1,909,300</b>	<b>1,911,600</b>	<b>1,922,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,316,200	1,734,800	1,804,400	1,806,700	1,817,800
Restricted Funds		87,641	104,900	104,900	104,900
<b>TOTAL EXPENDITURES</b>	<b>1,316,200</b>	<b>1,822,441</b>	<b>1,909,300</b>	<b>1,911,600</b>	<b>1,922,700</b>

The Office of Legal, Legislative and Communication Services provides a variety of 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**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	39,647,100	38,833,100	40,613,000	39,828,200	39,853,800
Budget Reduction-General Fund		-554,244	-211,500		
<b>Total General Fund</b>	<b>39,647,100</b>	<b>38,278,856</b>	<b>40,401,500</b>	<b>39,828,200</b>	<b>39,853,800</b>
<b>Restricted Funds</b>					
Balance Forward	772	772			
Fund Transfers		-772			
<b>Total Restricted Funds</b>	<b>772</b>				
<b>Federal Fund</b>					
Balance Forward	1,428	1,428			
<b>Total Federal Fund</b>	<b>1,428</b>	<b>1,428</b>			
<b>TOTAL SOURCE OF FUNDS</b>	<b>39,649,300</b>	<b>38,280,284</b>	<b>40,401,500</b>	<b>39,828,200</b>	<b>39,853,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,294,700	3,230,700	2,872,300	3,161,500	3,186,500
Operating Expenses	18,527,900	18,527,900	18,704,700	17,525,700	17,526,300
Grants Loans Benefits	18,824,500	16,520,255	17,074,500	19,141,000	19,141,000
<b>TOTAL EXPENDITURES</b>	<b>39,647,100</b>	<b>38,278,855</b>	<b>38,651,500</b>	<b>39,828,200</b>	<b>39,853,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	39,647,100	38,278,855	38,651,500	39,828,200	39,853,800
<b>TOTAL EXPENDITURES</b>	<b>39,647,100</b>	<b>38,278,855</b>	<b>38,651,500</b>	<b>39,828,200</b>	<b>39,853,800</b>

The Office of Education Technology (OET) provides planning, administration, and quality assurance for the Kentucky Education Technology System (KETS). OET consists of four areas: the Division of School Technology Services; the Division of School Technology Planning and Project Management; the Division of School Data Services, and KETS Field Services.

The Division of School Technology Planning and Project 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 School Technology 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 School Data Services manages the Kentucky Student Information System (KSIS), 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.

**Policy**

The Budget of the Commonwealth includes General Fund in the amount of \$1,750,000 in each fiscal year for the School Technology in Coal Counties program.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,029,027,100	1,037,639,100	1,039,225,600	1,006,064,200	1,020,447,300
Continuing Approp-General Fund	454,052	835,410	704,400		
Budget Reduction-General Fund		-4,818,000	-19,578,800		
<b>Total General Fund</b>	<b>1,029,481,152</b>	<b>1,033,656,510</b>	<b>1,020,351,200</b>	<b>1,006,064,200</b>	<b>1,020,447,300</b>
<b>Tobacco Fund</b>					
<b>Restricted Funds</b>					
Balance Forward	4,271,373	5,240,016	5,498,058		
Current Receipts	1,113,323	3,414,920	28,789,342	34,812,100	35,045,100
Non-Revenue Receipts	18,925,415	18,906,014			
Fund Transfers		-365,554			
<b>Total Restricted Funds</b>	<b>24,310,110</b>	<b>27,195,396</b>	<b>34,287,400</b>	<b>34,812,100</b>	<b>35,045,100</b>
<b>Federal Fund</b>					
Balance Forward	2,517,268	2,510,613			
Current Receipts	486,044,879	491,694,175	559,526,700	559,690,200	559,756,300
Non-Revenue Receipts		-190			
<b>Total Federal Fund</b>	<b>488,562,147</b>	<b>494,204,597</b>	<b>559,526,700</b>	<b>559,690,200</b>	<b>559,756,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,542,353,409</b>	<b>1,555,056,503</b>	<b>1,614,165,300</b>	<b>1,600,566,500</b>	<b>1,615,248,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	101,252,358	99,696,531	96,517,000	96,767,400	97,025,700
Operating Expenses	11,399,239	14,348,378	17,198,300	15,758,100	15,893,100
Grants Loans Benefits	1,420,512,148	1,430,616,368	1,500,450,000	1,488,041,000	1,502,329,900
Capital Outlay	254,191	255,539			
Construction	16,489	1,604			
<b>TOTAL EXPENDITURES</b>	<b>1,533,434,425</b>	<b>1,544,918,420</b>	<b>1,614,165,300</b>	<b>1,600,566,500</b>	<b>1,615,248,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,028,312,796	1,032,741,649	1,020,351,200	1,006,064,200	1,020,447,300
Tobacco Fund					
Restricted Funds	19,070,094	21,192,506	34,287,400	34,812,100	35,045,100
Federal Fund	486,051,534	490,984,265	559,526,700	559,690,200	559,756,300
<b>TOTAL EXPENDITURES</b>	<b>1,533,434,425</b>	<b>1,544,918,420</b>	<b>1,614,165,300</b>	<b>1,600,566,500</b>	<b>1,615,248,700</b>
<b>EXPENDITURES BY UNIT</b>					
Next Generation Schools	281,424,541	277,815,836	320,120,700	318,158,100	318,192,900
Next Generation Learners	451,445,063	459,531,124	473,107,100	448,996,200	449,050,900
Assessment and Accountability	22,624,000	21,955,576	23,539,500	22,820,900	22,826,600
State Schools	16,560,829	17,295,061	18,189,400	18,418,100	18,520,500
Career & Technical Education	75,263,792	76,507,186	82,961,100	82,000,700	82,281,800
Local District Health Insurance	686,116,200	691,813,637	696,247,500	710,172,500	724,376,000
<b>TOTAL EXPENDITURES</b>	<b>1,533,434,425</b>	<b>1,544,918,420</b>	<b>1,614,165,300</b>	<b>1,600,566,500</b>	<b>1,615,248,700</b>

The Learning and Results Services program area consists of the following offices: Office of Assessment and Accountability; Office of Teaching and Learning; Office of Continuous Improvement and Support, and Office of Career and Technical Education.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,683,800	6,736,700	6,717,800	4,209,400	4,218,700
Budget Reduction-General Fund			-471,600		
<b>Total General Fund</b>	6,683,800	6,736,700	6,246,200	4,209,400	4,218,700
<b>Restricted Funds</b>					
Balance Forward	869,177	914,742	684,962		
Current Receipts			-79,962	605,000	605,000
Non-Revenue Receipts	136,871	138,024			
Fund Transfers		-365,554			
<b>Total Restricted Funds</b>	1,006,047	687,212	605,000	605,000	605,000
<b>Federal Fund</b>					
Balance Forward	-2,921,546	-3,147,371			
Current Receipts	274,423,610	271,248,875	313,269,500	313,343,700	313,369,200
<b>Total Federal Fund</b>	271,502,064	268,101,504	313,269,500	313,343,700	313,369,200
<b>TOTAL SOURCE OF FUNDS</b>	279,191,912	275,525,416	320,120,700	318,158,100	318,192,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	11,185,619	11,022,061	4,970,500	5,251,100	5,269,500
Operating Expenses	1,277,006	1,284,905	1,563,700	1,481,900	1,481,900
Grants Loans Benefits	268,961,916	265,508,869	313,586,500	311,425,100	311,441,500
<b>TOTAL EXPENDITURES</b>	281,424,541	277,815,836	320,120,700	318,158,100	318,192,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,683,800	6,736,700	6,246,200	4,209,400	4,218,700
Restricted Funds	91,306	2,250	605,000	605,000	605,000
Federal Fund	274,649,435	271,076,886	313,269,500	313,343,700	313,369,200
<b>TOTAL EXPENDITURES</b>	281,424,541	277,815,836	320,120,700	318,158,100	318,192,900
<b>EXPENDITURES BY UNIT</b>					
Consolidated Plans & Audits	236,044,213	237,909,876	270,000,000	270,072,800	270,095,100
Federal Programs & Educator Effectiveness	36,782,644	33,609,600	39,961,400	39,854,400	39,856,600
Next Generation Schools	8,597,683	6,296,360	10,159,300	8,230,900	8,241,200
<b>TOTAL EXPENDITURES</b>	281,424,541	277,815,836	320,120,700	318,158,100	318,192,900

The Office of Continuous Improvement and Support 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.

**Policy**

The Budget of the Commonwealth provides no funding for the Virtual Learning program.

Notwithstanding KRS 158.805, the Budget of the Commonwealth provides no funding for the Commonwealth School Improvement Fund program.

The Budget of the Commonwealth provides \$1 million in each fiscal year for the Teacher Quality and Diversity program.

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

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	266,239,000	264,765,500	264,888,700	223,030,300	223,043,900
Continuing Approp-General Fund	454,052	835,410	704,400		
Budget Reduction-General Fund		-1,834,200	-18,361,100		
<b>Total General Fund</b>	<b>266,693,052</b>	<b>263,766,710</b>	<b>247,232,000</b>	<b>223,030,300</b>	<b>223,043,900</b>
<b>Restricted Funds</b>					
Balance Forward	1,057,412	1,057,412	1,058,976		
Current Receipts		2,050,000	5,558,924	6,621,600	6,627,800
<b>Total Restricted Funds</b>	<b>1,057,412</b>	<b>3,107,412</b>	<b>6,617,900</b>	<b>6,621,600</b>	<b>6,627,800</b>
<b>Federal Fund</b>					
Balance Forward	215,829	347,997			
Current Receipts	186,052,535	196,108,266	219,257,200	219,344,300	219,379,200
Non-Revenue Receipts		-190			
<b>Total Federal Fund</b>	<b>186,268,364</b>	<b>196,456,074</b>	<b>219,257,200</b>	<b>219,344,300</b>	<b>219,379,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>454,018,828</b>	<b>463,330,196</b>	<b>473,107,100</b>	<b>448,996,200</b>	<b>449,050,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	11,343,242	10,904,321	10,247,300	10,806,100	10,860,800
Operating Expenses	3,224,727	3,877,521	2,996,300	2,557,300	2,692,300
Grants Loans Benefits	436,877,093	444,747,678	459,863,500	435,632,800	435,497,800
Construction		1,604			
<b>TOTAL EXPENDITURES</b>	<b>451,445,063</b>	<b>459,531,124</b>	<b>473,107,100</b>	<b>448,996,200</b>	<b>449,050,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	265,524,696	263,062,313	247,232,000	223,030,300	223,043,900
Tobacco Fund					
Restricted Funds		991,024	6,617,900	6,621,600	6,627,800
Federal Fund	185,920,366	195,477,787	219,257,200	219,344,300	219,379,200
<b>TOTAL EXPENDITURES</b>	<b>451,445,063</b>	<b>459,531,124</b>	<b>473,107,100</b>	<b>448,996,200</b>	<b>449,050,900</b>
<b>EXPENDITURES BY UNIT</b>					
Gifted & Talented	6,622,300	6,622,300	6,622,300	6,208,400	6,208,400
Community Education & Service	17,760,518	17,254,088	25,456,400	25,368,700	25,368,700
Next Generation Learner Programs	30,001,800	29,550,400	24,006,400	18,545,000	18,545,000
Program Standards	3,420,183	4,407,696	4,983,200	5,048,900	5,055,400
Learning Services	164,565,042	175,398,777	188,622,900	188,767,800	188,805,500
Extended Learning Services	25,510,700	25,510,700	25,510,700	23,916,300	23,916,300
Family Resource and Youth Services Centers	52,148,300	52,148,300	48,065,100	48,889,000	48,889,000
Read to Achieve	16,999,000	16,999,000	16,999,000	15,936,600	15,936,600
Math Achievement	5,353,600	5,353,600	5,353,600	5,019,000	5,019,000
Professional Growth Fund	338,942	1,065,516	794,700		
Dropout Prevention	576,100				
Education of State Agency Children	10,096,500	10,096,500	10,049,800	9,465,500	9,465,500
Textbooks	16,700,000	16,700,000	9,265,400		
Local District Life Insurance	1,150,754	1,055,463	1,281,400	1,391,000	1,391,000
Next Generation Learners	9,889,524	8,103,209	15,821,600	15,797,500	15,808,000
Preschool	90,311,800	89,265,576	90,274,600	84,642,500	84,642,500
<b>TOTAL EXPENDITURES</b>	<b>451,445,063</b>	<b>459,531,124</b>	<b>473,107,100</b>	<b>448,996,200</b>	<b>449,050,900</b>

The Office of Teaching and Learning 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 Teaching and Learning** 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 **Instructional Resources/Textbook Fund** provides support to local school districts to obtain instructional material for students in kindergarten through eighth grades.

## **Policy**

The Budget of the Commonwealth provides no funding for the Appalachian Tutoring program, the Georgia Chaffee Teenage Parent program, the Instructional Materials/Textbook program, the Professional Development program, the Leadership and Mentoring program, the Middle School Academic Achievement Center program, the Teacher's Professional Growth program, the Teacher Academies program and the Writing program.

The Budget of the Commonwealth includes General Fund for the following programs:

- \$1,700,000 in each fiscal year for AdvanceKentucky
- \$1,200,000 each fiscal year for the Collaborative Center for Literacy Development
- \$1,850,000 each fiscal year for Community Education
- \$397,600 each fiscal year for the Elementary Arts and Humanities Program
- \$23,916,300 each fiscal year for the Extended School Services Program
- \$48,889,000 each fiscal year for the Family Resource and Youth Services Centers Program
- \$6,208,400 each fiscal year for the Gifted and Talented Program
- \$100,000 each fiscal year for the Heuser Hearing and Language Academy
- \$100,000 each fiscal year for the Lexington Hearing and Speech Center
- \$1,391,000 each fiscal year for Local District Life Insurance
- \$5,019,000 each fiscal year for the Mathematics Achievement Fund
- \$84,481,100 each fiscal year for the Preschool Program
- \$15,936,600 each fiscal year for the Read to Achieve Program
- \$13,000,000 each fiscal year for the Safe Schools Program
- \$1,300,000 each fiscal year for the Save the Children/Rural Literacy program
- \$9,465,500 each fiscal year for the State Agency Children Program
- \$250,000 each fiscal year for Teach for America
- \$93,800 each fiscal year for the Visually Impaired Preschool Services



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

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	14,624,000	14,679,000	14,679,000	13,820,900	13,826,600
Budget Reduction-General Fund			-139,500		
<b>Total General Fund</b>	<b>14,624,000</b>	<b>14,679,000</b>	<b>14,539,500</b>	<b>13,820,900</b>	<b>13,826,600</b>
<b>Federal Fund</b>					
Balance Forward	2,900,248	2,968,216			
Current Receipts	8,067,967	7,431,165	9,000,000	9,000,000	9,000,000
<b>Total Federal Fund</b>	<b>10,968,216</b>	<b>10,399,380</b>	<b>9,000,000</b>	<b>9,000,000</b>	<b>9,000,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>25,592,216</b>	<b>25,078,380</b>	<b>23,539,500</b>	<b>22,820,900</b>	<b>22,826,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	21,899,260	21,008,780	23,084,000	22,360,900	22,366,600
Operating Expenses	724,740	686,669	455,500	460,000	460,000
Grants Loans Benefits		260,127			
<b>TOTAL EXPENDITURES</b>	<b>22,624,000</b>	<b>21,955,576</b>	<b>23,539,500</b>	<b>22,820,900</b>	<b>22,826,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	14,624,000	14,471,600	14,539,500	13,820,900	13,826,600
Federal Fund	8,000,000	7,483,976	9,000,000	9,000,000	9,000,000
<b>TOTAL EXPENDITURES</b>	<b>22,624,000</b>	<b>21,955,576</b>	<b>23,539,500</b>	<b>22,820,900</b>	<b>22,826,600</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 2017 Regular Session of the General Assembly.

The Office consists of two divisions: the Division of Accountability Data and Analysis and the Division of Assessment Support.

The Division of Assessment Support 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 Accountability Data and Analysis 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 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	16,488,000	16,657,900	16,692,600	16,831,300	16,933,700
Budget Reduction-General Fund			-90,000		
<b>Total General Fund</b>	<b>16,488,000</b>	<b>16,657,900</b>	<b>16,602,600</b>	<b>16,831,300</b>	<b>16,933,700</b>
<b>Restricted Funds</b>					
Balance Forward	696,307	992,394	395,898		
Current Receipts	368,916	316,872	1,190,902	1,586,800	1,586,800
Non-Revenue Receipts		-25,000			
<b>Total Restricted Funds</b>	<b>1,065,223</b>	<b>1,284,265</b>	<b>1,586,800</b>	<b>1,586,800</b>	<b>1,586,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>17,553,223</b>	<b>17,942,165</b>	<b>18,189,400</b>	<b>18,418,100</b>	<b>18,520,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	14,693,500	15,482,155	14,725,000	15,899,200	16,001,600
Operating Expenses	1,792,972	1,689,790	3,464,400	2,518,900	2,518,900
Grants Loans Benefits	-643	1,917			
Capital Outlay	75,000	121,200			
<b>TOTAL EXPENDITURES</b>	<b>16,560,829</b>	<b>17,295,061</b>	<b>18,189,400</b>	<b>18,418,100</b>	<b>18,520,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	16,488,000	16,657,400	16,602,600	16,831,300	16,933,700
Restricted Funds	72,829	637,661	1,586,800	1,586,800	1,586,800
<b>TOTAL EXPENDITURES</b>	<b>16,560,829</b>	<b>17,295,061</b>	<b>18,189,400</b>	<b>18,418,100</b>	<b>18,520,500</b>

The **Kentucky School for the Blind**, located in Louisville, Kentucky, provides instructional and residential programs for blind and visually impaired students throughout Kentucky. All instructional programs follow the Kentucky Academic Standards and Academic Expectations and are geared to meet students' individualized needs as set forth in their Individual Education Program (IEP).

The Kentucky School for the Blind residential program offers housing, after-school supervision, health center services, daily living skills experiences and leisure and recreational activities (which help in the development of social skills for independence).

The Kentucky School for the Blind Outreach Services provide assessments, consultations and professional development opportunities for school districts and teachers of the visually impaired. The Kentucky Instructional Materials Resource Center (KIMRC), a part of Outreach Services, purchases and distributes textbooks for school districts using federal quota funds. The KIMRC is responsible for the federal quota registration for the state. Braille production and the Parent Resource Center also are provided through Outreach Services.

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 (IEP) 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 Deafness.

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

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	38,876,100	40,000,000	40,000,000	37,999,800	38,048,400
Budget Reduction-General Fund			-516,600		
<b>Total General Fund</b>	<b>38,876,100</b>	<b>40,000,000</b>	<b>39,483,400</b>	<b>37,999,800</b>	<b>38,048,400</b>
<b>Restricted Funds</b>					
Balance Forward	1,648,477	2,275,469	3,358,222		
Current Receipts	744,407	1,048,048	22,119,478	25,998,700	26,225,500
Non-Revenue Receipts	18,788,544	18,792,990			
<b>Total Restricted Funds</b>	<b>21,181,428</b>	<b>22,116,507</b>	<b>25,477,700</b>	<b>25,998,700</b>	<b>26,225,500</b>
<b>Federal Fund</b>					
Balance Forward	2,322,737	2,341,770			
Current Receipts	17,500,766	16,905,869	18,000,000	18,002,200	18,007,900
<b>Total Federal Fund</b>	<b>19,823,503</b>	<b>19,247,639</b>	<b>18,000,000</b>	<b>18,002,200</b>	<b>18,007,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>79,881,031</b>	<b>81,364,147</b>	<b>82,961,100</b>	<b>82,000,700</b>	<b>82,281,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	42,130,736	41,279,214	43,490,200	42,450,100	42,527,200
Operating Expenses	4,379,795	6,809,494	8,718,400	8,740,000	8,740,000
Grants Loans Benefits	28,557,581	28,284,139	30,752,500	30,810,600	31,014,600
Capital Outlay	179,191	134,339			
Construction	16,489				
<b>TOTAL EXPENDITURES</b>	<b>75,263,792</b>	<b>76,507,186</b>	<b>82,961,100</b>	<b>82,000,700</b>	<b>82,281,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	38,876,100	40,000,000	39,483,400	37,999,800	38,048,400
Restricted Funds	18,905,959	19,561,570	25,477,700	25,998,700	26,225,500
Federal Fund	17,481,733	16,945,616	18,000,000	18,002,200	18,007,900
<b>TOTAL EXPENDITURES</b>	<b>75,263,792</b>	<b>76,507,186</b>	<b>82,961,100</b>	<b>82,000,700</b>	<b>82,281,800</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 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	686,116,200	694,800,000	696,247,500	710,172,500	724,376,000
Budget Reduction-General Fund		-2,983,800			
<b>Total General Fund</b>	<b>686,116,200</b>	<b>691,816,200</b>	<b>696,247,500</b>	<b>710,172,500</b>	<b>724,376,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>686,116,200</b>	<b>691,816,200</b>	<b>696,247,500</b>	<b>710,172,500</b>	<b>724,376,000</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	686,116,200	691,813,637	696,247,500	710,172,500	724,376,000
<b>TOTAL EXPENDITURES</b>	<b>686,116,200</b>	<b>691,813,637</b>	<b>696,247,500</b>	<b>710,172,500</b>	<b>724,376,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	686,116,200	691,813,637	696,247,500	710,172,500	724,376,000
<b>TOTAL EXPENDITURES</b>	<b>686,116,200</b>	<b>691,813,637</b>	<b>696,247,500</b>	<b>710,172,500</b>	<b>724,376,000</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 \$710,172,500 in fiscal year 2018-2019 and \$724,376,000 in fiscal year 2019-2020 for employer contributions for health insurance and the contribution to health reimbursement account for employees waiving coverage.

# Education and Workforce Development

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## Education and Workforce Development

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	51,905,800	52,620,800	52,877,200	53,164,400	53,731,500
Budget Reduction-General Fund		-368,747	-2,708,800		
<b>Total General Fund</b>	51,905,800	52,252,053	50,168,400	53,164,400	53,731,500
<b>Restricted Funds</b>					
Balance Forward	37,217,701	57,886,498	48,988,200	6,078,500	5,215,300
Current Receipts	11,691,496	12,265,974	14,653,700	14,409,200	13,468,600
Non-Revenue Receipts	45,868,214	16,088,818	-17,500	49,534,600	49,947,600
Fund Transfers		-126,574			
<b>Total Restricted Funds</b>	94,777,412	86,114,717	63,624,400	70,022,300	68,631,500
<b>Federal Fund</b>					
Balance Forward	1,226,645	1,018,761	3,756,300		
Current Receipts	561,665,478	464,545,464	493,395,100	507,620,000	507,241,500
Non-Revenue Receipts	-54,701,303	369,483	248,900		
<b>Total Federal Fund</b>	508,190,819	465,933,707	497,400,300	507,620,000	507,241,500
<b>TOTAL SOURCE OF FUNDS</b>	654,874,031	604,300,477	611,193,100	630,806,700	629,604,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	101,469,371	96,704,694	97,911,500	109,416,500	109,073,300
Operating Expenses	31,781,461	32,063,547	30,101,500	32,154,200	31,233,900
Grants Loans Benefits	445,076,250	403,804,752	439,066,900	482,534,000	483,614,700
Debt Service	15,156,912	17,647,659	36,619,200	182,500	365,000
Capital Outlay	626,673	540,566	1,415,500	1,304,200	1,110,800
Construction	192,119	222,810			
<b>TOTAL EXPENDITURES</b>	594,302,786	550,984,028	605,114,600	625,591,400	625,397,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	50,239,814	52,160,451	50,168,400	53,164,400	53,731,500
Restricted Funds	36,890,913	36,646,286	57,545,900	64,807,000	64,424,700
Federal Fund	507,172,058	462,177,291	497,400,300	507,620,000	507,241,500
<b>TOTAL EXPENDITURES</b>	594,302,786	550,984,028	605,114,600	625,591,400	625,397,700
<b>EXPENDITURES BY UNIT</b>					
General Administration and Program Support	13,435,766	13,447,587	16,048,500	16,412,600	15,883,900
Commission on Proprietary Education	176,914	210,784	288,600	320,900	323,900
Deaf and Hard of Hearing	1,942,522	1,947,469	1,966,000	2,132,800	2,149,700
Kentucky Educational Television	14,046,853	14,722,718	14,655,400	16,566,200	16,925,900
Environmental Education Council	158,182	175,147	262,400	288,100	283,700
Libraries and Archives	16,330,347	17,405,876	16,660,900	17,896,300	17,802,800
Office for the Blind	10,119,223	10,865,411	10,262,200	13,002,800	13,090,700
Employment and Training	459,414,701	431,102,734	477,607,400	487,132,200	487,086,400
Vocational Rehabilitation	70,800,422	53,462,854	59,373,500	66,997,000	67,136,700
Education Professional Standards Board	7,877,856	7,643,448	7,989,700	4,842,500	4,714,000
<b>TOTAL EXPENDITURES</b>	594,302,786	550,984,028	605,114,600	625,591,400	625,397,700

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 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,750,100	4,893,100	4,927,600	5,164,000	5,210,100
Budget Reduction-General Fund		-2,096	-34,200		
<b>Total General Fund</b>	4,750,100	4,891,004	4,893,400	5,164,000	5,210,100
<b>Restricted Funds</b>					
Balance Forward	994,009	1,398,786	754,200	389,700	300,000
Current Receipts	81,820	254,869	300,000	1,021,000	1,104,500
Non-Revenue Receipts	6,049,078	4,844,235	6,306,400	6,270,900	6,070,900
Fund Transfers		-100,000			
<b>Total Restricted Funds</b>	7,124,907	6,397,890	7,360,600	7,681,600	7,475,400
<b>Federal Fund</b>					
Current Receipts	2,774,406	3,488,257	4,184,200	3,867,000	3,198,400
Non-Revenue Receipts	398,940	-483,842			
<b>Total Federal Fund</b>	3,173,345	3,004,415	4,184,200	3,867,000	3,198,400
<b>TOTAL SOURCE OF FUNDS</b>	15,048,352	14,293,309	16,438,200	16,712,600	15,883,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	9,017,877	9,141,397	11,476,800	12,340,700	11,805,200
Operating Expenses	2,273,111	1,918,492	1,780,600	1,998,100	2,004,900
Grants Loans Benefits	2,051,100	2,189,200	2,791,100	2,073,800	2,073,800
Debt Service					
Capital Outlay	24,838	17,647			
Construction	68,839	180,851			
<b>TOTAL EXPENDITURES</b>	13,435,766	13,447,587	16,048,500	16,412,600	15,883,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,536,300	4,799,403	4,893,400	5,164,000	5,210,100
Restricted Funds	5,726,121	5,643,769	6,970,900	7,381,600	7,475,400
Federal Fund	3,173,345	3,004,415	4,184,200	3,867,000	3,198,400
<b>TOTAL EXPENDITURES</b>	13,435,766	13,447,587	16,048,500	16,412,600	15,883,900
<b>EXPENDITURES BY UNIT</b>					
Secretary	7,646,235	7,669,813	9,001,200	10,000,800	9,531,100
Governor's Scholars	1,936,100	1,875,000	1,875,900	1,758,600	1,758,600
Education and Workforce Statistics	3,853,431	3,902,774	5,171,400	4,653,200	4,594,200
<b>TOTAL EXPENDITURES</b>	13,435,766	13,447,587	16,048,500	16,412,600	15,883,900

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 1,078 students in the summer of 2017.

**Education and Workforce Development**  
**Proprietary Education**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	360,646	475,821	517,300	451,500	378,400
Current Receipts	292,090	252,259	247,800	247,800	247,800
Fund Transfers		-25,000			
<b>Total Restricted Funds</b>	<b>652,735</b>	<b>703,080</b>	<b>765,100</b>	<b>699,300</b>	<b>626,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>652,735</b>	<b>728,080</b>	<b>740,100</b>	<b>699,300</b>	<b>626,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	164,191	197,281	269,900	302,200	305,200
Operating Expenses	12,723	13,503	18,700	18,700	18,700
<b>TOTAL EXPENDITURES</b>	<b>176,914</b>	<b>210,784</b>	<b>288,600</b>	<b>320,900</b>	<b>323,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	176,914	210,784	288,600	320,900	323,900
<b>TOTAL EXPENDITURES</b>	<b>176,914</b>	<b>210,784</b>	<b>288,600</b>	<b>320,900</b>	<b>323,900</b>
<b>EXPENDITURES BY UNIT</b>					
Proprietary Education	176,914	210,784	288,600	320,900	323,900
<b>TOTAL EXPENDITURES</b>	<b>176,914</b>	<b>210,784</b>	<b>288,600</b>	<b>320,900</b>	<b>323,900</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 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	883,200	862,900	873,900	959,000	970,000
Budget Reduction-General Fund		-17,258	-17,100		
<b>Total General Fund</b>	<b>883,200</b>	<b>845,642</b>	<b>856,800</b>	<b>959,000</b>	<b>970,000</b>
<b>Restricted Funds</b>					
Balance Forward	38	18,007	16,100	86,900	
Current Receipts	1,150,000	1,100,000	1,180,000	1,086,900	1,179,700
Non-Revenue Receipts	-33,009				
Fund Transfers		-38			
<b>Total Restricted Funds</b>	<b>1,117,029</b>	<b>1,117,968</b>	<b>1,196,100</b>	<b>1,173,800</b>	<b>1,179,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,000,229</b>	<b>1,963,610</b>	<b>2,052,900</b>	<b>2,132,800</b>	<b>2,149,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,108,782	1,167,737	1,184,300	1,347,100	1,364,000
Operating Expenses	833,740	768,381	781,700	785,700	785,700
Capital Outlay		11,351			
<b>TOTAL EXPENDITURES</b>	<b>1,942,522</b>	<b>1,947,469</b>	<b>1,966,000</b>	<b>2,132,800</b>	<b>2,149,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	843,500	845,642	856,800	959,000	970,000
Restricted Funds	1,099,022	1,101,827	1,109,200	1,173,800	1,179,700
<b>TOTAL EXPENDITURES</b>	<b>1,942,522</b>	<b>1,947,469</b>	<b>1,966,000</b>	<b>2,132,800</b>	<b>2,149,700</b>
<b>EXPENDITURES BY UNIT</b>					
Commission on the Deaf and Hard of Hearing	1,942,522	1,947,469	1,966,000	2,132,800	2,149,700
<b>TOTAL EXPENDITURES</b>	<b>1,942,522</b>	<b>1,947,469</b>	<b>1,966,000</b>	<b>2,132,800</b>	<b>2,149,700</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 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	13,245,000	13,814,300	13,923,200	15,047,600	15,401,100
Budget Reduction-General Fund		-50,000	-718,800		
<b>Total General Fund</b>	<b>13,245,000</b>	<b>13,764,300</b>	<b>13,204,400</b>	<b>15,047,600</b>	<b>15,401,100</b>
<b>Restricted Funds</b>					
Current Receipts	1,397,853	1,328,418	1,451,000	1,518,600	1,524,800
Non-Revenue Receipts		-370,000			
<b>Total Restricted Funds</b>	<b>1,397,853</b>	<b>958,418</b>	<b>1,451,000</b>	<b>1,518,600</b>	<b>1,524,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>14,642,853</b>	<b>14,722,718</b>	<b>14,655,400</b>	<b>16,566,200</b>	<b>16,925,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	10,331,487	10,476,393	10,750,300	12,392,700	12,673,500
Operating Expenses	3,621,521	3,930,385	3,830,100	3,916,000	3,812,400
Debt Service				182,500	365,000
Capital Outlay	93,844	315,940	75,000	75,000	75,000
<b>TOTAL EXPENDITURES</b>	<b>14,046,853</b>	<b>14,722,718</b>	<b>14,655,400</b>	<b>16,566,200</b>	<b>16,925,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	12,649,000	13,764,300	13,204,400	15,047,600	15,401,100
Restricted Funds	1,397,853	958,418	1,451,000	1,518,600	1,524,800
<b>TOTAL EXPENDITURES</b>	<b>14,046,853</b>	<b>14,722,718</b>	<b>14,655,400</b>	<b>16,566,200</b>	<b>16,925,900</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	2,603,000	2,878,200	2,786,500	3,263,500	3,479,400
Broadcasting and Education	9,382,052	9,678,414	9,831,800	10,996,600	11,120,000
Engineering	2,061,800	2,166,104	2,037,100	2,306,100	2,326,500
<b>TOTAL EXPENDITURES</b>	<b>14,046,853</b>	<b>14,722,718</b>	<b>14,655,400</b>	<b>16,566,200</b>	<b>16,925,900</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.

### **Policy**

The Budget of the Commonwealth provides General Fund in the amount of \$182,500 in fiscal year 2018-2019 and \$365,000 in fiscal year 2019-2020 for debt service on new bonds for the Transmitter and Repack capital project.

**Education and Workforce Development  
Environmental Education Council**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	65,973	76,024	103,200	148,100	130,000
Current Receipts	16,845	5,547	13,100	16,300	16,300
Non-Revenue Receipts	151,387	180,580	220,500	180,000	180,000
Fund Transfers		-1,203			
<b>Total Restricted Funds</b>	<b>234,205</b>	<b>260,947</b>	<b>336,800</b>	<b>344,400</b>	<b>326,300</b>
<b>Federal Fund</b>					
Current Receipts		8,089	73,700	73,700	66,000
Non-Revenue Receipts		9,295			
<b>Total Federal Fund</b>		<b>17,384</b>	<b>73,700</b>	<b>73,700</b>	<b>66,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>234,205</b>	<b>278,332</b>	<b>410,500</b>	<b>418,100</b>	<b>392,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	137,773	145,846	189,700	231,100	227,000
Operating Expenses	14,299	23,424	49,900	46,000	51,700
Grants Loans Benefits	6,110	5,877	22,800	11,000	5,000
<b>TOTAL EXPENDITURES</b>	<b>158,182</b>	<b>175,147</b>	<b>262,400</b>	<b>288,100</b>	<b>283,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	158,182	157,762	188,700	214,400	217,700
Federal Fund		17,384	73,700	73,700	66,000
<b>TOTAL EXPENDITURES</b>	<b>158,182</b>	<b>175,147</b>	<b>262,400</b>	<b>288,100</b>	<b>283,700</b>
<b>EXPENDITURES BY UNIT</b>					
Ky Environmental Education Council	158,182	175,147	262,400	288,100	283,700
<b>TOTAL EXPENDITURES</b>	<b>158,182</b>	<b>175,147</b>	<b>262,400</b>	<b>288,100</b>	<b>283,700</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.

**Education and Workforce Development  
Libraries and Archives**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	12,543,400	12,957,000	13,001,800	13,095,200	13,156,700
Budget Reduction-General Fund		-168,900	-1,213,100		
<b>Total General Fund</b>	<b>12,543,400</b>	<b>12,788,100</b>	<b>11,788,700</b>	<b>13,095,200</b>	<b>13,156,700</b>
<b>Restricted Funds</b>					
Balance Forward	2,843,314	2,781,252	2,670,800	2,255,400	1,953,700
Current Receipts	2,528,294	2,239,247	1,862,900	1,932,000	1,935,500
Fund Transfers		-332			
<b>Total Restricted Funds</b>	<b>5,371,607</b>	<b>5,020,167</b>	<b>4,533,700</b>	<b>4,187,400</b>	<b>3,889,200</b>
<b>Federal Fund</b>					
Current Receipts	1,252,795	2,557,170	2,345,000	2,567,400	2,589,900
Non-Revenue Receipts	357,497	-288,646	248,900		
<b>Total Federal Fund</b>	<b>1,610,292</b>	<b>2,268,524</b>	<b>2,593,900</b>	<b>2,567,400</b>	<b>2,589,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>19,525,299</b>	<b>20,076,791</b>	<b>18,916,300</b>	<b>19,850,000</b>	<b>19,635,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,172,068	6,224,412	5,180,100	6,521,200	6,556,700
Operating Expenses	2,902,591	3,400,278	3,144,700	3,659,500	3,527,500
Grants Loans Benefits	7,233,065	7,754,142	8,309,100	7,715,600	7,718,600
Capital Outlay	22,623	27,043	27,000		
<b>TOTAL EXPENDITURES</b>	<b>16,330,347</b>	<b>17,405,876</b>	<b>16,660,900</b>	<b>17,896,300</b>	<b>17,802,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	12,129,700	12,788,100	11,788,700	13,095,200	13,156,700
Restricted Funds	2,590,355	2,349,252	2,278,300	2,233,700	2,056,200
Federal Fund	1,610,292	2,268,524	2,593,900	2,567,400	2,589,900
<b>TOTAL EXPENDITURES</b>	<b>16,330,347</b>	<b>17,405,876</b>	<b>16,660,900</b>	<b>17,896,300</b>	<b>17,802,800</b>
<b>EXPENDITURES BY UNIT</b>					
Libraries and Archives	9,107,848	9,647,208	9,010,600	10,474,500	10,381,000
Direct Local Aid	7,222,499	7,758,668	7,650,300	7,421,800	7,421,800
<b>TOTAL EXPENDITURES</b>	<b>16,330,347</b>	<b>17,405,876</b>	<b>16,660,900</b>	<b>17,896,300</b>	<b>17,802,800</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**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,217,500	5,898,900	5,943,700	6,265,600	6,327,100
Budget Reduction-General Fund		-168,900	-1,213,100		
<b>Total General Fund</b>	<b>6,217,500</b>	<b>5,730,000</b>	<b>4,730,600</b>	<b>6,265,600</b>	<b>6,327,100</b>
<b>Restricted Funds</b>					
Balance Forward	2,370,791	2,383,504	2,015,800	1,630,800	1,329,100
Current Receipts	1,609,700	1,301,034	1,301,100	1,339,800	1,343,300
Fund Transfers		-20			
<b>Total Restricted Funds</b>	<b>3,980,491</b>	<b>3,684,517</b>	<b>3,316,900</b>	<b>2,970,600</b>	<b>2,672,400</b>
<b>Federal Fund</b>					
Balance Forward					
Current Receipts	1,182,003	2,547,548	2,345,000	2,567,400	2,589,900
Non-Revenue Receipts	391,158	-298,973	248,900		
<b>Total Federal Fund</b>	<b>1,573,160</b>	<b>2,248,575</b>	<b>2,593,900</b>	<b>2,567,400</b>	<b>2,589,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>11,771,151</b>	<b>11,663,092</b>	<b>10,641,400</b>	<b>11,803,600</b>	<b>11,589,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,172,068	6,193,133	5,180,100	6,521,200	6,556,700
Operating Expenses	2,883,407	3,400,032	3,144,500	3,659,500	3,527,500
Grants Loans Benefits	29,750	27,000	659,000	293,800	296,800
Capital Outlay	22,623	27,043	27,000		
<b>TOTAL EXPENDITURES</b>	<b>9,107,848</b>	<b>9,647,208</b>	<b>9,010,600</b>	<b>10,474,500</b>	<b>10,381,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,937,700	5,730,000	4,730,600	6,265,600	6,327,100
Restricted Funds	1,596,987	1,668,633	1,686,100	1,641,500	1,464,000
Federal Fund	1,573,160	2,248,575	2,593,900	2,567,400	2,589,900
<b>TOTAL EXPENDITURES</b>	<b>9,107,848</b>	<b>9,647,208</b>	<b>9,010,600</b>	<b>10,474,500</b>	<b>10,381,000</b>
<b>EXPENDITURES BY UNIT</b>					
Administrative Services	2,117,249	2,366,078	1,294,600	2,374,600	2,249,000
Field Services	1,950,370	2,019,308	2,176,100	2,118,700	2,160,400
Library Services	1,290,920	1,441,533	1,566,200	1,927,200	1,937,200
Archives & Records Management	3,749,309	3,820,289	3,973,700	4,054,000	4,034,400
<b>TOTAL EXPENDITURES</b>	<b>9,107,848</b>	<b>9,647,208</b>	<b>9,010,600</b>	<b>10,474,500</b>	<b>10,381,000</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 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,325,900	7,058,100	7,058,100	6,829,600	6,829,600
<b>Total General Fund</b>	<b>6,325,900</b>	<b>7,058,100</b>	<b>7,058,100</b>	<b>6,829,600</b>	<b>6,829,600</b>
<b>Restricted Funds</b>					
Balance Forward	472,523	397,749	655,000	624,600	624,600
Current Receipts	918,594	938,213	561,800	592,200	592,200
Fund Transfers		-312			
<b>Total Restricted Funds</b>	<b>1,391,117</b>	<b>1,335,650</b>	<b>1,216,800</b>	<b>1,216,800</b>	<b>1,216,800</b>
<b>Federal Fund</b>					
Balance Forward					
Current Receipts	70,792	9,622			
Non-Revenue Receipts	-33,661	10,328			
<b>Total Federal Fund</b>	<b>37,131</b>	<b>19,949</b>			
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,754,148</b>	<b>8,413,700</b>	<b>8,274,900</b>	<b>8,046,400</b>	<b>8,046,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs		31,280			
Operating Expenses	19,185	247	200		
Grants Loans Benefits	7,203,315	7,727,142	7,650,100	7,421,800	7,421,800
<b>TOTAL EXPENDITURES</b>	<b>7,222,499</b>	<b>7,758,668</b>	<b>7,650,300</b>	<b>7,421,800</b>	<b>7,421,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,192,000	7,058,100	7,058,100	6,829,600	6,829,600
Restricted Funds	993,368	680,619	592,200	592,200	592,200
Federal Fund	37,131	19,949			
<b>TOTAL EXPENDITURES</b>	<b>7,222,499</b>	<b>7,758,668</b>	<b>7,650,300</b>	<b>7,421,800</b>	<b>7,421,800</b>
<b>EXPENDITURES BY UNIT</b>					
Libraries Support	5,966,863	6,924,895	7,058,100	4,329,600	4,329,600
Library Technology	19,185		30,400		
Public Records	1,236,452	833,773	561,800	3,092,200	3,092,200
<b>TOTAL EXPENDITURES</b>	<b>7,222,499</b>	<b>7,758,668</b>	<b>7,650,300</b>	<b>7,421,800</b>	<b>7,421,800</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.

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

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,413,700	1,424,800	1,438,700	1,880,900	1,890,800
<b>Total General Fund</b>	<b>1,413,700</b>	<b>1,424,800</b>	<b>1,438,700</b>	<b>1,880,900</b>	<b>1,890,800</b>
<b>Restricted Funds</b>					
Balance Forward	992,730	939,482	517,600	218,000	77,300
Current Receipts	1,710,995	921,741	849,700	870,400	938,100
Non-Revenue Receipts	18,750	150,000			
<b>Total Restricted Funds</b>	<b>2,722,475</b>	<b>2,011,222</b>	<b>1,367,300</b>	<b>1,088,400</b>	<b>1,015,400</b>
<b>Federal Fund</b>					
Balance Forward	196,793	-2,073	-2,100		
Current Receipts	6,647,123	7,257,558	7,676,300	10,110,800	10,184,500
Non-Revenue Receipts	140,141	692,081			
<b>Total Federal Fund</b>	<b>6,984,057</b>	<b>7,947,566</b>	<b>7,674,200</b>	<b>10,110,800</b>	<b>10,184,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>11,120,232</b>	<b>11,383,588</b>	<b>10,480,200</b>	<b>13,080,100</b>	<b>13,090,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,515,742	6,718,356	6,678,100	7,661,300	7,756,600
Operating Expenses	1,590,010	1,580,275	1,421,600	1,454,600	1,452,100
Grants Loans Benefits	1,890,683	2,429,083	1,598,900	3,323,300	3,318,400
Capital Outlay	122,788	136,795	563,600	563,600	563,600
Construction		903			
<b>TOTAL EXPENDITURES</b>	<b>10,119,223</b>	<b>10,865,411</b>	<b>10,262,200</b>	<b>13,002,800</b>	<b>13,090,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,350,100	1,424,800	1,438,700	1,880,900	1,890,800
Restricted Funds	1,782,993	1,490,987	1,149,300	1,011,100	1,015,400
Federal Fund	6,986,130	7,949,624	7,674,200	10,110,800	10,184,500
<b>TOTAL EXPENDITURES</b>	<b>10,119,223</b>	<b>10,865,411</b>	<b>10,262,200</b>	<b>13,002,800</b>	<b>13,090,700</b>
<b>EXPENDITURES BY UNIT</b>					
General Blind Services	8,816,296	9,591,421	8,803,000	11,365,000	11,447,700
Business Enterprise Program	645,073	663,051	800,800	880,000	876,000
Center for Independent Living	657,854	610,939	658,400	757,800	767,000
<b>TOTAL EXPENDITURES</b>	<b>10,119,223</b>	<b>10,865,411</b>	<b>10,262,200</b>	<b>13,002,800</b>	<b>13,090,700</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 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	30,687,065	50,362,626	42,614,400	684,400	553,700
Current Receipts	1,348,263	3,045,637	4,290,500	3,282,200	2,235,600
Non-Revenue Receipts	39,679,309	11,259,004	-6,519,400	43,083,700	43,696,700
<b>Total Restricted Funds</b>	<b>71,714,637</b>	<b>64,667,266</b>	<b>40,385,500</b>	<b>47,050,300</b>	<b>46,486,000</b>
<b>Federal Fund</b>					
Balance Forward	988,372	1,018,392	3,756,000		
Current Receipts	494,649,554	411,368,339	434,150,300	440,635,600	440,765,400
Non-Revenue Receipts	-56,556,844	419,204			
<b>Total Federal Fund</b>	<b>439,081,082</b>	<b>412,805,935</b>	<b>437,906,300</b>	<b>440,635,600</b>	<b>440,765,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>510,795,719</b>	<b>477,473,201</b>	<b>478,291,800</b>	<b>487,685,900</b>	<b>487,251,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	39,759,553	36,891,282	34,770,900	39,660,600	39,390,200
Operating Expenses	14,343,123	14,670,980	13,211,700	14,154,900	13,484,300
Grants Loans Benefits	389,811,650	361,822,491	392,255,700	432,651,100	433,739,700
Debt Service	15,156,912	17,647,659	36,619,200		
Capital Outlay	234,993	29,265	749,900	665,600	472,200
Construction	108,471	41,056			
<b>TOTAL EXPENDITURES</b>	<b>459,414,701</b>	<b>431,102,734</b>	<b>477,607,400</b>	<b>487,132,200</b>	<b>487,086,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	21,352,011	22,052,832	39,701,100	46,496,600	46,321,000
Federal Fund	438,062,690	409,049,902	437,906,300	440,635,600	440,765,400
<b>TOTAL EXPENDITURES</b>	<b>459,414,701</b>	<b>431,102,734</b>	<b>477,607,400</b>	<b>487,132,200</b>	<b>487,086,400</b>
<b>EXPENDITURES BY UNIT</b>					
Employer and Placement Services	19,709,219	21,509,521	25,815,800	26,839,600	26,778,300
Unemployment Insurance	400,497,271	370,711,319	410,244,200	375,544,900	375,294,200
Special Projects				43,894,700	43,936,000
Workforce Innovation and Opportunity Act	39,208,211	38,881,895	41,547,400	40,853,000	41,077,900
<b>TOTAL EXPENDITURES</b>	<b>459,414,701</b>	<b>431,102,734</b>	<b>477,607,400</b>	<b>487,132,200</b>	<b>487,086,400</b>

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 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,861,090	984,465	1,123,800	589,400	423,700
Current Receipts	1,265,744	2,766,637	4,240,200	2,360,300	1,337,200
Non-Revenue Receipts	28,168	-514,135	-2,816,900	-826,000	-254,300
<b>Total Restricted Funds</b>	<b>3,155,002</b>	<b>3,236,967</b>	<b>2,547,100</b>	<b>2,123,700</b>	<b>1,506,600</b>
<b>Federal Fund</b>					
Current Receipts	18,439,700	20,639,462	23,858,100	25,139,600	25,271,700
Non-Revenue Receipts	364,073	-23,149			
<b>Total Federal Fund</b>	<b>18,803,773</b>	<b>20,616,313</b>	<b>23,858,100</b>	<b>25,139,600</b>	<b>25,271,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>21,958,774</b>	<b>23,853,280</b>	<b>26,405,200</b>	<b>27,263,300</b>	<b>26,778,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	12,988,118	12,286,603	10,403,200	10,951,900	11,084,000
Operating Expenses	3,901,866	4,176,081	3,531,800	4,150,300	4,150,300
Grants Loans Benefits	4,022,757	6,208,865	11,215,200	11,071,800	11,071,800
Capital Outlay	101,749	28,860	665,600	665,600	472,200
Construction	18,471	41,056			
<b>TOTAL EXPENDITURES</b>	<b>21,032,962</b>	<b>22,741,466</b>	<b>25,815,800</b>	<b>26,839,600</b>	<b>26,778,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	2,170,536	2,113,123	1,957,700	1,700,000	1,506,600
Federal Fund	18,862,425	20,628,343	23,858,100	25,139,600	25,271,700
<b>TOTAL EXPENDITURES</b>	<b>21,032,962</b>	<b>22,741,466</b>	<b>25,815,800</b>	<b>26,839,600</b>	<b>26,778,300</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 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	28,825,975	49,378,160	41,490,600	95,000	130,000
Current Receipts	82,520	279,001	50,300	921,900	898,400
Non-Revenue Receipts	39,651,141	11,773,138	-3,702,500	15,000	15,000
<b>Total Restricted Funds</b>	<b>68,559,635</b>	<b>61,430,299</b>	<b>37,838,400</b>	<b>1,031,900</b>	<b>1,043,400</b>
<b>Federal Fund</b>					
Balance Forward	918,693	980,652	3,718,300		
Current Receipts	438,254,737	353,330,912	368,782,500	374,643,000	374,415,800
Non-Revenue Receipts	-56,876,981	178,339			
<b>Total Federal Fund</b>	<b>382,296,448</b>	<b>354,489,902</b>	<b>372,500,800</b>	<b>374,643,000</b>	<b>374,415,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>450,856,083</b>	<b>415,920,201</b>	<b>410,339,200</b>	<b>375,674,900</b>	<b>375,459,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	25,848,163	23,762,405	22,233,100	24,319,600	24,552,500
Operating Expenses	8,743,995	8,859,414	8,853,800	8,771,500	8,287,900
Grants Loans Benefits	350,565,528	320,441,841	342,453,800	342,453,800	342,453,800
Debt Service	15,156,912	17,647,659	36,619,200		
Capital Outlay	92,673		84,300		
Construction	90,000				
<b>TOTAL EXPENDITURES</b>	<b>400,497,271</b>	<b>370,711,319</b>	<b>410,244,200</b>	<b>375,544,900</b>	<b>375,294,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	19,181,475	19,939,709	37,743,400	901,900	878,400
Federal Fund	381,315,796	350,771,610	372,500,800	374,643,000	374,415,800
<b>TOTAL EXPENDITURES</b>	<b>400,497,271</b>	<b>370,711,319</b>	<b>410,244,200</b>	<b>375,544,900</b>	<b>375,294,200</b>
<b>EXPENDITURES BY UNIT</b>					
Unemployment Insurance Administration	50,794,330	51,022,510	68,544,200	33,844,900	33,594,200
Unemployment Insurance Benefits	349,702,941	319,688,809	341,700,000	341,700,000	341,700,000
<b>TOTAL EXPENDITURES</b>	<b>400,497,271</b>	<b>370,711,319</b>	<b>410,244,200</b>	<b>375,544,900</b>	<b>375,294,200</b>

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.

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**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Federal Fund</b>					
Balance Forward	69,679	37,740	37,700		
Current Receipts	39,220,207	38,617,881	41,509,700	40,853,000	41,077,900
Non-Revenue Receipts	-43,935	264,014			
<b>Total Federal Fund</b>	<b>39,245,951</b>	<b>38,919,635</b>	<b>41,547,400</b>	<b>40,853,000</b>	<b>41,077,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>39,245,951</b>	<b>38,919,635</b>	<b>41,547,400</b>	<b>40,853,000</b>	<b>41,077,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,155,058	1,968,094	2,134,600	2,914,400	2,237,700
Operating Expenses	1,789,218	1,741,610	826,100	1,013,100	826,100
Grants Loans Benefits	35,223,364	35,171,785	38,586,700	36,925,500	38,014,100
Capital Outlay	40,570	405			
<b>TOTAL EXPENDITURES</b>	<b>39,208,211</b>	<b>38,881,895</b>	<b>41,547,400</b>	<b>40,853,000</b>	<b>41,077,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Fund	39,208,211	38,881,895	41,547,400	40,853,000	41,077,900
<b>TOTAL EXPENDITURES</b>	<b>39,208,211</b>	<b>38,881,895</b>	<b>41,547,400</b>	<b>40,853,000</b>	<b>41,077,900</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 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	11,709,100	11,849,300	11,872,700	13,393,000	13,459,000
<b>Total General Fund</b>	<b>11,709,100</b>	<b>11,849,300</b>	<b>11,872,700</b>	<b>13,393,000</b>	<b>13,459,000</b>
<b>Restricted Funds</b>					
Balance Forward	206,847	210,246	-49,900		
Current Receipts	2,464,634	2,389,195	3,358,700	3,334,000	3,336,300
<b>Total Restricted Funds</b>	<b>2,671,481</b>	<b>2,599,441</b>	<b>3,308,800</b>	<b>3,334,000</b>	<b>3,336,300</b>
<b>Federal Fund</b>					
Balance Forward	26,134	2,442	2,400		
Current Receipts	55,938,938	39,254,970	44,189,600	50,270,000	50,341,400
Non-Revenue Receipts	667,456	186,762			
<b>Total Federal Fund</b>	<b>56,632,529</b>	<b>39,444,173</b>	<b>44,192,000</b>	<b>50,270,000</b>	<b>50,341,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>71,013,110</b>	<b>53,892,914</b>	<b>59,373,500</b>	<b>66,997,000</b>	<b>67,136,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	25,116,166	22,639,555	23,494,800	25,096,100	25,239,800
Operating Expenses	5,459,948	5,081,617	5,086,400	5,294,800	5,290,800
Grants Loans Benefits	40,081,912	25,739,157	30,792,300	36,606,100	36,606,100
Capital Outlay	127,587	2,525			
Construction	14,810				
<b>TOTAL EXPENDITURES</b>	<b>70,800,422</b>	<b>53,462,854</b>	<b>59,373,500</b>	<b>66,997,000</b>	<b>67,136,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	11,709,100	11,849,300	11,872,700	13,393,000	13,459,000
Restricted Funds	2,461,235	2,171,822	3,308,800	3,334,000	3,336,300
Federal Fund	56,630,087	39,441,731	44,192,000	50,270,000	50,341,400
<b>TOTAL EXPENDITURES</b>	<b>70,800,422</b>	<b>53,462,854</b>	<b>59,373,500</b>	<b>66,997,000</b>	<b>67,136,700</b>
<b>EXPENDITURES BY UNIT</b>					
Carl D. Perkins Vocational Training Center	8,553,594	7,375,925	7,443,900	8,067,800	8,138,800
Program Services	60,410,976	45,271,557	51,290,300	58,162,200	58,230,900
Executive Director	1,835,853	815,371	639,300	767,000	767,000
<b>TOTAL EXPENDITURES</b>	<b>70,800,422</b>	<b>53,462,854</b>	<b>59,373,500</b>	<b>66,997,000</b>	<b>67,136,700</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 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,361,300	6,819,400	6,839,300	3,624,700	3,643,800
Budget Reduction-General Fund		-130,493	-725,600		
<b>Total General Fund</b>	<b>7,361,300</b>	<b>6,688,907</b>	<b>6,113,700</b>	<b>3,624,700</b>	<b>3,643,800</b>
<b>Restricted Funds</b>					
Balance Forward	1,067,080	1,624,256	1,844,500	1,844,500	1,822,200
Current Receipts	700,703	729,060	1,100,000	1,100,000	950,000
Non-Revenue Receipts	2,700				
<b>Total Restricted Funds</b>	<b>1,770,483</b>	<b>2,353,316</b>	<b>2,944,500</b>	<b>2,944,500</b>	<b>2,772,200</b>
<b>Federal Fund</b>					
Balance Forward	15,346				
Current Receipts	402,661	611,082	776,000	95,500	95,900
Non-Revenue Receipts	291,507	-165,371			
<b>Total Federal Fund</b>	<b>709,514</b>	<b>445,710</b>	<b>776,000</b>	<b>95,500</b>	<b>95,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>9,841,298</b>	<b>9,487,933</b>	<b>9,834,200</b>	<b>6,664,700</b>	<b>6,511,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,145,733	3,102,435	3,916,600	3,863,500	3,755,100
Operating Expenses	730,394	676,211	776,100	825,900	805,800
Grants Loans Benefits	4,001,730	3,864,802	3,297,000	153,100	153,100
<b>TOTAL EXPENDITURES</b>	<b>7,877,856</b>	<b>7,643,448</b>	<b>7,989,700</b>	<b>4,842,500</b>	<b>4,714,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	7,022,114	6,688,906	6,113,700	3,624,700	3,643,800
Restricted Funds	146,228	508,831	1,100,000	1,122,300	974,300
Federal Fund	709,514	445,710	776,000	95,500	95,900
<b>TOTAL EXPENDITURES</b>	<b>7,877,856</b>	<b>7,643,448</b>	<b>7,989,700</b>	<b>4,842,500</b>	<b>4,714,000</b>
<b>EXPENDITURES BY UNIT</b>					
Operations	4,537,000	4,327,338	5,187,000	4,842,500	4,714,000
Kentucky Teacher Internship Program	3,340,857	3,316,110	2,802,700		
<b>TOTAL EXPENDITURES</b>	<b>7,877,856</b>	<b>7,643,448</b>	<b>7,989,700</b>	<b>4,842,500</b>	<b>4,714,000</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 4,700 candidates (student teachers and interns) and 5,500 supervising teachers.

**Policy**

Notwithstanding KRS 161.030, the Budget of the Commonwealth provides no funding for the Kentucky Teacher Internship Program.

# Energy and Environment

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## Energy and Environment

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	78,113,400	77,026,500	76,883,500	87,443,600	88,903,000
Continuing Approp-General Fund	674,471	539,512	610,600		
Budget Reduction-General Fund			-3,552,200		
Reorganization Adjustment					
Mandated Allotments	3,856,504	5,736,721	528,100		
Other					
<b>Total General Fund</b>	<b>82,644,375</b>	<b>83,302,733</b>	<b>74,470,000</b>	<b>87,443,600</b>	<b>88,903,000</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I		5,000,000	5,000,000	3,757,300	3,757,300
Special Appropriation	5,000,000				
Continuing Approp-Tob Settlement	11,483,512	12,846,556	13,896,000		
<b>Total Tobacco Fund</b>	<b>16,483,512</b>	<b>17,846,556</b>	<b>18,896,000</b>	<b>3,757,300</b>	<b>3,757,300</b>
<b>Restricted Funds</b>					
Balance Forward	24,632,513	33,662,930	25,078,400	19,314,300	10,117,500
Current Receipts	23,178,436	23,744,512	24,246,700	31,378,800	32,652,700
Non-Revenue Receipts	66,776,271	65,567,037	68,215,800	67,632,600	70,116,400
Fund Transfers	-8,016,200	-24,399,500	-8,000,000	-14,500,000	-14,500,000
<b>Total Restricted Funds</b>	<b>106,571,020</b>	<b>98,574,979</b>	<b>109,540,900</b>	<b>103,825,700</b>	<b>98,386,600</b>
<b>Federal Fund</b>					
Balance Forward		30,376			
Current Receipts	66,933,308	61,104,077	74,320,100	87,016,400	87,040,800
Non-Revenue Receipts	-3,435,287	3,526,443	-2,305,500	-2,266,700	-2,268,000
<b>Total Federal Fund</b>	<b>63,498,021</b>	<b>64,660,896</b>	<b>72,014,600</b>	<b>84,749,700</b>	<b>84,772,800</b>
<b>Road Fund</b>					
Regular Appropriation	320,900	320,900	320,900	320,900	320,900
<b>Total Road Fund</b>	<b>320,900</b>	<b>320,900</b>	<b>320,900</b>	<b>320,900</b>	<b>320,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>269,517,828</b>	<b>264,706,064</b>	<b>275,242,400</b>	<b>280,097,200</b>	<b>276,140,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	125,422,318	125,642,225	129,439,800	148,776,200	149,597,500
Operating Expenses	36,165,755	37,748,149	40,038,900	41,335,200	41,700,100
Grants Loans Benefits	30,578,708	32,057,807	44,334,000	23,463,300	23,229,500
Debt Service	616,000	483,000	474,000	424,500	849,000
Capital Outlay	3,424,523	9,802,130	10,764,200	6,909,300	6,417,800
Construction	15,993,801	12,319,489	23,809,200	42,586,000	42,774,200
<b>TOTAL EXPENDITURES</b>	<b>212,201,103</b>	<b>218,052,801</b>	<b>248,860,100</b>	<b>263,494,500</b>	<b>264,568,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	71,867,512	75,624,052	67,402,000	80,958,400	82,417,800
Tobacco Fund	3,636,956	3,950,597	18,896,000	3,757,300	3,757,300
Restricted Funds	72,908,090	73,496,356	90,226,600	93,708,200	93,299,300
Federal Fund	63,467,645	64,660,896	72,014,600	84,749,700	84,772,800
Road Fund	320,900	320,900	320,900	320,900	320,900
<b>TOTAL EXPENDITURES</b>	<b>212,201,103</b>	<b>218,052,801</b>	<b>248,860,100</b>	<b>263,494,500</b>	<b>264,568,100</b>
<b>EXPENDITURES BY UNIT</b>					
Secretary	5,028,450	4,934,367	5,997,000	6,330,500	6,130,900
Environmental Protection	104,772,026	111,467,687	116,884,100	124,230,800	124,643,700
Natural Resources	87,047,184	87,869,239	110,801,100	117,109,000	117,967,400
Energy Development and Independence	3,375,900	2,291,836	2,870,800	2,861,800	2,843,300



**EXPENDITURES BY UNIT**

Kentucky Nature Preserves Commission	1,736,093	1,703,401	1,999,900	2,218,000	2,238,400
Public Service Commission	10,241,450	9,786,270	10,307,200	10,744,400	10,744,400
<b>TOTAL EXPENDITURES</b>	<u>212,201,103</u>	<u>218,052,801</u>	<u>248,860,100</u>	<u>263,494,500</u>	<u>264,568,100</u>

The Energy and Environment Cabinet is charged with the protection and preservation of land, air and water resources as well as creating efficient, sustainable energy solutions. The Cabinet has three departments: Environmental Protection, Natural Resources, and Energy Development and Independence. Attached for administrative purposes are the Mine Safety Review Commission, the State Nature Preserves Commission, and the Public Service Commission.

A Secretary appointed by the Governor heads the Cabinet. The Secretary is responsible for leadership, monitoring trends and shaping a vision for the future of Kentucky's energy platform and environment.

**Energy and Environment  
Secretary**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,244,400	3,029,300	3,059,400	3,330,000	3,372,100
Budget Reduction-General Fund			-156,700		
<b>Total General Fund</b>	3,244,400	3,029,300	2,902,700	3,330,000	3,372,100
<b>Restricted Funds</b>					
Balance Forward	439,786	578,159	1,048,600	532,600	158,000
Current Receipts	36,153	36,031	35,900	35,900	35,900
Non-Revenue Receipts	1,553,225	1,476,422	1,416,000	1,463,600	1,471,000
Fund Transfers	-293,200				
<b>Total Restricted Funds</b>	1,735,963	2,090,612	2,500,500	2,032,100	1,664,900
<b>Federal Fund</b>					
Current Receipts	797,857	854,493	1,155,600	1,155,600	1,155,600
Non-Revenue Receipts	-25,612	8,523	-29,200	-29,200	-29,200
<b>Total Federal Fund</b>	772,246	863,015	1,126,400	1,126,400	1,126,400
<b>TOTAL SOURCE OF FUNDS</b>	5,752,609	5,982,928	6,529,600	6,488,500	6,163,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,022,190	4,062,962	4,600,200	5,197,900	5,050,100
Operating Expenses	1,006,260	871,404	1,135,000	1,132,600	1,080,800
Grants Loans Benefits					
Capital Outlay			261,800		
<b>TOTAL EXPENDITURES</b>	5,028,450	4,934,367	5,997,000	6,330,500	6,130,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,098,400	3,029,300	2,902,700	3,330,000	3,372,100
Restricted Funds	1,157,804	1,042,051	1,967,900	1,874,100	1,632,400
Federal Fund	772,246	863,015	1,126,400	1,126,400	1,126,400
<b>TOTAL EXPENDITURES</b>	5,028,450	4,934,367	5,997,000	6,330,500	6,130,900
<b>EXPENDITURES BY UNIT</b>					
Administrative Hearings	812,673	881,643	1,078,500	1,188,900	1,198,700
Ofc of Sec - Leg & Interg Aff - Gen Coun	4,055,116	4,045,734	4,918,500	5,141,600	4,932,200
Environmental Quality Commission	160,661	6,990			
<b>TOTAL EXPENDITURES</b>	5,028,450	4,934,367	5,997,000	6,330,500	6,130,900

The Office of the Secretary formulates and executes Cabinet policies based on administration priorities, state and federal statutes, regulations and legislative initiatives. The Office of the Secretary responds to concerns of the general public and initiates public information and education efforts.

The Office of Legislative and Intergovernmental Affairs is responsible for communicating programmatic and policy information to stakeholders including the legislature and local governments.

The Office of Legal Services provides litigation and other legal services for the Cabinet.

The Office of Administrative Hearings conducts administrative appeal hearings and issues recommended orders for review by the Secretary.

**Energy and Environment  
Environmental Protection**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	21,846,400	22,877,100	22,298,600	27,665,900	28,567,500
Budget Reduction-General Fund			-1,142,300		
<b>Total General Fund</b>	21,846,400	22,877,100	21,156,300	27,665,900	28,567,500
<b>Restricted Funds</b>					
Balance Forward	12,456,864	22,397,500	13,674,900	13,436,300	6,070,600
Current Receipts	19,996,447	20,191,196	20,801,900	28,556,600	29,943,100
Non-Revenue Receipts	59,563,614	60,368,116	58,313,500	53,700,000	56,067,600
Fund Transfers	-7,723,000	-24,399,500	-8,000,000	-14,500,000	-14,500,000
<b>Total Restricted Funds</b>	84,293,925	78,557,312	84,790,300	81,192,900	77,581,300
<b>Federal Fund</b>					
Balance Forward		26,101			
Current Receipts	23,555,178	17,944,859	25,043,500	22,083,700	21,684,700
Non-Revenue Receipts	-1,838,876	5,416,577	-990,600	-962,000	-961,200
<b>Total Federal Fund</b>	21,716,302	23,387,536	24,052,900	21,121,700	20,723,500
<b>Road Fund</b>					
Regular Appropriation	320,900	320,900	320,900	320,900	320,900
<b>Total Road Fund</b>	320,900	320,900	320,900	320,900	320,900
<b>TOTAL SOURCE OF FUNDS</b>	128,177,527	125,142,848	130,320,400	130,301,400	127,193,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	62,031,460	61,450,216	66,042,500	74,180,100	74,464,100
Operating Expenses	24,432,518	26,301,898	28,437,700	28,933,600	29,369,200
Grants Loans Benefits	15,371,876	15,551,975	16,103,500	15,759,700	15,650,900
Debt Service	27,000	9,000		424,500	849,000
Capital Outlay	1,705,850	6,995,587	6,200,400	4,832,900	4,210,500
Construction	1,203,322	1,159,011	100,000	100,000	100,000
<b>TOTAL EXPENDITURES</b>	104,772,026	111,467,687	116,884,100	124,230,800	124,643,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	20,864,500	22,877,100	21,156,300	27,665,900	28,567,500
Restricted Funds	61,896,425	64,882,151	71,354,000	75,122,300	75,031,800
Federal Fund	21,690,201	23,387,536	24,052,900	21,121,700	20,723,500
Road Fund	320,900	320,900	320,900	320,900	320,900
<b>TOTAL EXPENDITURES</b>	104,772,026	111,467,687	116,884,100	124,230,800	124,643,700
<b>EXPENDITURES BY UNIT</b>					
Commissioner	598,438	1,557,031	726,900	865,300	863,500
Water	25,846,917	26,430,709	28,001,700	28,287,900	29,024,900
Waste Management	29,203,736	29,333,739	30,894,200	33,082,600	32,272,300
Air Quality	15,245,065	15,524,005	17,229,100	18,691,900	18,298,300
Environmental Program Support	6,895,864	6,949,455	8,006,600	8,476,900	8,524,800
Enforcement	1,781,142	1,914,348	2,054,200	2,263,500	2,299,100
Compliance Assistance	1,550,667	1,481,062	2,223,000	2,022,800	1,954,800
Petroleum Storage Tank	23,650,199	28,277,339	27,748,400	30,539,900	31,406,000
Environmental Assurance Fund					
<b>TOTAL EXPENDITURES</b>	104,772,026	111,467,687	116,884,100	124,230,800	124,643,700

The Department for Environmental Protection is responsible for the protection of the environment through the prevention, abatement, and control of water, land, and air pollution. The Department is also responsible for the Maxey Flats low-level nuclear waste disposal site.

**Energy and Environment  
Environmental Protection  
Commissioner**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	355,200	1,289,100	394,800	607,800	619,000
Budget Reduction-General Fund			-27,400		
Other		60,000	124,800		
<b>Total General Fund</b>	355,200	1,349,100	492,200	607,800	619,000
<b>Restricted Funds</b>					
Balance Forward	30,411	18,674	42,200	39,000	13,000
Non-Revenue Receipts	231,500	231,500	231,500	231,500	231,500
<b>Total Restricted Funds</b>	261,911	250,174	273,700	270,500	244,500
<b>Federal Fund</b>					
<hr/>					
<b>TOTAL SOURCE OF FUNDS</b>	617,111	1,599,274	765,900	878,300	863,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	573,853	641,062	670,100	807,200	805,400
Operating Expenses	24,584	60,069	56,800	58,100	58,100
Capital Outlay		855,900			
<b>TOTAL EXPENDITURES</b>	598,438	1,557,031	726,900	865,300	863,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	355,200	1,349,100	492,200	607,800	619,000
Restricted Funds	243,238	207,931	234,700	257,500	244,500
<b>TOTAL EXPENDITURES</b>	598,438	1,557,031	726,900	865,300	863,500

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

**Energy and Environment  
Environmental Protection**

**Water**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	9,820,300	9,735,900	9,881,000	13,615,100	14,188,700
Budget Reduction-General Fund			-537,300		
Other	-113,100		361,600		
<b>Total General Fund</b>	<b>9,707,200</b>	<b>9,735,900</b>	<b>9,705,300</b>	<b>13,615,100</b>	<b>14,188,700</b>
<b>Restricted Funds</b>					
Balance Forward	2,081,599	1,939,698	1,927,100	275,500	
Current Receipts	1,852,408	1,341,616	1,674,100	1,445,200	2,126,300
Non-Revenue Receipts	281,021	102,781	291,600	388,500	384,700
<b>Total Restricted Funds</b>	<b>4,215,028</b>	<b>3,384,095</b>	<b>3,892,800</b>	<b>2,109,200</b>	<b>2,511,000</b>
<b>Federal Fund</b>					
Balance Forward		-346,228			
Current Receipts	14,521,290	11,703,508	14,897,900	12,762,800	12,520,600
Non-Revenue Receipts	-1,324,032	3,293,145	-539,700	-520,100	-516,300
<b>Total Federal Fund</b>	<b>13,197,258</b>	<b>14,650,425</b>	<b>14,358,200</b>	<b>12,242,700</b>	<b>12,004,300</b>
<b>Road Fund</b>					
Regular Appropriation	320,900	320,900	320,900	320,900	320,900
<b>Total Road Fund</b>	<b>320,900</b>	<b>320,900</b>	<b>320,900</b>	<b>320,900</b>	<b>320,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>27,440,386</b>	<b>28,091,320</b>	<b>28,277,200</b>	<b>28,287,900</b>	<b>29,024,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	20,588,044	20,219,772	21,150,300	23,710,400	23,861,000
Operating Expenses	2,574,919	2,957,769	3,212,200	2,362,100	2,681,200
Grants Loans Benefits	2,492,365	3,246,956	3,257,200	1,755,900	1,633,700
Debt Service	27,000	9,000		424,500	849,000
Capital Outlay	209,656		382,000	35,000	
<b>TOTAL EXPENDITURES</b>	<b>25,891,983</b>	<b>26,433,497</b>	<b>28,001,700</b>	<b>28,287,900</b>	<b>29,024,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	9,707,200	9,735,900	9,705,300	13,615,100	14,188,700
Restricted Funds	2,320,396	1,726,272	3,617,300	2,109,200	2,511,000
Federal Fund	13,543,487	14,650,425	14,358,200	12,242,700	12,004,300
Road Fund	320,900	320,900	320,900	320,900	320,900
<b>TOTAL EXPENDITURES</b>	<b>25,891,983</b>	<b>26,433,497</b>	<b>28,001,700</b>	<b>28,287,900</b>	<b>29,024,900</b>

The Division of Water, pursuant to KRS Chapters 146, 149, 151, 220, 223, 224, 224A, 261, 350.029, 350.275 and federal law including PL 92-500 as amended (the Clean Water Act) and 92-523 as amended (the Safe Drinking Water Act), is responsible for administering programs for: ensuring a safe drinking water supply, water quality planning and monitoring, stormwater management, dam safety, groundwater protection, wastewater treatment and sewer line construction, water conservation, and regulation development.

The Division administers programs relating to groundwater protection plans, Total Maximum Daily Load Plans, the Non-Point Source 319(h) Grant program, watershed management, dam safety inspections, floodplain management, 401 Water Quality Certifications, water quality standards, water quality monitoring and assessment, Clean Water and Drinking Water State Revolving Loan programs, Kentucky Pollution Discharge Elimination System permitting, confined animal feeding operations compliance, and logging operations.

**Policy**

The Budget of the Commonwealth includes General Fund debt service in the amount of \$424,500 in fiscal year 2018-2019 and \$849,000 in fiscal year 2019-2020 to support new bonds as set forth in Part II, Capital Projects Budget.

**Energy and Environment  
Environmental Protection  
Waste Management**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,265,500	5,125,500	5,205,100	5,703,400	5,886,400
Budget Reduction-General Fund			-260,400		
Other	-144,000	-60,000	-361,600		
<b>Total General Fund</b>	5,121,500	5,065,500	4,583,100	5,703,400	5,886,400
<b>Restricted Funds</b>					
Balance Forward	3,693,443	3,719,366	5,412,700	4,834,800	748,500
Current Receipts	3,900,039	4,530,538	3,914,400	9,604,400	9,804,400
Non-Revenue Receipts	15,480,590	15,532,612	16,424,300	11,312,700	13,653,100
Fund Transfers				-3,000,000	-3,000,000
<b>Total Restricted Funds</b>	23,074,072	23,782,517	25,751,400	22,751,900	21,206,000
<b>Federal Fund</b>					
Balance Forward		338,955			
Current Receipts	6,000,773	4,115,594	5,695,700	5,675,300	5,606,700
Non-Revenue Receipts	-350,787	1,443,885	-301,200	-299,500	-301,200
<b>Total Federal Fund</b>	5,649,985	5,898,435	5,394,500	5,375,800	5,305,500
<b>TOTAL SOURCE OF FUNDS</b>	33,845,557	34,746,451	35,729,000	33,831,100	32,397,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	13,893,416	13,620,709	14,697,200	16,266,400	16,091,700
Operating Expenses	2,155,452	2,412,489	2,677,500	2,273,400	1,879,100
Grants Loans Benefits	12,779,376	12,150,274	12,034,500	13,504,800	13,525,400
Capital Outlay	284,042	1,130,968	1,385,000	938,000	676,100
Construction	91,450	19,299	100,000	100,000	100,000
<b>TOTAL EXPENDITURES</b>	29,203,736	29,333,739	30,894,200	33,082,600	32,272,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,538,000	5,065,500	4,583,100	5,703,400	5,886,400
Restricted Funds	19,354,705	18,369,805	20,916,600	22,003,400	21,080,400
Federal Fund	5,311,030	5,898,435	5,394,500	5,375,800	5,305,500
<b>TOTAL EXPENDITURES</b>	29,203,736	29,333,739	30,894,200	33,082,600	32,272,300

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

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

Maxey Flats, once a low-level nuclear waste disposal site and closed in 1977, was designated to be in its Final Closure Period as of November, 2012. This includes the installation of a permanent vegetative cap, permanent surface water control features, and surface monuments to identify the location of buried waste. This project was funded in the 2012-14 biennial budget from private funds paid into a trust fund by the Private Settling Parties and from General Fund supported bonds. The final cap was substantially completed in November, 2016. The Commonwealth of Kentucky assumed ownership and responsibility for the toxic site in 1978, and is responsible for long-term monitoring and maintenance activities of the site in perpetuity. Ongoing monitoring and maintenance is funded from the General Fund.

**Energy and Environment  
Environmental Protection**

**Air Quality**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,410,963	1,453,110	1,154,400	573,200	738,000
Current Receipts	13,540,470	13,515,736	14,592,800	17,001,400	17,391,800
Non-Revenue Receipts	99,289	86,435	93,500	87,000	88,300
<b>Total Restricted Funds</b>	<b>15,050,722</b>	<b>15,055,281</b>	<b>15,840,700</b>	<b>17,661,600</b>	<b>18,218,100</b>
<b>Federal Fund</b>					
Balance Forward		23,953			
Current Receipts	1,770,696	1,106,727	2,055,100	1,855,300	1,855,400
Non-Revenue Receipts	-99,289	492,520	-93,500	-87,000	-88,300
<b>Total Federal Fund</b>	<b>1,671,407</b>	<b>1,623,200</b>	<b>1,961,600</b>	<b>1,768,300</b>	<b>1,767,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>16,722,128</b>	<b>16,678,481</b>	<b>17,802,300</b>	<b>19,429,900</b>	<b>19,985,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	12,964,809	13,101,383	14,234,900	15,798,300	15,966,800
Operating Expenses	1,847,323	1,953,096	2,188,500	2,268,700	2,032,100
Grants Loans Benefits	11,841	35,931	65,000	65,000	65,000
Capital Outlay	421,091	433,595	740,700	559,900	234,400
<b>TOTAL EXPENDITURES</b>	<b>15,245,065</b>	<b>15,524,005</b>	<b>17,229,100</b>	<b>18,691,900</b>	<b>18,298,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	13,597,611	13,900,806	15,267,500	16,923,600	16,531,200
Federal Fund	1,647,454	1,623,200	1,961,600	1,768,300	1,767,100
<b>TOTAL EXPENDITURES</b>	<b>15,245,065</b>	<b>15,524,005</b>	<b>17,229,100</b>	<b>18,691,900</b>	<b>18,298,300</b>

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

The 1990 Clean Air Act Amendments imposed new permitting requirements to protect air quality. Federal law requires that an emission fee be levied on facilities with significant air pollutants to fund the implementation of the new requirements. If a state does not have continued authorization, the fee will be collected by the U.S. Environmental Protection Agency to fund a federal permitting program. The Division has been granted authority to enforce portions of the Clean Air Act in the Commonwealth. Under that authority the Division operates the Title V Operating Permit Program, and costs associated therewith are funded through emission fees assessed pursuant to the Clean Air Act and KRS 224.20-050.

**Energy and Environment  
Environmental Protection  
Environmental Program Support**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,183,600	5,513,700	5,586,300	6,436,400	6,546,000
Budget Reduction-General Fund			-258,800		
Other	257,100				
<b>Total General Fund</b>	<b>5,440,700</b>	<b>5,513,700</b>	<b>5,327,500</b>	<b>6,436,400</b>	<b>6,546,000</b>
<b>Restricted Funds</b>					
Balance Forward	450,134	440,054	529,500		
Current Receipts	146,935	74,578	90,000	90,000	90,000
Non-Revenue Receipts	1,510,903	1,314,015	1,498,800	1,646,800	1,673,400
<b>Total Restricted Funds</b>	<b>2,107,972</b>	<b>1,828,648</b>	<b>2,118,300</b>	<b>1,736,800</b>	<b>1,763,400</b>
<b>Federal Fund</b>					
Current Receipts	68,247	136,649	560,800	303,700	215,400
<b>Total Federal Fund</b>	<b>68,247</b>	<b>136,649</b>	<b>560,800</b>	<b>303,700</b>	<b>215,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,616,918</b>	<b>7,478,996</b>	<b>8,006,600</b>	<b>8,476,900</b>	<b>8,524,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,112,630	5,320,314	6,064,100	7,156,700	7,205,900
Operating Expenses	1,529,157	1,520,884	1,661,000	1,311,200	1,317,100
Grants Loans Benefits	900	8,924	1,800	9,000	1,800
Capital Outlay	253,176	99,332	279,700		
<b>TOTAL EXPENDITURES</b>	<b>6,895,864</b>	<b>6,949,455</b>	<b>8,006,600</b>	<b>8,476,900</b>	<b>8,524,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,159,700	5,513,700	5,327,500	6,436,400	6,546,000
Restricted Funds	1,667,917	1,299,106	2,118,300	1,736,800	1,763,400
Federal Fund	68,247	136,649	560,800	303,700	215,400
<b>TOTAL EXPENDITURES</b>	<b>6,895,864</b>	<b>6,949,455</b>	<b>8,006,600</b>	<b>8,476,900</b>	<b>8,524,800</b>

The Division of Environmental Program Support provides support to the Department in the areas of laboratory services, personnel, budget, information technology and overall administration. The Division provides centralized laboratory testing for the Department. The Division also supports and directs the activities of the Environmental Response Team and is responsible for the cabinet's twenty-four (24) hour environmental response line. Activities are conducted pursuant to KRS 224.10-100(7).



**Energy and Environment  
Environmental Protection  
Enforcement**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	908,400	908,100	922,400	1,082,900	1,103,000
Budget Reduction-General Fund			-48,500		
<b>Total General Fund</b>	908,400	908,100	873,900	1,082,900	1,103,000
<b>Restricted Funds</b>					
Balance Forward	141,032	76,613	108,400		
Non-Revenue Receipts	485,522	687,067	703,800	812,500	828,000
<b>Total Restricted Funds</b>	626,553	763,680	812,200	812,500	828,000
<b>Federal Fund</b>					
Balance Forward		-4,632			
Current Receipts	419,013	307,956	390,300	390,300	390,300
Non-Revenue Receipts	-23,344	47,653	-22,200	-22,200	-22,200
<b>Total Federal Fund</b>	395,669	350,976	368,100	368,100	368,100
<b>TOTAL SOURCE OF FUNDS</b>	1,930,622	2,022,756	2,054,200	2,263,500	2,299,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,598,018	1,711,738	1,830,900	2,041,700	2,077,300
Operating Expenses	183,124	202,609	223,300	221,800	221,800
<b>TOTAL EXPENDITURES</b>	1,781,142	1,914,348	2,054,200	2,263,500	2,299,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	830,900	908,100	873,900	1,082,900	1,103,000
Restricted Funds	549,940	655,272	812,200	812,500	828,000
Federal Fund	400,301	350,976	368,100	368,100	368,100
<b>TOTAL EXPENDITURES</b>	1,781,142	1,914,348	2,054,200	2,263,500	2,299,100

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

**Energy and Environment  
Environmental Protection  
Compliance Assistance**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	313,400	304,800	309,000	220,300	224,400
Budget Reduction-General Fund			-9,900		
Other			-124,800		
<b>Total General Fund</b>	<b>313,400</b>	<b>304,800</b>	<b>174,300</b>	<b>220,300</b>	<b>224,400</b>
<b>Restricted Funds</b>					
Balance Forward	464,667	496,264	602,700	544,100	301,100
Current Receipts	371,667	333,435	370,600	255,600	370,600
Non-Revenue Receipts	217,413	221,403	209,800	240,800	283,800
<b>Total Restricted Funds</b>	<b>1,053,748</b>	<b>1,051,102</b>	<b>1,183,100</b>	<b>1,040,500</b>	<b>955,500</b>
<b>Federal Fund</b>					
Balance Forward		14,053			
Current Receipts	775,160	574,425	1,443,700	1,096,300	1,096,300
Non-Revenue Receipts	-41,424	139,374	-34,000	-33,200	-33,200
<b>Total Federal Fund</b>	<b>733,736</b>	<b>727,852</b>	<b>1,409,700</b>	<b>1,063,100</b>	<b>1,063,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,100,884</b>	<b>2,083,754</b>	<b>2,767,100</b>	<b>2,323,900</b>	<b>2,243,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,238,095	1,148,705	1,288,600	1,425,400	1,433,900
Operating Expenses	210,342	220,032	249,400	252,400	175,900
Grants Loans Benefits	102,229	112,325	685,000	345,000	345,000
<b>TOTAL EXPENDITURES</b>	<b>1,550,667</b>	<b>1,481,062</b>	<b>2,223,000</b>	<b>2,022,800</b>	<b>1,954,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	273,500	304,800	174,300	220,300	224,400
Restricted Funds	557,484	448,410	639,000	739,400	667,300
Federal Fund	719,682	727,852	1,409,700	1,063,100	1,063,100
<b>TOTAL EXPENDITURES</b>	<b>1,550,667</b>	<b>1,481,062</b>	<b>2,223,000</b>	<b>2,022,800</b>	<b>1,954,800</b>

The Division of Compliance Assistance supports the Cabinet's environmental mission by providing training and technical assistance to regulated facilities, helping communities in brownfield redevelopment efforts, certifying environmental professionals and encouraging environmental leadership.

**Energy and Environment  
Environmental Protection  
Petroleum Storage Tank Environmental Assurance Fund**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	4,184,615	14,253,721	3,897,900	7,169,700	4,270,000
Current Receipts	184,928	399,242	160,000	160,000	160,000
Non-Revenue Receipts	41,257,376	41,921,764	38,860,200	38,980,200	38,924,800
Fund Transfers	-7,723,000	-24,399,500	-8,000,000	-11,500,000	-11,500,000
<b>Total Restricted Funds</b>	<b>37,903,919</b>	<b>32,175,227</b>	<b>34,918,100</b>	<b>34,809,900</b>	<b>31,854,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>37,903,919</b>	<b>32,175,227</b>	<b>34,918,100</b>	<b>34,809,900</b>	<b>31,854,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,073,594	5,686,534	6,106,400	6,974,000	7,022,100
Operating Expenses	15,911,682	16,975,301	18,169,000	20,185,900	21,003,900
Grants Loans Benefits	15,166		60,000	80,000	80,000
Capital Outlay	537,884	4,475,792	3,413,000	3,300,000	3,300,000
Construction	1,111,872	1,139,712			
<b>TOTAL EXPENDITURES</b>	<b>23,650,199</b>	<b>28,277,339</b>	<b>27,748,400</b>	<b>30,539,900</b>	<b>31,406,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	23,650,199	28,277,339	27,748,400	30,539,900	31,406,000
<b>TOTAL EXPENDITURES</b>	<b>23,650,199</b>	<b>28,277,339</b>	<b>27,748,400</b>	<b>30,539,900</b>	<b>31,406,000</b>

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

**Energy and Environment**

**Natural Resources**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	33,579,600	32,330,000	32,632,200	37,228,700	37,702,200
Budget Reduction-General Fund			-1,671,700		
Mandated Allotments	3,856,504	5,736,721	528,100		
Other					
<b>Total General Fund</b>	<b>37,436,104</b>	<b>38,066,721</b>	<b>31,488,600</b>	<b>37,228,700</b>	<b>37,702,200</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I		5,000,000	5,000,000	3,757,300	3,757,300
Special Appropriation	5,000,000				
Continuing Approp-Tob Settlement	11,483,512	12,846,556	13,896,000		
<b>Total Tobacco Fund</b>	<b>16,483,512</b>	<b>17,846,556</b>	<b>18,896,000</b>	<b>3,757,300</b>	<b>3,757,300</b>
<b>Restricted Funds</b>					
Balance Forward	8,459,671	8,098,007	6,756,400	2,226,100	1,272,500
Current Receipts	2,788,267	3,070,919	2,778,600	2,484,100	2,484,100
Non-Revenue Receipts	4,420,992	1,928,422	7,349,000	11,260,400	11,369,200
<b>Total Restricted Funds</b>	<b>15,668,930</b>	<b>13,097,348</b>	<b>16,884,000</b>	<b>15,970,600</b>	<b>15,125,800</b>
<b>Federal Fund</b>					
Current Receipts	41,231,120	41,043,279	46,743,200	62,425,800	62,849,200
Non-Revenue Receipts	-1,316,769	-1,532,205	-984,600	-1,000,900	-1,003,000
<b>Total Federal Fund</b>	<b>39,914,351</b>	<b>39,511,075</b>	<b>45,758,600</b>	<b>61,424,900</b>	<b>61,846,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>109,502,897</b>	<b>108,521,699</b>	<b>113,027,200</b>	<b>118,381,500</b>	<b>118,431,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	48,252,651	49,618,470	47,525,500	56,329,400	56,972,300
Operating Expenses	8,785,449	8,803,240	8,538,400	9,627,800	9,608,900
Grants Loans Benefits	13,542,310	15,584,163	26,922,900	6,703,900	6,619,200
Capital Outlay	1,676,297	2,708,857	4,105,100	1,961,900	2,092,800
Construction	14,790,478	11,154,508	23,709,200	42,486,000	42,674,200
<b>TOTAL EXPENDITURES</b>	<b>87,047,184</b>	<b>87,869,239</b>	<b>110,801,100</b>	<b>117,109,000</b>	<b>117,967,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	35,924,954	38,066,721	31,488,600	37,228,700	37,702,200
Tobacco Fund	3,636,956	3,950,597	18,896,000	3,757,300	3,757,300
Restricted Funds	7,570,924	6,340,847	14,657,900	14,698,100	14,661,700
Federal Fund	39,914,351	39,511,075	45,758,600	61,424,900	61,846,200
<b>TOTAL EXPENDITURES</b>	<b>87,047,184</b>	<b>87,869,239</b>	<b>110,801,100</b>	<b>117,109,000</b>	<b>117,967,400</b>
<b>EXPENDITURES BY UNIT</b>					
Commissioner	925,890	883,306	1,211,300	1,466,500	1,310,900
Forestry	18,172,336	19,260,199	17,183,700	19,221,100	19,332,500
Technical and Administrative Support	475,142	518,923	562,600	533,300	533,300
Conservation	6,582,230	7,081,493	22,998,600	6,592,100	6,617,100
Oil and Gas	2,106,073	2,121,109	2,310,300	2,477,500	2,587,000
Mine Permits	5,024,949	4,818,499	5,293,400	5,716,600	5,684,700
Mine Reclamation and Enforcement	13,346,033	13,678,916	13,714,500	14,883,400	15,017,100
Abandoned Mine Lands	10,408,030	9,784,966	14,738,400	18,116,800	18,471,500
Mine Safety	9,765,266	10,015,341	9,668,000	10,372,400	10,671,400
Reclamation Guaranty Fund	684,539	683,733	957,800	1,974,800	1,943,800

Abandoned Mine Land Reclamation Projects	19,454,646	18,974,628	22,108,500	35,551,100	35,591,400
Mine Safety Review Commission	102,050	48,126	54,000	203,400	206,700
<b>TOTAL EXPENDITURES</b>	<b>87,047,184</b>	<b>87,869,239</b>	<b>110,801,100</b>	<b>117,109,000</b>	<b>117,967,400</b>

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

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

**Energy and Environment  
Natural Resources  
Commissioner**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	390,300	623,800	720,700	995,100	846,000
Budget Reduction-General Fund			-62,300		
Mandated Allotments		8,255			
Other	14,600	-180,326			
<b>Total General Fund</b>	<b>404,900</b>	<b>451,729</b>	<b>658,400</b>	<b>995,100</b>	<b>846,000</b>
<b>Restricted Funds</b>					
Balance Forward	56,613	142,705	86,900		
Non-Revenue Receipts	607,082	375,800	466,000	471,400	464,900
<b>Total Restricted Funds</b>	<b>663,695</b>	<b>518,505</b>	<b>552,900</b>	<b>471,400</b>	<b>464,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,068,595</b>	<b>970,234</b>	<b>1,211,300</b>	<b>1,466,500</b>	<b>1,310,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	863,865	797,696	1,110,900	1,387,200	1,210,800
Operating Expenses	62,025	85,610	100,400	79,300	100,100
<b>TOTAL EXPENDITURES</b>	<b>925,890</b>	<b>883,306</b>	<b>1,211,300</b>	<b>1,466,500</b>	<b>1,310,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	404,900	451,729	658,400	995,100	846,000
Restricted Funds	520,990	431,577	552,900	471,400	464,900
<b>TOTAL EXPENDITURES</b>	<b>925,890</b>	<b>883,306</b>	<b>1,211,300</b>	<b>1,466,500</b>	<b>1,310,900</b>

The Office of the Commissioner provides leadership, policy direction, and management for the Department for Natural Resources. The Commissioner provides guidance in policy and program implementation for the sustainability of Kentucky's natural resources and the safety of Kentucky's miners.

**Energy and Environment  
Natural Resources**

**Forestry**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	11,005,800	10,607,200	10,710,700	14,040,700	14,253,200
Budget Reduction-General Fund			-520,600		
Mandated Allotments	3,856,504	5,394,611	528,100		
<b>Total General Fund</b>	<b>14,862,304</b>	<b>16,001,811</b>	<b>10,718,200</b>	<b>14,040,700</b>	<b>14,253,200</b>
<b>Restricted Funds</b>					
Balance Forward	1,541,762	1,232,196	1,464,300	239,900	166,500
Current Receipts	873,923	1,131,060	1,435,000	1,232,400	1,232,400
Non-Revenue Receipts	-195,928	-128,532	12,900	81,400	81,400
<b>Total Restricted Funds</b>	<b>2,219,757</b>	<b>2,234,724</b>	<b>2,912,200</b>	<b>1,553,700</b>	<b>1,480,300</b>
<b>Federal Fund</b>					
Current Receipts	2,255,684	2,785,988	3,870,300	3,865,800	3,865,800
Non-Revenue Receipts	362,786	-298,084	-77,100	-72,600	-72,600
<b>Total Federal Fund</b>	<b>2,618,470</b>	<b>2,487,904</b>	<b>3,793,200</b>	<b>3,793,200</b>	<b>3,793,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>19,700,531</b>	<b>20,724,438</b>	<b>17,423,600</b>	<b>19,387,600</b>	<b>19,526,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	13,725,414	14,794,969	11,311,700	13,817,900	14,021,300
Operating Expenses	2,674,052	3,227,604	2,217,500	2,869,200	2,866,300
Grants Loans Benefits	805,511	688,862	1,355,200	967,900	957,900
Capital Outlay	967,358	548,763	2,299,300	1,566,100	1,487,000
<b>TOTAL EXPENDITURES</b>	<b>18,172,336</b>	<b>19,260,199</b>	<b>17,183,700</b>	<b>19,221,100</b>	<b>19,332,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	14,566,304	16,001,811	10,718,200	14,040,700	14,253,200
Restricted Funds	987,562	770,484	2,672,300	1,387,200	1,286,100
Federal Fund	2,618,470	2,487,904	3,793,200	3,793,200	3,793,200
<b>TOTAL EXPENDITURES</b>	<b>18,172,336</b>	<b>19,260,199</b>	<b>17,183,700</b>	<b>19,221,100</b>	<b>19,332,500</b>

In accordance with KRS 149 the Division of Forestry provides technical assistance on sound forest management practices; provides forest stewardship assistance to private landowners; assists timber operators and wood-using industries; grows and distributes tree seedlings at low cost for timber production; and provides urban and community forestry technical assistance to provide sustainability of the Commonwealth's 11.9 million acres of forestland.

The Division enforces the Kentucky Forest Conservation Act (149.330 – 149.355); the Division is responsible for inspecting logging operations and enforcing compliance with the Kentucky Master Logger Program and Best Management Practices to protect water quality. In addition, the Division maintains an inventory of Kentucky's forests. The Division provides administrative oversight to the Forestry Best Management Practices Board.

The Kentucky Division of Forestry is mandated to provide wildland fire protection for the Commonwealth. The Division has established a statewide system of wildland fire prevention, detection and suppression.

**Policy**

The Budget of the Commonwealth includes General Fund in the amount of \$2,260,000 in each fiscal year for the Division of Forestry for costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

**Energy and Environment  
Natural Resources  
Technical and Administrative Support**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	6,651	5,810	29,300		
Current Receipts		25			
Non-Revenue Receipts	738,300	665,827	533,300	533,300	533,300
<b>Total Restricted Funds</b>	<b>744,951</b>	<b>671,661</b>	<b>562,600</b>	<b>533,300</b>	<b>533,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>744,951</b>	<b>671,661</b>	<b>562,600</b>	<b>533,300</b>	<b>533,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	545,473	508,651	453,600	447,900	447,900
Operating Expenses	125,052	107,376	109,000	85,400	85,400
Grants Loans Benefits	48,247	35,936			
Capital Outlay		27,905			
<b>TOTAL EXPENDITURES</b>	<b>718,772</b>	<b>679,868</b>	<b>562,600</b>	<b>533,300</b>	<b>533,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	718,772	679,868	562,600	533,300	533,300
<b>TOTAL EXPENDITURES</b>	<b>718,772</b>	<b>679,868</b>	<b>562,600</b>	<b>533,300</b>	<b>533,300</b>

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



**Energy and Environment  
Natural Resources  
Conservation**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,132,700	1,892,700	1,928,500	868,000	893,000
Budget Reduction-General Fund			-57,900		
Other	-105,000				
<b>Total General Fund</b>	2,027,700	1,892,700	1,870,600	868,000	893,000
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I		5,000,000	5,000,000	3,757,300	3,757,300
Special Appropriation	5,000,000				
Continuing Approp-Tob Settlement	11,483,512	12,846,556	13,896,000		
<b>Total Tobacco Fund</b>	16,483,512	17,846,556	18,896,000	3,757,300	3,757,300
<b>Restricted Funds</b>					
Balance Forward	3,295,464	3,310,787	2,638,700	1,669,500	851,500
Current Receipts	18,966	31,266	67,900	100	100
Non-Revenue Receipts	313,178	282,718	262,800	262,300	262,300
<b>Total Restricted Funds</b>	3,627,608	3,624,771	2,969,400	1,931,900	1,113,900
<b>Federal Fund</b>					
Current Receipts	605,421	258,522	935,600	889,400	889,400
Non-Revenue Receipts	20,333	-6,279	-3,500	-3,000	-3,000
<b>Total Federal Fund</b>	625,753	252,242	932,100	886,400	886,400
<b>TOTAL SOURCE OF FUNDS</b>	22,764,573	23,616,269	24,668,100	7,443,600	6,650,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,280,823	1,333,072	1,333,000	1,555,200	1,574,500
Operating Expenses	140,115	131,100	179,100	47,900	48,000
Grants Loans Benefits	5,161,293	5,617,322	21,486,500	4,989,000	4,994,600
<b>TOTAL EXPENDITURES</b>	6,582,230	7,081,493	22,998,600	6,592,100	6,617,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,002,700	1,892,700	1,870,600	868,000	893,000
Tobacco Fund	3,636,956	3,950,597	18,896,000	3,757,300	3,757,300
Restricted Funds	316,821	985,954	1,299,900	1,080,400	1,080,400
Federal Fund	625,753	252,242	932,100	886,400	886,400
<b>TOTAL EXPENDITURES</b>	6,582,230	7,081,493	22,998,600	6,592,100	6,617,100

The Division of Conservation provides assistance to Kentucky's 121 conservation districts in the development and implementation of sound conservation programs to protect, enhance, and develop the Commonwealth's natural resources.

The Division administers the Kentucky Soil Erosion and Water Quality Cost Share Program and the Kentucky Soil Stewardship Program to help agricultural operations protect and preserve Kentucky's soil and water resources. The Division provides administrative services to the State Soil and Water Conservation Commission. The Division and the conservation districts provide educational opportunities to promote conservation of Kentucky's natural resources. These programs mitigate soil erosion, and other environmental problems associated with agricultural, woodland and construction operations which impact water quality.

**Policy**

The Budget of the Commonwealth provides Phase I Tobacco Settlement Funds in the amount of \$2,500,000 in each fiscal year for the state share of the Environmental Stewardship Program.

The Budget of the Commonwealth provides Phase I Tobacco Settlement Funds in the amount of \$907,300 in each fiscal year for the Division of Conservation to provide direct aid to local conservation districts.

The Budget of the Commonwealth provides Phase I Tobacco Settlement Funds in the amount of \$350,000 in each fiscal year for the nonfederal match for the Green River Conservation Reserve Enhancement Program.

**Energy and Environment**

**Natural Resources**

**Oil and Gas**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,563,200	1,905,200	1,870,700	2,134,600	2,244,100
Budget Reduction-General Fund			-99,800		
Mandated Allotments		3,995			
Other	175,000	50,000			
<b>Total General Fund</b>	<b>1,738,200</b>	<b>1,959,195</b>	<b>1,770,900</b>	<b>2,134,600</b>	<b>2,244,100</b>
<b>Restricted Funds</b>					
Balance Forward	127,114	75,375	181,000		
Current Receipts	297,910	264,421	221,400	221,400	221,400
Non-Revenue Receipts	18,224	150	-13,000	-13,000	-13,000
<b>Total Restricted Funds</b>	<b>443,248</b>	<b>339,946</b>	<b>389,400</b>	<b>208,400</b>	<b>208,400</b>
<b>Federal Fund</b>					
Current Receipts		3,164	160,500	145,000	145,000
Non-Revenue Receipts		-150	-10,500	-10,500	-10,500
<b>Total Federal Fund</b>		<b>3,014</b>	<b>150,000</b>	<b>134,500</b>	<b>134,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,181,448</b>	<b>2,302,155</b>	<b>2,310,300</b>	<b>2,477,500</b>	<b>2,587,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,701,253	1,792,857	1,779,900	2,250,100	2,285,400
Operating Expenses	363,182	312,108	372,100	159,100	233,300
Grants Loans Benefits	41,637	16,145	38,300	38,300	38,300
Capital Outlay			120,000	30,000	30,000
<b>TOTAL EXPENDITURES</b>	<b>2,106,073</b>	<b>2,121,109</b>	<b>2,310,300</b>	<b>2,477,500</b>	<b>2,587,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,738,200	1,959,195	1,770,900	2,134,600	2,244,100
Restricted Funds	367,873	158,900	389,400	208,400	208,400
Federal Fund		3,014	150,000	134,500	134,500
<b>TOTAL EXPENDITURES</b>	<b>2,106,073</b>	<b>2,121,109</b>	<b>2,310,300</b>	<b>2,477,500</b>	<b>2,587,000</b>

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

**Energy and Environment**

**Natural Resources**

**Mine Permits**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,702,400	1,619,400	1,634,300	2,094,400	2,000,600
Budget Reduction-General Fund			-88,500		
Mandated Allotments		5,704			
<b>Total General Fund</b>	<b>1,702,400</b>	<b>1,625,104</b>	<b>1,545,800</b>	<b>2,094,400</b>	<b>2,000,600</b>
<b>Restricted Funds</b>					
Balance Forward	362,992	377,466	490,000		
Current Receipts	1,025,840	831,557	794,400	745,100	745,100
Non-Revenue Receipts	81,118	-77,047	-233,200	-234,400	-234,400
<b>Total Restricted Funds</b>	<b>1,469,950</b>	<b>1,131,976</b>	<b>1,051,200</b>	<b>510,700</b>	<b>510,700</b>
<b>Federal Fund</b>					
Current Receipts	2,695,413	2,691,915	2,827,900	3,241,800	3,303,700
Non-Revenue Receipts	-160,848	-140,468	-131,500	-130,300	-130,300
<b>Total Federal Fund</b>	<b>2,534,565</b>	<b>2,551,447</b>	<b>2,696,400</b>	<b>3,111,500</b>	<b>3,173,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>5,706,915</b>	<b>5,308,528</b>	<b>5,293,400</b>	<b>5,716,600</b>	<b>5,684,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,119,833	4,037,625	4,276,700	4,978,500	4,927,100
Operating Expenses	584,103	530,974	777,300	528,700	548,200
Grants Loans Benefits	321,013	249,900	209,400	209,400	209,400
Capital Outlay			30,000		
<b>TOTAL EXPENDITURES</b>	<b>5,024,949</b>	<b>4,818,499</b>	<b>5,293,400</b>	<b>5,716,600</b>	<b>5,684,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,397,900	1,625,104	1,545,800	2,094,400	2,000,600
Restricted Funds	1,092,485	641,947	1,051,200	510,700	510,700
Federal Fund	2,534,565	2,551,447	2,696,400	3,111,500	3,173,400
<b>TOTAL EXPENDITURES</b>	<b>5,024,949</b>	<b>4,818,499</b>	<b>5,293,400</b>	<b>5,716,600</b>	<b>5,684,700</b>

The Division of Mine Permits, pursuant to KRS 350 and 405 KAR Chapter 8, reviews all surface mining permit applications in accordance with Kentucky law and the federal Surface Mining Control and Reclamation Act. The Division, pursuant to KRS 350.450 and 405 KAR 7:080, administers the federal Small Operator Assistance Program and pursuant to KRS 350.610, the Lands Unsuitable for Mining program. The Division, pursuant to KRS 350.060(13) and 405 KAR 8:040, also reviews underground mining permit applications to determine the surface effects of such operations.

**Energy and Environment  
Natural Resources  
Mine Reclamation and Enforcement**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,650,300	6,395,400	6,462,300	7,257,700	7,324,800
Budget Reduction-General Fund			-322,900		
Mandated Allotments		139,361			
Other	125,300	275,000			
<b>Total General Fund</b>	<b>6,775,600</b>	<b>6,809,761</b>	<b>6,139,400</b>	<b>7,257,700</b>	<b>7,324,800</b>
<b>Restricted Funds</b>					
Balance Forward	252,013	341,417	336,900		
Current Receipts	85,996	92,534	51,100	51,100	51,100
Non-Revenue Receipts	302,321	320,220	335,500	327,900	287,600
<b>Total Restricted Funds</b>	<b>640,331</b>	<b>754,171</b>	<b>723,500</b>	<b>379,000</b>	<b>338,700</b>
<b>Federal Fund</b>					
Current Receipts	6,706,950	6,770,794	7,149,200	7,534,300	7,641,200
Non-Revenue Receipts	-351,331	-318,928	-297,600	-287,600	-287,600
<b>Total Federal Fund</b>	<b>6,355,619</b>	<b>6,451,866</b>	<b>6,851,600</b>	<b>7,246,700</b>	<b>7,353,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>13,771,550</b>	<b>14,015,798</b>	<b>13,714,500</b>	<b>14,883,400</b>	<b>15,017,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	10,867,461	10,459,955	10,688,700	12,605,100	12,896,000
Operating Expenses	2,007,538	2,126,112	2,136,000	2,134,000	2,057,100
Grants Loans Benefits	201,871	143,450	139,800	144,300	64,000
Capital Outlay	269,164	949,399	750,000		
<b>TOTAL EXPENDITURES</b>	<b>13,346,033</b>	<b>13,678,916</b>	<b>13,714,500</b>	<b>14,883,400</b>	<b>15,017,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,691,500	6,809,761	6,139,400	7,257,700	7,324,800
Restricted Funds	298,914	417,289	723,500	379,000	338,700
Federal Fund	6,355,619	6,451,866	6,851,600	7,246,700	7,353,600
<b>TOTAL EXPENDITURES</b>	<b>13,346,033</b>	<b>13,678,916</b>	<b>13,714,500</b>	<b>14,883,400</b>	<b>15,017,100</b>

The Division of Mine Reclamation and Enforcement, pursuant to KRS 350, develops policies and procedures for reclamation and enforcement programs related to coal and non-coal minerals. The Division reviews permit applications for non-coal mineral operations pursuant to KRS 350.028 and 405 KAR 5:032. The Division conducts inspection programs to carry out these policies and procedures in accordance with applicable federal and state statutes. Pursuant to KRS 351 and 805 KAR Chapter 4, the Division is charged with ensuring the safety and regulation of all blasting operations within the Commonwealth, which includes the use, storage or transportation of explosives. The Division investigates citizens' complaints relating to surface mining and blasting activities.

**Energy and Environment  
Natural Resources  
Abandoned Mine Lands**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,468,106	1,271,149	1,289,700	316,700	254,500
Current Receipts	273,554	466,438	3,600	3,600	3,600
Non-Revenue Receipts	2,403,758	1,406,462	5,581,500	8,313,300	8,463,300
<b>Total Restricted Funds</b>	<b>4,145,418</b>	<b>3,144,049</b>	<b>6,874,800</b>	<b>8,633,600</b>	<b>8,721,400</b>
<b>Federal Fund</b>					
Current Receipts	8,361,402	8,604,652	8,632,600	10,224,700	10,433,600
Non-Revenue Receipts	-827,641	-726,278	-452,300	-487,000	-489,100
<b>Total Federal Fund</b>	<b>7,533,761</b>	<b>7,878,374</b>	<b>8,180,300</b>	<b>9,737,700</b>	<b>9,944,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>11,679,179</b>	<b>11,022,423</b>	<b>15,055,100</b>	<b>18,371,300</b>	<b>18,665,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	7,049,471	7,261,229	7,903,400	9,260,900	9,467,700
Operating Expenses	990,480	1,048,642	1,196,600	1,222,000	1,222,000
Grants Loans Benefits	61,287	72,155	55,000	55,000	55,000
Capital Outlay	250,243	353,156	344,000	344,000	344,000
Construction	2,056,549	1,049,784	5,239,400	7,234,900	7,382,800
<b>TOTAL EXPENDITURES</b>	<b>10,408,030</b>	<b>9,784,966</b>	<b>14,738,400</b>	<b>18,116,800</b>	<b>18,471,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		52,273			
Restricted Funds	2,874,269	1,854,319	6,558,100	8,379,100	8,527,000
Federal Fund	7,533,761	7,878,374	8,180,300	9,737,700	9,944,500
<b>TOTAL EXPENDITURES</b>	<b>10,408,030</b>	<b>9,784,966</b>	<b>14,738,400</b>	<b>18,116,800</b>	<b>18,471,500</b>

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

The division administers a bond forfeiture reclamation program; bonds forfeited to the commonwealth due to the failure to mine and reclaim a coal mine site to the standards specified by the mine permit are used by the state to reclaim the site for which the bond was posted.

The division administers a water supply replacement program which extends waterlines into areas where drinking water has been contaminated by past mining. The division budgets up to 30 percent of its annual funding on waterline projects each year. Federal funds for this program are provided from federal tax levies imposed under Public Law 95-87 on all coal mined since August 3, 1977. Approximately 150,000 acres of abandoned mine lands in Kentucky are eligible for reclamation. All state and partial federal project contracts are administered by this agency.

**Energy and Environment  
Natural Resources  
Mine Safety**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	9,956,800	9,218,500	9,247,200	9,634,800	9,933,800
Budget Reduction-General Fund			-515,900		
Mandated Allotments		132,011			
Other	-195,300	-125,000			
<b>Total General Fund</b>	<b>9,761,500</b>	<b>9,225,511</b>	<b>8,731,300</b>	<b>9,634,800</b>	<b>9,933,800</b>
<b>Restricted Funds</b>					
Balance Forward	155,793	166,969	137,900		
Current Receipts	211,727	252,521	204,200	229,400	229,400
Non-Revenue Receipts	40,228				
<b>Total Restricted Funds</b>	<b>407,749</b>	<b>419,490</b>	<b>342,100</b>	<b>229,400</b>	<b>229,400</b>
<b>Federal Fund</b>					
Current Receipts	543,315	508,207	594,600	508,200	508,200
Non-Revenue Receipts	-40,228				
<b>Total Federal Fund</b>	<b>503,087</b>	<b>508,207</b>	<b>594,600</b>	<b>508,200</b>	<b>508,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>10,672,335</b>	<b>10,153,209</b>	<b>9,668,000</b>	<b>10,372,400</b>	<b>10,671,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	7,672,265	7,966,999	7,748,100	8,932,100	9,074,800
Operating Expenses	1,835,174	1,190,803	1,358,100	1,418,500	1,364,800
Grants Loans Benefits	68,294				
Capital Outlay	189,532	857,539	561,800	21,800	231,800
<b>TOTAL EXPENDITURES</b>	<b>9,765,266</b>	<b>10,015,341</b>	<b>9,668,000</b>	<b>10,372,400</b>	<b>10,671,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	9,021,400	9,225,511	8,731,300	9,634,800	9,933,800
Restricted Funds	240,779	281,622	342,100	229,400	229,400
Federal Fund	503,087	508,207	594,600	508,200	508,200
<b>TOTAL EXPENDITURES</b>	<b>9,765,266</b>	<b>10,015,341</b>	<b>9,668,000</b>	<b>10,372,400</b>	<b>10,671,400</b>

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

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

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

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

The Division administers drug testing of all miners as a condition of certification. A database is maintained on the status of those miners whose certifications have been revoked as a result of testing positive for drugs. The Division provides administrative oversight of the Kentucky Mining Board.

Federal Law 30 CFR, Section 49, requires mine rescue teams to be stationed within one hour of each active coal mine and to be trained and knowledgeable about each mine the team covers. The Commonwealth, through the Division of Mine Safety and Licensing, provides state-sponsored mine rescue teams to help Kentucky's mines comply with this federal regulation.

**Energy and Environment  
Natural Resources  
Bond Pool Reclamation Fund**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,097,269	1,097,269			
Non-Revenue Receipts		-1,097,269			
<b>Total Restricted Funds</b>	1,097,269				
<b>TOTAL SOURCE OF FUNDS</b>	1,097,269				
<b>EXPENDITURES BY CLASS</b>					
<b>TOTAL EXPENDITURES</b>					
<b>EXPENDITURES BY FUND SOURCE</b>					
<b>TOTAL EXPENDITURES</b>					

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

**Energy and Environment  
Natural Resources  
Reclamation Guaranty Fund**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	95,893	76,865	101,700		
Current Receipts	351	1,121	1,000	1,000	1,000
Non-Revenue Receipts	376,710	303,520	403,200	1,518,200	1,523,800
<b>Total Restricted Funds</b>	472,955	381,507	505,900	1,519,200	1,524,800
<b>Federal Fund</b>					
Current Receipts	275,227	446,409	464,000	465,500	470,900
Non-Revenue Receipts	13,223	-43,016	-12,100	-9,900	-9,900
<b>Total Federal Fund</b>	288,450	403,392	451,900	455,600	461,000
<b>TOTAL SOURCE OF FUNDS</b>	761,405	784,899	957,800	1,974,800	1,985,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	416,097	617,126	874,500	891,100	860,100
Operating Expenses	28,023	53,774	83,300	1,083,700	1,083,700
Grants Loans Benefits	240,419	12,834			
<b>TOTAL EXPENDITURES</b>	684,539	683,733	957,800	1,974,800	1,943,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		511			
Restricted Funds	396,090	279,831	505,900	1,519,200	1,482,800
Federal Fund	288,450	403,392	451,900	455,600	461,000
<b>TOTAL EXPENDITURES</b>	684,539	683,733	957,800	1,974,800	1,943,800

The Office of Reclamation Guaranty Fund, pursuant to KRS 350.500-350.521, provides the additional money necessary to reclaim permitted mine areas. In the event a permit-specific reclamation bond is insufficient to complete reclamation on the permitted mine site, the Fund provides financial assistance to the cabinet for reclamation.



**Energy and Environment  
Natural Resources**

**Abandoned Mine Land Reclamation Projects**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Federal Fund</b>					
Current Receipts	19,787,709	18,070,428	22,108,500	35,551,100	35,591,400
Non-Revenue Receipts	-333,063	999			
<b>Total Federal Fund</b>	<b>19,454,646</b>	<b>18,071,427</b>	<b>22,108,500</b>	<b>35,551,100</b>	<b>35,591,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>19,454,646</b>	<b>18,071,427</b>	<b>22,108,500</b>	<b>35,551,100</b>	<b>35,591,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	79,734	86,408			
Grants Loans Benefits	6,640,983	8,783,496	3,638,700	300,000	300,000
Construction	12,733,929	9,201,523	18,469,800	35,251,100	35,291,400
<b>TOTAL EXPENDITURES</b>	<b>19,454,646</b>	<b>18,071,427</b>	<b>22,108,500</b>	<b>35,551,100</b>	<b>35,591,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Fund	19,454,646	18,071,427	22,108,500	35,551,100	35,591,400
<b>TOTAL EXPENDITURES</b>	<b>19,454,646</b>	<b>18,071,427</b>	<b>22,108,500</b>	<b>35,551,100</b>	<b>35,591,400</b>

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

**Energy and Environment  
Natural Resources  
Mine Safety Review Commission**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	178,100	67,800	57,800	203,400	206,700
Budget Reduction-General Fund			-3,800		
Other	-14,600	-19,674			
<b>Total General Fund</b>	<b>163,500</b>	<b>48,126</b>	<b>54,000</b>	<b>203,400</b>	<b>206,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>163,500</b>	<b>48,126</b>	<b>54,000</b>	<b>203,400</b>	<b>206,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	91,995	39,935	45,000	203,400	206,700
Operating Expenses	10,055	8,191	9,000		
<b>TOTAL EXPENDITURES</b>	<b>102,050</b>	<b>48,126</b>	<b>54,000</b>	<b>203,400</b>	<b>206,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	102,050	48,126	54,000	203,400	206,700
<b>TOTAL EXPENDITURES</b>	<b>102,050</b>	<b>48,126</b>	<b>54,000</b>	<b>203,400</b>	<b>206,700</b>

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

The Commission is an independent agency attached to the Energy and Environment Cabinet for administrative purposes only.

**Energy and Environment**  
**Energy Development and Independence**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,356,600	1,241,200	1,249,200	1,412,000	1,433,800
Budget Reduction-General Fund			-64,000		
<b>Total General Fund</b>	1,356,600	1,241,200	1,185,200	1,412,000	1,433,800
<b>Restricted Funds</b>					
Balance Forward	2,576,731	2,022,739	2,200,300	1,770,800	1,569,800
Current Receipts	53,767	77,986	24,400	43,600	1,500
Non-Revenue Receipts	884,559	674,918	649,700	623,200	623,200
<b>Total Restricted Funds</b>	3,515,057	2,775,643	2,874,400	2,437,600	2,194,500
<b>Federal Fund</b>					
Current Receipts	850,549	795,075	881,700	855,200	855,200
Non-Revenue Receipts	-262,567	-319,784	-299,700	-273,200	-273,200
<b>Total Federal Fund</b>	587,982	475,291	582,000	582,000	582,000
<b>TOTAL SOURCE OF FUNDS</b>	5,459,638	4,492,134	4,641,600	4,431,600	4,210,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,606,587	1,296,571	1,525,800	1,799,800	1,821,600
Operating Expenses	238,408	224,636	240,100	235,800	235,800
Grants Loans Benefits	1,530,904	770,629	1,104,900	826,200	785,900
<b>TOTAL EXPENDITURES</b>	3,375,900	2,291,836	2,870,800	2,861,800	2,843,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,295,600	1,241,200	1,185,200	1,412,000	1,433,800
Restricted Funds	1,492,318	575,345	1,103,600	867,800	827,500
Federal Fund	587,982	475,291	582,000	582,000	582,000
<b>TOTAL EXPENDITURES</b>	3,375,900	2,291,836	2,870,800	2,861,800	2,843,300
<b>EXPENDITURES BY UNIT</b>					
Energy Development and Independence	3,375,900	2,291,836	2,870,800	2,861,800	2,843,300
<b>TOTAL EXPENDITURES</b>	3,375,900	2,291,836	2,870,800	2,861,800	2,843,300

The Department for Energy Development and Independence is comprised of the following divisions: Division of Efficiency and Conservation; Division of Renewable Energy; Division of Biofuels; Division of Carbon Management and Data Analysis; Division of Energy Generation, Transmission, and Distribution; and Division of Fossil Energy Development.

The Department oversees the development and implementation of Kentucky's comprehensive energy strategy, *Intelligent Energy Choices for Kentucky's Future*. The Department provides leadership to enhance the benefits of energy efficiency and alternative energy through supporting awareness, technology development, energy preparedness, partnerships and resource development. The Department also enhances the economic opportunities and benefits to Kentucky's citizens and industry by expanding current markets and developing market opportunities for Kentucky coal, natural gas, petroleum, oil shale, tar sands, liquid and gaseous fuels from coal, and chemicals from coal.

To the extent that funding is available, the Department administers grant programs to support energy-related research, development and demonstration, including supporting multi-state cooperative regional partnerships and research initiatives. The Department develops and implements programs for the production, utilization and conservation of energy in a manner that meets basic needs while maintaining Kentucky's economic growth at the highest feasible level.

The Department enters into agreements, administers grant programs and serves as a liaison with the federal government and other states in matters relating to energy; and participates in the review of applications, and upon request of the Kentucky Economic Development Finance Authority, assists in monitoring tax incentive agreements as provided in Subchapter 27 of KRS 154.

**Energy and Environment  
Kentucky Nature Preserves Commission**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,086,400	1,050,000	1,061,500	1,224,400	1,244,800
Budget Reduction-General Fund			-54,400		
<b>Total General Fund</b>	1,086,400	1,050,000	1,007,100	1,224,400	1,244,800
<b>Restricted Funds</b>					
Balance Forward	626,773	554,305	1,329,100	1,279,400	979,400
Current Receipts	276,777	261,960	605,900	258,600	188,100
Non-Revenue Receipts	315,691	1,119,159	287,600	385,400	385,400
<b>Total Restricted Funds</b>	1,219,241	1,935,424	2,222,600	1,923,400	1,552,900
<b>Federal Fund</b>					
Balance Forward		4,275			
Current Receipts	38,836	44,190	51,000	51,000	51,000
Non-Revenue Receipts	-904	-1,465	-1,400	-1,400	-1,400
<b>Total Federal Fund</b>	37,932	47,000	49,600	49,600	49,600
<b>TOTAL SOURCE OF FUNDS</b>	2,343,573	3,032,424	3,279,300	3,197,400	2,847,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,333,732	1,306,070	1,401,200	1,636,200	1,656,600
Operating Expenses	226,368	212,416	274,100	318,800	318,800
Grants Loans Benefits	133,617	151,040	202,700	173,500	173,500
Capital Outlay	42,376	27,905	121,900	89,500	89,500
Construction		5,970			
<b>TOTAL EXPENDITURES</b>	1,736,093	1,703,401	1,999,900	2,218,000	2,238,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,037,500	1,050,000	1,007,100	1,224,400	1,244,800
Restricted Funds	664,936	606,401	943,200	944,000	944,000
Federal Fund	33,657	47,000	49,600	49,600	49,600
<b>TOTAL EXPENDITURES</b>	1,736,093	1,703,401	1,999,900	2,218,000	2,238,400
<b>EXPENDITURES BY UNIT</b>					
Kentucky Nature Preserves Commission	1,736,093	1,703,401	1,999,900	2,218,000	2,238,400
<b>TOTAL EXPENDITURES</b>	1,736,093	1,703,401	1,999,900	2,218,000	2,238,400

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

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

The Commission is responsible for administering the Wild Rivers program. Whose mission is to preserve the Commonwealth's natural streams and attract out-of-state visitors pursuant to KRS 146.200-360.

**Energy and Environment  
Public Service Commission**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	17,000,000	16,498,900	16,582,600	16,582,600	16,582,600
Continuing Approp-General Fund	674,471	539,512	610,600		
Budget Reduction-General Fund			-463,100		
Reorganization Adjustment					
<b>Total General Fund</b>	<b>17,674,471</b>	<b>17,038,412</b>	<b>16,730,100</b>	<b>16,582,600</b>	<b>16,582,600</b>
<b>Restricted Funds</b>					
Balance Forward	72,688	12,221	69,100	69,100	67,200
Current Receipts	27,026	106,420			
Non-Revenue Receipts	38,190		200,000	200,000	200,000
<b>Total Restricted Funds</b>	<b>137,904</b>	<b>118,641</b>	<b>269,100</b>	<b>269,100</b>	<b>267,200</b>
<b>Federal Fund</b>					
Current Receipts	459,767	422,181	445,100	445,100	445,100
Non-Revenue Receipts	9,442	-45,202			
<b>Total Federal Fund</b>	<b>469,209</b>	<b>376,979</b>	<b>445,100</b>	<b>445,100</b>	<b>445,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>18,281,584</b>	<b>17,534,032</b>	<b>17,444,300</b>	<b>17,296,800</b>	<b>17,294,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,175,699	7,907,935	8,344,600	9,632,800	9,632,800
Operating Expenses	1,476,751	1,334,555	1,413,600	1,086,600	1,086,600
Debt Service	589,000	474,000	474,000		
Capital Outlay		69,780	75,000	25,000	25,000
<b>TOTAL EXPENDITURES</b>	<b>10,241,450</b>	<b>9,786,270</b>	<b>10,307,200</b>	<b>10,744,400</b>	<b>10,744,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	9,646,558	9,359,731	9,662,100	10,097,400	10,097,400
Restricted Funds	125,683	49,561	200,000	201,900	201,900
Federal Fund	469,209	376,979	445,100	445,100	445,100
<b>TOTAL EXPENDITURES</b>	<b>10,241,450</b>	<b>9,786,270</b>	<b>10,307,200</b>	<b>10,744,400</b>	<b>10,744,400</b>
<b>EXPENDITURES BY UNIT</b>					
General Counsel	1,182,971	1,197,644	1,311,600	1,575,600	1,597,100
General Administration	3,453,753	3,101,196	2,528,100	2,322,400	2,346,200
Commission Operations	2,090,196	1,969,681	2,750,900	2,546,200	2,500,300
Financial Analysis	1,738,916	1,977,104	2,040,300	2,428,400	2,461,800
Division of Inspections	1,775,615	1,540,645	1,676,300	1,871,800	1,839,000
<b>TOTAL EXPENDITURES</b>	<b>10,241,450</b>	<b>9,786,270</b>	<b>10,307,200</b>	<b>10,744,400</b>	<b>10,744,400</b>

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

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

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

The Commission staff is organized into the Divisions of Inspections, General Counsel, General Administration, Commission Operations, Financial Analysis, and Gas Pipeline Safety.

**Policy**

The Budget of the Commonwealth includes \$6,485,200 in each fiscal year that shall lapse to the credit of the General Fund from the Public Service Commission.

# Finance and Administration

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**Finance and Administration**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	594,545,900	596,462,400	664,028,700	666,827,500	693,435,500
Special Appropriation			641,000		
Current Year Appropriation			2,438,400		
Budget Reduction-General Fund		-1,100,000	-8,015,100		
Mandated Allotments	4,950,000	5,373,206			
Other		-11,794,245	-22,754,000		
<b>Total General Fund</b>	599,495,900	588,941,362	636,339,000	666,827,500	693,435,500
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	30,907,000	27,235,300	26,917,700	29,224,900	32,128,700
Continuing Approp-Tob Settlement		4,335,358			
<b>Total Tobacco Fund</b>	30,907,000	31,570,658	26,917,700	29,224,900	32,128,700
<b>Restricted Funds</b>					
Balance Forward	53,032,874	53,928,103	40,969,300	17,001,000	8,557,700
Current Receipts	212,450,116	217,863,102	217,382,400	230,061,300	232,152,300
Non-Revenue Receipts	-1,502	2,594,536	3,018,000	3,526,300	3,547,300
Fund Transfers	-2,960,000	-20,208,100	-17,008,100	-2,800,000	-2,800,000
<b>Total Restricted Funds</b>	262,521,488	254,177,642	244,361,600	247,788,600	241,457,300
<b>Federal Fund</b>					
Balance Forward	1	1			
Current Receipts	517,837	218,155	280,000	10,000	10,000
Non-Revenue Receipts	11,820	-31,285			
<b>Total Federal Fund</b>	529,658	186,870	280,000	10,000	10,000
<b>Road Fund</b>					
Regular Appropriation	3,399,600	3,523,100	3,545,900	3,842,300	3,887,400
<b>Total Road Fund</b>	3,399,600	3,523,100	3,545,900	3,842,300	3,887,400
<b>TOTAL SOURCE OF FUNDS</b>	896,853,646	878,399,631	911,444,200	947,693,300	970,918,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	231,710,489	233,910,235	243,654,300	275,550,400	277,785,900
Operating Expenses	126,147,675	131,184,779	125,770,100	130,476,300	130,647,700
Grants Loans Benefits	920,556	736,509	1,205,600	3,205,500	5,205,500
Debt Service	397,209,595	435,503,714	470,557,800	491,980,800	519,058,400
Capital Outlay	19,750,411	25,914,328	27,587,900	24,511,800	24,511,800
Construction	53,256				
<b>TOTAL EXPENDITURES</b>	775,791,982	827,249,566	868,775,700	925,724,800	957,209,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	538,877,198	585,767,663	612,963,000	655,448,100	682,319,700
Tobacco Fund	24,392,142	24,898,343	24,626,200	27,193,500	30,141,200
Restricted Funds	208,593,385	213,208,352	227,360,600	239,230,900	240,851,000
Federal Fund	529,657	186,869	280,000	10,000	10,000
Road Fund	3,399,600	3,188,338	3,545,900	3,842,300	3,887,400
<b>TOTAL EXPENDITURES</b>	775,791,982	827,249,566	868,775,700	925,724,800	957,209,300
<b>EXPENDITURES BY UNIT</b>					
General Administration	36,229,366	36,883,772	38,449,200	40,453,600	40,836,500
Controller	14,303,697	16,950,546	17,113,200	19,489,300	19,627,800
Office of Inspector General		1,045,234	1,249,100	1,447,800	1,465,600
Debt Service	393,453,095	432,789,214	470,557,800	491,147,800	510,146,900
Facilities and Support Services	43,312,724	51,554,531	50,414,600	49,314,200	50,608,700
County Costs	21,909,780	22,463,319	17,599,500	21,446,000	21,446,000

**EXPENDITURES BY UNIT**

Commonwealth Office of Technology	120,581,400	111,838,432	119,380,600	130,160,300	130,888,900
Revenue	98,090,577	103,142,386	101,721,500	113,742,500	122,550,000
Property Valuation Administrators	47,911,344	50,582,132	52,290,200	58,523,300	59,638,900
<b>TOTAL EXPENDITURES</b>	<u>775,791,982</u>	<u>827,249,566</u>	<u>868,775,700</u>	<u>925,724,800</u>	<u>957,209,300</u>

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

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



**Finance and Administration**  
**General Administration**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	10,416,900	9,405,200	6,913,300	7,572,800	7,889,800
Budget Reduction-General Fund			-354,200		
Other					
<b>Total General Fund</b>	10,416,900	9,405,200	6,559,100	7,572,800	7,889,800
<b>Restricted Funds</b>					
Balance Forward	12,032,043	17,436,020	13,867,200	6,091,600	3,285,000
Current Receipts	33,849,568	31,536,157	29,980,700	29,985,700	29,985,700
Non-Revenue Receipts	-1,661,150	-743,300	-314,300	-176,300	-390,400
Fund Transfers	-1,000,000	-7,000,000	-6,000,000		
<b>Total Restricted Funds</b>	43,220,462	41,228,876	37,533,600	35,901,000	32,880,300
<b>Federal Fund</b>					
Balance Forward	1	1			
<b>Total Federal Fund</b>	1	1			
<b>Road Fund</b>					
Regular Appropriation	429,000	445,100	448,100	264,800	266,400
<b>Total Road Fund</b>	429,000	445,100	448,100	264,800	266,400
<b>TOTAL SOURCE OF FUNDS</b>	54,066,362	51,079,177	44,540,800	43,738,600	41,036,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	10,726,973	10,319,416	10,549,000	12,523,800	12,846,600
Operating Expenses	13,260,742	14,025,361	14,618,200	14,652,600	14,712,700
Debt Service	3,083,000	2,563,500			
Capital Outlay	9,149,131	9,975,495	13,282,000	13,277,200	13,277,200
Construction	9,520				
<b>TOTAL EXPENDITURES</b>	36,229,366	36,883,772	38,449,200	40,453,600	40,836,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	10,015,924	9,404,984	6,559,100	7,572,800	7,889,800
Restricted Funds	25,784,442	27,361,720	31,442,000	32,616,000	32,680,300
Road Fund	429,000	117,068	448,100	264,800	266,400
<b>TOTAL EXPENDITURES</b>	36,229,366	36,883,772	38,449,200	40,453,600	40,836,500
<b>EXPENDITURES BY UNIT</b>					
Secretary	5,044,594	4,657,109	1,854,400	2,190,300	2,217,000
Gubernatorial Transition	150,091				220,000
Office of General Counsel	2,231,699	1,989,901	1,986,400	2,522,700	2,551,500
Office of Administrative Services	2,672,903	2,963,300	2,836,200	3,424,800	3,467,400
Fleet Management	22,487,577	23,712,136	28,062,300	28,338,100	28,361,500
Postal Services	2,874,805	2,745,940	2,828,400	2,951,800	2,979,700
Policy and Audit	767,696	815,385	881,500	1,025,900	1,039,400
<b>TOTAL EXPENDITURES</b>	36,229,366	36,883,772	38,449,200	40,453,600	40,836,500

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

The Office of the Secretary, including the Office of Public Information, develops executive policy and directs the overall management of the Commonwealth's property and financial assets. Office staff coordinates fiscal and personnel administration for the Cabinet, reviews all internal reorganizations, prepares the Cabinet legislative package, and handles inquiries and issues that arise from the General Assembly, the news media, and the general public. The Secretary of Finance serves on numerous boards and commissions including the Kentucky Economic Development Partnership Board, the Kentucky Economic Development Finance Authority, the Kentucky Infrastructure Authority, the Kentucky Higher Education Assistance Authority, and the Kentucky Housing Corporation.

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

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

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

The Division of Postal Services has recently consolidated from five locations into one mail management center which provides a more secure environment for the Commonwealth's mail. The Division provides messenger service to all state agencies and performs mail processing functions for over 125 state agencies. This division advises agencies about USPS rules, regulations, and services.

The Division of Fleet Management manages and maintains the Commonwealth's vehicle fleet for use by state agencies and employees.

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

## **Policy**

The Budget of the Commonwealth includes General Fund in the amount of \$220,000 in fiscal year 2019-2020 in support of the Gubernatorial Transition.

**Finance and Administration**

**Controller**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,984,000	5,848,700	5,893,900	6,351,000	6,422,500
Budget Reduction-General Fund			-301,900		
Other					
<b>Total General Fund</b>	<b>5,984,000</b>	<b>5,848,700</b>	<b>5,592,000</b>	<b>6,351,000</b>	<b>6,422,500</b>
<b>Restricted Funds</b>					
Balance Forward	3,961,896	4,772,698	3,611,200	2,619,900	1,247,900
Current Receipts	6,731,613	8,574,874	8,434,500	9,334,500	9,334,500
Non-Revenue Receipts	2,668,185	2,165,515	2,095,400	2,431,800	2,622,900
Fund Transfers		-800,000			
<b>Total Restricted Funds</b>	<b>13,361,695</b>	<b>14,713,087</b>	<b>14,141,100</b>	<b>14,386,200</b>	<b>13,205,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>19,345,695</b>	<b>20,561,787</b>	<b>19,733,100</b>	<b>20,737,200</b>	<b>19,627,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,172,822	9,122,398	9,201,800	10,946,200	10,992,000
Operating Expenses	6,129,205	7,828,148	7,911,400	8,543,100	8,635,800
Grants Loans Benefits	1,670				
<b>TOTAL EXPENDITURES</b>	<b>14,303,697</b>	<b>16,950,546</b>	<b>17,113,200</b>	<b>19,489,300</b>	<b>19,627,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,714,700	5,848,700	5,592,000	6,351,000	6,422,500
Restricted Funds	8,588,997	11,101,846	11,521,200	13,138,300	13,205,300
<b>TOTAL EXPENDITURES</b>	<b>14,303,697</b>	<b>16,950,546</b>	<b>17,113,200</b>	<b>19,489,300</b>	<b>19,627,800</b>
<b>EXPENDITURES BY UNIT</b>					
Controller	1,975,495	3,582,239	3,209,600	3,662,800	3,610,700
Local Government Services	727,836	690,378	677,500	773,800	782,400
Financial Management	3,732,273	3,771,797	3,937,900	4,305,700	4,335,300
Procurement Services	1,580,668	1,637,234	1,911,000	2,519,600	2,566,700
Customer Resource Center	4,432,530	5,331,269	5,264,700	5,809,500	5,893,800
State Risk and Insurance Services	1,854,895	1,937,629	2,112,500	2,417,900	2,438,900
<b>TOTAL EXPENDITURES</b>	<b>14,303,697</b>	<b>16,950,546</b>	<b>17,113,200</b>	<b>19,489,300</b>	<b>19,627,800</b>

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

The Division of Local Government Services administers, for the benefit of state employees and political subdivisions within the Commonwealth, the Old Age and Survivors Insurance program under Section 218 of the federal Social Security Act. This program is responsible for ensuring that the social security obligations of the state and its political subdivisions are met. To fulfill this responsibility, the State Office for Social Security periodically visits each of the political subdivisions for a procedural, compliance, and fiscal audit pursuant to KRS 61.410 61.500. The Division also provides personnel, accounting, and other administrative services to counties through the County Costs, County Fees, and PVA programs.

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

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

handles all investments on behalf of the General Fund, the Capital Construction Fund, the Road Fund, and approximately 50 other accounts.

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

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

The Division of State Risk Services manages the state property insurance program, the state building sprinkler system program and the state automobile insurance program in accordance with KRS Chapter 56.

### **Policy**

The Budget of the Commonwealth, in House Bill 487, suspends the provisions of KRS 47.010(1), and directs any revenue derived from the establishment of statewide Master Agreements by the Office of Procurement Services to a Restricted Fund account to be used to administer the program.

**Finance and Administration  
Office of Inspector General**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation				790,500	802,700
Budget Reduction-General Fund			-35,900		
Reorganization Adjustment		683,600	700,000		
<b>Total General Fund</b>		683,600	664,100	790,500	802,700
<b>Restricted Funds</b>					
Balance Forward			38,400	38,400	
Non-Revenue Receipts		400,000	585,000	618,900	662,900
<b>Total Restricted Funds</b>		400,000	623,400	657,300	662,900
<b>TOTAL SOURCE OF FUNDS</b>		1,083,600	1,287,500	1,447,800	1,465,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs		1,037,853	1,232,100	1,430,800	1,448,600
Operating Expenses		7,381	17,000	17,000	17,000
<b>TOTAL EXPENDITURES</b>		1,045,234	1,249,100	1,447,800	1,465,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		683,600	664,100	790,500	802,700
Restricted Funds		361,634	585,000	657,300	662,900
<b>TOTAL EXPENDITURES</b>		1,045,234	1,249,100	1,447,800	1,465,600
<b>EXPENDITURES BY UNIT</b>					
Office of Inspector General		1,045,234	1,249,100	1,447,800	1,465,600
<b>TOTAL EXPENDITURES</b>		1,045,234	1,249,100	1,447,800	1,465,600

Executive Order 2016-602, now codified in KRS 42.0147, established the Office of the Inspector General. The Office is responsible for conducting various investigations within the Executive Branch pursuant to KRS 45.131.

The Division of Special Investigations is responsible for investigating alleged violations of the tax laws and for recommending criminal prosecutions of the laws when warranted.

**Finance and Administration**

**Debt Service**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	424,920,500	423,105,900	491,670,600	475,583,700	491,371,500
Special Appropriation			641,000		
Other		-11,794,245	-22,754,000		
<b>Total General Fund</b>	<b>424,920,500</b>	<b>411,311,655</b>	<b>469,557,600</b>	<b>475,583,700</b>	<b>491,371,500</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	30,657,000	26,985,300	26,667,700	28,974,900	31,878,700
Continuing Approp-Tob Settlement		4,335,358			
<b>Total Tobacco Fund</b>	<b>30,657,000</b>	<b>31,320,658</b>	<b>26,667,700</b>	<b>28,974,900</b>	<b>31,878,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>455,577,500</b>	<b>442,632,313</b>	<b>496,225,300</b>	<b>504,558,600</b>	<b>523,250,200</b>
<b>EXPENDITURES BY CLASS</b>					
Debt Service	393,453,095	432,789,214	470,557,800	491,147,800	510,146,900
<b>TOTAL EXPENDITURES</b>	<b>393,453,095</b>	<b>432,789,214</b>	<b>470,557,800</b>	<b>491,147,800</b>	<b>510,146,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	369,310,952	408,140,871	446,181,600	464,204,300	480,255,700
Tobacco Fund	24,142,142	24,648,343	24,376,200	26,943,500	29,891,200
<b>TOTAL EXPENDITURES</b>	<b>393,453,095</b>	<b>432,789,214</b>	<b>470,557,800</b>	<b>491,147,800</b>	<b>510,146,900</b>
<b>EXPENDITURES BY UNIT</b>					
Debt Service	393,453,095	432,789,214	470,557,800	491,147,800	510,146,900
<b>TOTAL EXPENDITURES</b>	<b>393,453,095</b>	<b>432,789,214</b>	<b>470,557,800</b>	<b>491,147,800</b>	<b>510,146,900</b>

Previously authorized State Property and Buildings Commission General Fund debt service for all agencies is consolidated in the Finance and Administration Cabinet. All new 2018-2020 General Fund debt service is reflected in budgets of the affected agencies.

**Policy**

The American Recovery and Reinvestment Act of 2009 created a new debt instrument for tax-exempt municipal bond issuers, called Build America Bonds. Municipal bond issuers could issue Build America Bonds for eligible tax-exempt purposes on a permanent basis only. The Commonwealth was eligible for a subsidy for bonds issued as Build America Bonds prior to December 31, 2010. Subsidies from the Build America Bonds shall lapse to the General Fund. The amount of the General Fund lapse is \$11,379,400 in fiscal year 2018-2019 and \$11,115,800 in fiscal year 2019-2020. The amount of Tobacco Fund lapse is \$2,031,400 in fiscal year 2018-2019 and \$1,987,500 in fiscal year 2019-2020.

House Bill 482 from the 2017 Regular Session of the General Assembly appropriated \$641,000 from the General Fund in the current fiscal year to the Economic Development Cabinet for debt service to support new bonds. That appropriation is displayed here.

The 2016-2018 biennial appropriations act included a provision authorizing the transfer of unneeded debt service appropriation in the Finance and Administration Cabinet to the Kentucky Communications Network Authority for availability payments. That transfer is displayed in fiscal year 2018.

**Finance and Administration  
Facilities and Support Services**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,129,300	5,396,200	5,297,300	6,115,900	7,178,000
Budget Reduction-General Fund			-271,400		
<b>Total General Fund</b>	6,129,300	5,396,200	5,025,900	6,115,900	7,178,000
<b>Restricted Funds</b>					
Balance Forward	16,522,521	15,062,871	9,336,200	4,702,600	2,467,500
Current Receipts	35,895,561	40,295,957	40,311,300	40,311,300	40,311,300
Non-Revenue Receipts	73,712	646,466	651,900	651,900	651,900
Fund Transfers		-508,100	-208,100		
<b>Total Restricted Funds</b>	52,491,795	55,497,195	50,091,300	45,665,800	43,430,700
<b>TOTAL SOURCE OF FUNDS</b>	58,621,095	60,893,395	55,117,200	51,781,700	50,608,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	22,428,806	23,226,177	23,669,400	26,907,200	27,207,100
Operating Expenses	16,689,612	21,044,136	22,182,600	20,872,000	20,890,600
Grants Loans Benefits	141	327	100		
Debt Service	673,500	151,000		192,000	1,168,000
Capital Outlay	3,511,067	7,132,891	4,562,500	1,343,000	1,343,000
Construction	9,597				
<b>TOTAL EXPENDITURES</b>	43,312,724	51,554,531	50,414,600	49,314,200	50,608,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,883,800	5,393,502	5,025,900	6,115,900	7,178,000
Restricted Funds	37,428,924	46,161,029	45,388,700	43,198,300	43,430,700
<b>TOTAL EXPENDITURES</b>	43,312,724	51,554,531	50,414,600	49,314,200	50,608,700
<b>EXPENDITURES BY UNIT</b>					
Commissioner's Office	549,453	683,447	842,900	1,155,500	2,142,500
Facility Development and Efficiency	5,279,270	5,438,660	5,379,600	6,248,800	6,333,100
Real Property	1,378,683	1,305,448	1,513,900	1,776,100	1,799,900
Historic Properties	362,700	367,502	350,800	383,100	386,000
Building and Mechanical Services	34,631,795	42,570,112	41,146,000	38,570,400	38,766,300
State Surplus Property	590,179	692,746	763,200	762,100	762,100
Federal Surplus Property	520,645	496,616	418,200	418,200	418,800
<b>TOTAL EXPENDITURES</b>	43,312,724	51,554,531	50,414,600	49,314,200	50,608,700

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

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

The Office of Facility Development and Efficiency includes the Division of Engineering and Contract Administration which provides professional and technical engineering and architectural services to state agencies, reviews capital construction design documents, acts as a liaison between the Department and state agencies on new construction and major maintenance projects, and monitors construction and maintenance contracts for compliance with plans and specifications. The Division is also responsible for administering the procurement process for construction projects of the Commonwealth of Kentucky, excluding roads and bridges, as prescribed by the Kentucky Model Procurement Code (KRS 45A) and the related administrative regulations. The Division prepares invitations to bid, opens and evaluates those bids, and awards contracts. The General Contracting Branch provides general construction procurement, administers the advertising and awarding of state general construction projects and related support systems, provides procurement information to state agencies, and administers procurement programs for new building construction, renovation, and mechanical, electrical, and HVAC systems. The Specialized Contracting Branch administers the

advertising and awarding of state specialized construction projects and related support systems; provides procurement information to state agencies; and administers programs such as reclamation under the Abandoned Mines Lands program, the procurement of state-owned telephone switching systems, asbestos abatement projects, and master agreements for maintenance of elevators, escalators, and similar services. The Administrative Services Branch and the Pre-Audit Branch provide support services to the Division and Department.

The Office of Facility Development and Efficiency also includes the Division of Facility Efficiency which is responsible for managing the Guaranteed Energy Saving Performance Contracting program and for implementing the Commonwealth Energy Management and Control System (CEMCS). The CEMCS project is an aggressive effort to use an enterprise software platform to reduce energy use in state buildings.

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

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

The Office of Building and Mechanical Services, which includes the Division of Building Services and the Division of Mechanical Services, as authorized by KRS 42.027, provides services for all Finance and Administration Cabinet-operated buildings and for the state agencies occupying those facilities. The Office is responsible for several buildings in Frankfort including the Capitol, New Capitol Annex, Old Capitol, Old Capitol Annex, Capital Plaza Complex, Human Resources Building, Executive Mansion, Old Governor's Mansion, New State Office Building, Library and Archives Building, Central Lab Facility, the Kentucky History Center and the Transportation Cabinet building. The Office also services buildings at the London Regional and Madisonville state office complexes, the Spindletop Research Complex in Fayette County, and offices in Ashland, Jackson, Louisville, Owensboro, and Richmond that were formerly owned and operated by Cabinet for Health and Family Services. Services provided include minor renovations; maintaining parking lots, sidewalks and ramps; janitorial and landscaping services; maintaining the heating, ventilating, and air conditioning systems; maintaining special equipment within the buildings as requested; roof repair; fire alarm and security systems; electrical systems; energy conservation; maintaining elevators and escalators; maintaining emergency power systems; and after-hours emergency services.

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

Recently, the Department has entered into two public-private partnerships for the development of new state office space in Franklin County. The first, included in the 2014-2016 Executive Branch appropriations act, authorized the Department for Facilities and Support Services to construct a new state office building to house displaced state workers from the Capital Plaza Tower and privately leased space. The Department entered into an agreement with a private developer to construct, operate, and maintain the property at 300 Sower Boulevard in Franklin County for a period of 35 years, at which time the Commonwealth will take over ownership of the property. Construction was complete in the spring of 2016, and state employees began to occupy the new building shortly thereafter. Payments to the developer for amortization of the construction cost and for ongoing maintenance and operations are made by the Department for Facilities and Support Services in conjunction with the Office of Financial Management. The second project was authorized by Senate Bill 238 from the 2017 Regular Session of the General Assembly and is currently underway. The project provides for the renewal of the Capital Plaza complex in downtown Frankfort.



**Policy**

The Budget of the Commonwealth provides General Fund in the amount of \$192,000 in fiscal year 2018-2019 and \$1,168,000 in fiscal year 2019-2020 for debt service on new bonds included in the capital budget.

**Finance and Administration**

**County Costs**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	15,897,000	15,897,000	15,897,000	19,743,500	19,743,500
Mandated Allotments	4,950,000	5,373,206			
Other					
<b>Total General Fund</b>	<b>20,847,000</b>	<b>21,270,206</b>	<b>15,897,000</b>	<b>19,743,500</b>	<b>19,743,500</b>
<b>Restricted Funds</b>					
Balance Forward	177	523			
Current Receipts	1,212,587	1,192,713	1,702,500	1,702,500	1,702,500
<b>Total Restricted Funds</b>	<b>1,212,764</b>	<b>1,193,235</b>	<b>1,702,500</b>	<b>1,702,500</b>	<b>1,702,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>22,059,764</b>	<b>22,463,442</b>	<b>17,599,500</b>	<b>21,446,000</b>	<b>21,446,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,301,230	3,901,132	1,889,700	2,880,200	2,880,200
Operating Expenses	17,910,535	17,908,980	14,514,300	17,370,300	17,370,300
Grants Loans Benefits	698,014	653,207	1,195,500	1,195,500	1,195,500
<b>TOTAL EXPENDITURES</b>	<b>21,909,780</b>	<b>22,463,319</b>	<b>17,599,500</b>	<b>21,446,000</b>	<b>21,446,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	20,697,538	21,270,206	15,897,000	19,743,500	19,743,500
Restricted Funds	1,212,241	1,193,113	1,702,500	1,702,500	1,702,500
<b>TOTAL EXPENDITURES</b>	<b>21,909,780</b>	<b>22,463,319</b>	<b>17,599,500</b>	<b>21,446,000</b>	<b>21,446,000</b>
<b>EXPENDITURES BY UNIT</b>					
Public Defender Program	3,269,899	3,869,035	1,858,200	2,858,200	2,858,200
Witnesses	73,200	77,053	100,000	100,000	100,000
DUI Service Fees	698,014	653,207	1,195,500	1,195,500	1,195,500
Sheriffs Fees'	13,566,064	13,448,971	9,981,300	12,981,300	12,981,300
County Clerks (Make Tax Bills)	243,626	277,820	254,000	254,000	254,000
Board Of Assessment Appeals	39,850	35,750	40,000	40,000	40,000
Fugitive From Justice	928,396	1,034,486	1,102,000	1,102,000	1,102,000
Jury Fund	2,623,317	2,598,549	2,600,000	2,600,000	2,600,000
Sheriffs Expense Allowance	463,332	464,707	463,500	310,000	310,000
Premium On Sheriffs' Bonds	4,082	3,742	5,000	5,000	5,000
<b>TOTAL EXPENDITURES</b>	<b>21,909,780</b>	<b>22,463,319</b>	<b>17,599,500</b>	<b>21,446,000</b>	<b>21,446,000</b>

The County Costs program provides payment to local officials for the performance of functions required by state statutes. Payments under the County Costs program are statutorily mandated and are regarded as a necessary governmental expense.

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

In accordance with KRS 421.015 and 421.250, circuit and district court clerks provide witnesses compensation with reimbursement being provided by the State Treasury upon claim accompanied by documentation.

The service fee imposed by KRS 189.050 for persons convicted of driving under the influence of alcohol or other substances shall be disbursed among various state and local agencies to fund such programs as enforcement, indigent defense, and the traumatic brain injury trust fund.

Pursuant to KRS 64.092, the sheriff or other law enforcement officer providing security in a Circuit or District Court shall be compensated at the rate of \$8 per hour of service.

Pursuant to KRS 133.240, county clerks are paid \$0.30 per tax bill for preparing property tax bills and \$1.00 for omitted assessments. The Finance and Administration Cabinet is responsible for remitting half of the allowed amount to the county clerk.

Pursuant to KRS 133.030, each member of a county board of assessment appeals is compensated \$100 per day for their services in hearing tax appeals and reviewing tax assessments. The Finance and Administration Cabinet refunds county fiscal courts for half of the board members' compensation.

As authorized by the County Judge Executive or the Governor, and pursuant to KRS 440.090 and 440.380, duly appointed officers are reimbursed by the Finance and Administration Cabinet for mileage and expenses incurred while traveling out of state and returning a fugitive from justice to Kentucky.

KRS 29A.170 and KRS 30A.110 require that all jurors in circuit and district court be paid a daily compensation of \$12.50 per day plus expenses. The Finance and Administration Cabinet administers this compensation and reimbursement program in cooperation with each county circuit court clerk office. Under KRS 29A.180, sequestered jurors are provided meals, housing, transportation, and security which are funded by the Finance and Administration Cabinet.

Pursuant to KRS 70.170, the Finance and Administration Cabinet administers the sheriffs' expense allowance program by issuing monthly checks to each of the 120 county sheriffs. The payments of \$300 per month are for expenses incurred in the performance of his or her official duties.

KRS 62.140 and KRS 62.155 requires the Commonwealth to reimburse each county sheriff for the cost of bond premiums required by law in the performance of his or her official duties.

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

## **Policy**

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

The Budget of the Commonwealth includes additional General Fund in the amount of \$3,000,000 in each fiscal year for the Sheriffs' Fees program for costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

The Budget of the Commonwealth includes additional General Fund in the amount of \$1,000,000 in each fiscal year for the Public Defender program for costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

The Budget of the Commonwealth includes a wage of \$9 per hour for court security officers.

The Budget of the Commonwealth suspends the provisions of KRS 70.170 and provides funding for the Sheriff's Expense Allowance program in the amount of \$2,400 annually for each sheriff.

**Finance and Administration  
Commonwealth Office of Technology**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation				641,000	1,923,000
<b>Total General Fund</b>				641,000	1,923,000
<b>Restricted Funds</b>					
Balance Forward	14,094,551	9,878,307	10,666,700	1,239,300	546,100
Current Receipts	118,877,748	120,314,057	120,743,200	131,616,100	131,616,100
Non-Revenue Receipts	-1,082,250	125,855			
Fund Transfers	-1,960,000	-8,000,000	-10,800,000	-2,800,000	-2,800,000
<b>Total Restricted Funds</b>	129,930,049	122,318,219	120,609,900	130,055,400	129,362,200
<b>Federal Fund</b>					
Current Receipts	517,837	218,155	10,000	10,000	10,000
Non-Revenue Receipts	11,820	-31,285			
<b>Total Federal Fund</b>	529,657	186,869	10,000	10,000	10,000
<b>TOTAL SOURCE OF FUNDS</b>	130,459,707	122,505,088	120,619,900	130,706,400	131,295,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	72,582,441	63,778,558	67,298,600	75,249,100	74,695,700
Operating Expenses	40,655,641	39,198,414	42,328,600	44,368,600	44,368,600
Grants Loans Benefits	220,732	82,976	10,000	10,000	10,000
Debt Service				641,000	1,923,000
Capital Outlay	7,089,875	8,778,485	9,743,400	9,891,600	9,891,600
Construction	32,712				
<b>TOTAL EXPENDITURES</b>	120,581,400	111,838,432	119,380,600	130,160,300	130,888,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund				641,000	1,923,000
Restricted Funds	120,051,743	111,651,563	119,370,600	129,509,300	128,955,900
Federal Fund	529,657	186,869	10,000	10,000	10,000
<b>TOTAL EXPENDITURES</b>	120,581,400	111,838,432	119,380,600	130,160,300	130,888,900
<b>EXPENDITURES BY UNIT</b>					
Commonwealth Office of Technology	3,451,098	2,442,266	5,961,800	7,487,400	8,786,800
Chief Information Security Officer	6,399,091	5,632,823	5,800,000	9,235,100	9,280,200
Application Development	21,671,705	14,088,635	13,097,500	13,434,100	12,294,200
IT Services and Delivery	78,471,748	80,490,048	82,813,600	87,202,300	87,627,100
Office of Enterprise Technology	5,382,898	4,127,347	6,000,000	6,285,700	6,311,600
IT Service Management	5,204,860	5,057,313	5,707,700	6,515,700	6,589,000
<b>TOTAL EXPENDITURES</b>	120,581,400	111,838,432	119,380,600	130,160,300	130,888,900

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

COT consists of six units: Commissioner, Chief Information Security Officer, Application Development, Infrastructure Services, Enterprise Technology, and IT Service Management.

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

The Chief Information Security Officer manages security, access and acceptable use policies for all COT functions. As more and more of the Commonwealth's mission-critical applications go on-line, their potential exposure to malicious activity increases. In addition to maintaining the physical security of the Commonwealth Data Center and other COT facilities, the Security Office develops and maintains the disaster recovery business continuity plan.

The Office of Infrastructure Services operates the Commonwealth's enterprise computing and communications environment. This Office includes the daily operation of the Commonwealth Data Center and the Alternate Data Center, operation and maintenance of the Kentucky Information Highway, and all communication services, including data, voice, video, and wireless. Other responsibilities include providing help desk assistance to end-users and ensuring the security of client information in the areas of electronic commerce and network computing.

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

The Office of IT Service Management is responsible for the IT Infrastructure Library (ITIL) framework and support functions of COT. The office will oversee the transition of agency IT infrastructure to COT as part of the IT infrastructure consolidation initiative.

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

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

Executive Order 2012-880 directed that operational control and management of all information technology infrastructure services for the Executive Branch be consolidated under COT. Infrastructure services include computing equipment, server, storage, network, desktop support, telephony, IT facilities and enterprise-level shared systems, IT security, disaster recovery and business continuity, database administration, software licensing, and related planning, administration, asset management, and procurement. The consolidation of IT infrastructure services required the transfer of 218 IT infrastructure employees from various state agencies to COT. The Executive Order also created the position of Chief Information Officer (CIO) as the head of COT and made the CIO a member of the Governor's Executive Cabinet.

Executive Order 2017-0889, effective December 16, 2017, directed that the Executive Director of the Commonwealth Office of Technology would also serve as the Chief Information Officer of all Executive Branch agencies. The Commonwealth Office of Technology shall be the lead agency within the Executive Branch concerning delivery of information technology services, including application development and delivery.

## **Policy**

The Budget of the Commonwealth provides General Fund in the amount of \$641,000 in fiscal year 2018-2019 and \$1,923,000 in fiscal year 2019-2020 for debt service on new bonds included in the capital budget.

**Finance and Administration**

**Revenue**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	87,642,700	90,164,700	90,756,400	95,204,300	101,965,600
Budget Reduction-General Fund		-1,100,000	-4,613,300		
Reorganization Adjustment		-683,600	-700,000		
<b>Total General Fund</b>	<b>87,642,700</b>	<b>88,381,100</b>	<b>85,443,100</b>	<b>95,204,300</b>	<b>101,965,600</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	250,000	250,000	250,000	250,000	250,000
<b>Total Tobacco Fund</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
<b>Restricted Funds</b>					
Balance Forward	6,180,637	6,553,823	3,251,100	2,110,700	1,011,200
Current Receipts	11,544,381	12,037,251	11,520,200	13,611,200	15,702,200
Fund Transfers		-3,900,000			
<b>Total Restricted Funds</b>	<b>17,725,017</b>	<b>14,691,074</b>	<b>14,771,300</b>	<b>15,721,900</b>	<b>16,713,400</b>
<b>Federal Fund</b>					
Current Receipts			270,000		
<b>Total Federal Fund</b>			<b>270,000</b>		
<b>Road Fund</b>					
Regular Appropriation	2,970,600	3,078,000	3,097,800	3,577,500	3,621,000
<b>Total Road Fund</b>	<b>2,970,600</b>	<b>3,078,000</b>	<b>3,097,800</b>	<b>3,577,500</b>	<b>3,621,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>108,588,317</b>	<b>106,400,174</b>	<b>103,832,200</b>	<b>114,753,700</b>	<b>122,550,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	67,073,178	72,420,334	77,955,500	87,377,800	88,364,800
Operating Expenses	31,015,634	30,694,594	23,766,000	24,364,700	24,364,700
Grants Loans Benefits				2,000,000	4,000,000
Debt Service					5,820,500
Capital Outlay	338	27,458			
Construction	1,427				
<b>TOTAL EXPENDITURES</b>	<b>98,090,577</b>	<b>103,142,386</b>	<b>101,721,500</b>	<b>113,742,500</b>	<b>122,550,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	83,698,783	88,381,100	85,443,100	95,204,300	101,965,600
Tobacco Fund	250,000	250,000	250,000	250,000	250,000
Restricted Funds	11,171,194	11,440,017	12,660,600	14,710,700	16,713,400
Federal Fund			270,000		
Road Fund	2,970,600	3,071,269	3,097,800	3,577,500	3,621,000
<b>TOTAL EXPENDITURES</b>	<b>98,090,577</b>	<b>103,142,386</b>	<b>101,721,500</b>	<b>113,742,500</b>	<b>122,550,000</b>
<b>EXPENDITURES BY UNIT</b>					
Commissioner's Office	29,106,200	31,892,043	33,468,900	36,248,800	44,125,000
Property Valuation	6,735,043	7,860,864	7,092,700	6,863,700	6,964,700
Field Operations	14,433,789	14,530,644	13,838,500	16,797,500	17,017,300
Income Taxation	8,654,383	9,179,839	9,184,700	11,027,400	11,180,900
Sales and Excise Taxes	8,309,236	8,648,416	9,251,500	8,956,200	9,024,200
Processing and Enforcement	30,851,927	30,665,466	28,408,100	33,298,500	33,680,000
Office of Tax Policy & Regulation		365,114	477,100	550,400	557,900
<b>TOTAL EXPENDITURES</b>	<b>98,090,577</b>	<b>103,142,386</b>	<b>101,721,500</b>	<b>113,742,500</b>	<b>122,550,000</b>

The Department of Revenue is responsible for the accurate and equitable administration of all state revenue laws, and for the assessment and collection of over 40 separate state taxes. The Department aims to ensure the taxpayer's voluntary compliance with the revenue laws, to enforce such laws in those instances where necessary, and to supervise and assist county property valuation administrators in assessing property for taxation.

The Commissioner's Office includes the Division of Protest Resolution, the Security and Disclosure Branch, and the Taxpayer Ombudsman. Department-wide costs such as office rent, printing, postage, and information technology are budgeted in this unit.

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

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

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

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

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

The Office of Tax Policy and Regulation is responsible for providing oral and written technical advice on Kentucky tax law; drafting proposed tax legislation and regulations; analyzing tax publications; providing expert witness testimony in tax litigation cases; providing consultation and assistance in protested tax cases; and conducting training and education programs.

### **Policy**

Included in the above General Fund appropriation is \$5,820,500 in fiscal year 2019-2020 for new debt service to support new bonds included in the capital budget.

**Finance and Administration**  
**Property Valuation Administrators**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	43,555,500	46,644,700	47,600,200	54,824,800	56,138,900
Current Year Appropriation			2,438,400		
Budget Reduction-General Fund			-2,438,400		
<b>Total General Fund</b>	<b>43,555,500</b>	<b>46,644,700</b>	<b>47,600,200</b>	<b>54,824,800</b>	<b>56,138,900</b>
<b>Restricted Funds</b>					
Balance Forward	241,048	223,863	198,500	198,500	
Current Receipts	4,338,658	3,912,093	4,690,000	3,500,000	3,500,000
<b>Total Restricted Funds</b>	<b>4,579,706</b>	<b>4,135,956</b>	<b>4,888,500</b>	<b>3,698,500</b>	<b>3,500,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>48,135,206</b>	<b>50,780,656</b>	<b>52,488,700</b>	<b>58,523,300</b>	<b>59,638,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	47,425,039	50,104,367	51,858,200	58,235,300	59,350,900
Operating Expenses	486,305	477,764	432,000	288,000	288,000
<b>TOTAL EXPENDITURES</b>	<b>47,911,344</b>	<b>50,582,132</b>	<b>52,290,200</b>	<b>58,523,300</b>	<b>59,638,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	43,555,500	46,644,700	47,600,200	54,824,800	56,138,900
Restricted Funds	4,355,844	3,937,432	4,690,000	3,698,500	3,500,000
<b>TOTAL EXPENDITURES</b>	<b>47,911,344</b>	<b>50,582,132</b>	<b>52,290,200</b>	<b>58,523,300</b>	<b>59,638,900</b>
<b>EXPENDITURES BY UNIT</b>					
Property Valuation Administrators	47,911,344	50,582,132	52,290,200	58,523,300	59,638,900
<b>TOTAL EXPENDITURES</b>	<b>47,911,344</b>	<b>50,582,132</b>	<b>52,290,200</b>	<b>58,523,300</b>	<b>59,638,900</b>

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

**Policy**

The Budget of the Commonwealth suspends the provisions of KRS 132.597 and provides funding for an expense allowance for each PVA in the amount of \$2,400 annually.



# Health and Family Services

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**Health and Family Services**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,382,166,800	2,512,159,900	2,713,948,100	2,706,415,700	2,871,337,800
Current Year Appropriation			6,600,000		
Budget Reduction-General Fund		-41,539,457	-69,620,100		
Mandated Allotments	1,597,000				
<b>Total General Fund</b>	<b>2,383,763,800</b>	<b>2,470,620,443</b>	<b>2,650,928,000</b>	<b>2,706,415,700</b>	<b>2,871,337,800</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	22,990,200	21,492,900	23,954,200	30,614,900	29,222,900
Special Appropriation	682,500				
Current Year Appropriation	2,046,600				
Continuing Approp-Tob Settlement	5,017,026	9,352,258	9,034,200		
<b>Total Tobacco Fund</b>	<b>30,736,326</b>	<b>30,845,158</b>	<b>32,988,400</b>	<b>30,614,900</b>	<b>29,222,900</b>
<b>Restricted Funds</b>					
Balance Forward	52,321,238	86,081,488	75,672,700	59,175,700	18,153,200
Current Receipts	623,208,897	692,997,945	671,303,000	723,026,200	723,193,400
Non-Revenue Receipts	374,327,667	329,367,221	402,310,600	343,387,900	342,195,800
Fund Transfers		-37,712,108			
<b>Total Restricted Funds</b>	<b>1,049,857,801</b>	<b>1,070,734,546</b>	<b>1,149,286,300</b>	<b>1,125,589,800</b>	<b>1,083,542,400</b>
<b>Federal Fund</b>					
Balance Forward	63,074,164	32,476,710	25,180,400		
Current Receipts	8,751,138,629	8,904,160,134	9,845,059,300	10,123,339,600	10,449,247,400
Non-Revenue Receipts	-3,533,880	8,295,828	18,300	19,200	19,200
<b>Total Federal Fund</b>	<b>8,810,678,913</b>	<b>8,944,932,672</b>	<b>9,870,258,000</b>	<b>10,123,358,800</b>	<b>10,449,266,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>12,275,036,840</b>	<b>12,517,132,819</b>	<b>13,703,460,700</b>	<b>13,985,979,200</b>	<b>14,433,369,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	790,670,727	814,029,461	1,063,838,700	1,105,285,700	1,056,651,900
Operating Expenses	122,485,707	114,239,901	118,265,400	129,787,500	129,663,700
Grants Loans Benefits	11,188,505,805	11,465,743,480	12,450,053,300	12,721,254,400	13,229,935,300
Debt Service	11,997,725	11,378,725	11,261,200	11,431,000	12,300,700
Capital Outlay	2,196,372	1,773,905	866,400	67,400	67,400
Construction	169,149	80,119			
<b>TOTAL EXPENDITURES</b>	<b>12,116,025,485</b>	<b>12,407,245,590</b>	<b>13,644,285,000</b>	<b>13,967,826,000</b>	<b>14,428,619,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,352,662,900	2,470,620,443	2,650,928,000	2,706,415,700	2,871,337,800
Tobacco Fund	21,384,068	21,810,942	32,988,400	30,614,900	29,222,900
Restricted Funds	963,776,314	995,061,946	1,090,110,600	1,107,436,600	1,078,791,700
Federal Fund	8,778,202,203	8,919,752,260	9,870,258,000	10,123,358,800	10,449,266,600
<b>TOTAL EXPENDITURES</b>	<b>12,116,025,485</b>	<b>12,407,245,590</b>	<b>13,644,285,000</b>	<b>13,967,826,000</b>	<b>14,428,619,000</b>
<b>EXPENDITURES BY UNIT</b>					
Health Benefit and Information Exchange	19,573,081	20,193,042	5,552,200	5,063,900	5,100,500
General Administration and Program Support	92,590,553	98,555,014	103,967,000	111,227,400	112,343,500
Health Policy	2,907,792	2,323,404	2,273,200	2,303,300	2,139,100
Aging and Independent Living	67,327,564	65,165,022	70,600,300	71,870,200	72,075,900
Income Support	99,193,888	99,031,433	108,676,600	104,880,400	105,404,100
Public Health	322,332,099	338,242,239	366,631,200	369,521,700	369,547,800
Behavioral Health, Developmental & Intellectual Disabilities	416,565,538	420,056,475	443,505,200	432,621,400	417,950,400

**EXPENDITURES BY UNIT**

Family Resource Centers and Volunteer Services	6,095,520	6,853,904	12,481,700	18,360,300	18,389,700
Community Based Services	1,025,695,674	1,054,927,563	1,095,844,500	1,259,382,700	1,266,320,000
Medicaid Services	10,046,435,297	10,284,761,410	11,414,697,300	11,571,494,100	12,038,055,500
Comm for Children with Special Health Care Needs	17,308,479	17,136,085	20,055,800	21,100,600	21,292,500
<b>TOTAL EXPENDITURES</b>	<b>12,116,025,485</b>	<b>12,407,245,590</b>	<b>13,644,285,000</b>	<b>13,967,826,000</b>	<b>14,428,619,000</b>

The Cabinet for Health and Family Services is the primary state agency responsible for leadership in protecting and promoting the health and well-being of all Kentuckians through the delivery of quality health and human services. The following departments and/or offices comprise the Cabinet for Health and Family Services: the Office of the Secretary, Office of Communications and Administrative Review, Office of the Inspector General, Office of Legal Services, Office of Administrative and Technology Services, Office of Human Resource Management, Office of Policy and Budget, Office of Legislative and Regulatory Affairs, Office of the Ombudsman and Kentucky Health Information Exchange which comprise the Administration and Program Support appropriation unit. Remaining agencies/appropriation units within the Cabinet include the Kentucky Office of Health Benefit Exchange; the Office of Health Policy; Department for Medicaid Services; Department for Behavioral Health, Developmental and Intellectual Disabilities; Department for Public Health; Department for Aging and Independent Living; Department for Community Based Services; Department for Income Support; Department for Family Resource Centers and Volunteer Services; and the Commission for Children with Special Health Care Needs.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	29,028,600	30,506,000	30,747,700	35,784,800	36,475,900
Budget Reduction-General Fund		-696,400	-89,800		
Reorganization Adjustment		586,800	586,800		
<b>Total General Fund</b>	29,028,600	30,396,400	31,244,700	35,784,800	36,475,900
<b>Restricted Funds</b>					
Balance Forward	4,293,436	3,915,595	3,833,000	3,713,900	2,881,300
Current Receipts	7,556,008	6,178,542	9,600,600	9,144,600	9,144,600
Non-Revenue Receipts	11,059,252	12,829,471	11,392,300	11,392,300	11,392,300
<b>Total Restricted Funds</b>	22,908,697	22,923,608	24,825,900	24,250,800	23,418,200
<b>Federal Fund</b>					
Balance Forward	4,160,241	4,928,599	2,957,800		
Current Receipts	46,728,610	45,486,296	48,652,500	54,073,100	54,457,500
Non-Revenue Receipts	-99,300	1,610,853			
<b>Total Federal Fund</b>	50,789,550	52,025,748	51,610,300	54,073,100	54,457,500
<b>TOTAL SOURCE OF FUNDS</b>	102,726,847	105,345,756	107,680,900	114,108,700	114,351,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	72,549,377	77,859,832	82,035,300	88,714,800	89,476,700
Operating Expenses	19,590,823	20,593,682	21,931,700	22,410,100	22,559,300
Debt Service	315,000	101,500		102,500	307,500
Capital Outlay					
Construction	135,354				
<b>TOTAL EXPENDITURES</b>	92,590,553	98,555,014	103,967,000	111,227,400	112,343,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	27,736,500	30,396,400	31,244,700	35,784,800	36,475,900
Restricted Funds	18,993,102	19,090,643	21,112,000	21,369,500	21,410,100
Federal Fund	45,860,952	49,067,971	51,610,300	54,073,100	54,457,500
<b>TOTAL EXPENDITURES</b>	92,590,554	98,555,014	103,967,000	111,227,400	112,343,500
<b>EXPENDITURES BY UNIT</b>					
Administrative Support	70,373,281	75,349,782	78,130,000	83,137,800	83,951,000
Inspector General	22,217,273	23,205,232	25,837,000	28,089,600	28,392,500
<b>TOTAL EXPENDITURES</b>	92,590,554	98,555,014	103,967,000	111,227,400	112,343,500

General Administration and Program Support consists of Administrative Support and the Office of the Inspector General (OIG).

The Administrative Support area includes the Office of the Secretary, the Office of Legal Services, the Office of Communications and Administrative Review, the Office of Human Resource Management, the Office of Legislative & Regulatory Affairs, the Office of Policy and Budget, the Office of Administrative and Technology Services, the Kentucky Health Information Exchange, and the Office of the Ombudsman. These offices provide policy, administrative, legal, financial, technological, and personnel support services to the program areas of the Cabinet.

The Office of Inspector General provides support to other programs in the Cabinet for Health and Family Services as well as its programmatic functions of health care facility licensure and child care facility regulation.

The OIG has three major functions:

- Audits and Investigations
- Child Care Licensing and Regulation
- Health Care Licensing

**Policy**

The Budget of the Commonwealth includes General Fund in the amount of \$102,500 in fiscal year 2018-2019 and \$307,500 in fiscal year 2019-2020 to support new bonds as set forth in Part II, Capital Projects Budget.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	26,028,600	25,317,400	25,331,300	29,321,400	29,885,200
Budget Reduction-General Fund		-696,400			
Reorganization Adjustment		586,800	586,800		
<b>Total General Fund</b>	26,028,600	25,207,800	25,918,100	29,321,400	29,885,200
<b>Restricted Funds</b>					
Balance Forward	848,486	2,514,951	1,260,600	840,400	420,200
Current Receipts	4,359,463	2,183,570	4,906,100	4,906,100	4,906,100
Non-Revenue Receipts	8,659,252	10,644,333	11,392,300	11,392,300	11,392,300
<b>Total Restricted Funds</b>	13,867,201	15,342,855	17,559,000	17,138,800	16,718,600
<b>Federal Fund</b>					
Balance Forward	3,462,401	3,816,758	2,957,800		
Current Receipts	24,850,706	24,743,669	32,535,500	37,097,800	37,347,200
Non-Revenue Receipts		1,484,688			
<b>Total Federal Fund</b>	28,313,108	30,045,115	35,493,300	37,097,800	37,347,200
<b>TOTAL SOURCE OF FUNDS</b>	68,208,909	70,595,770	78,970,400	83,558,000	83,951,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	43,587,633	48,525,799	58,953,500	63,359,200	63,818,200
Operating Expenses	16,448,448	17,497,185	19,176,500	19,676,100	19,825,300
Debt Service	315,000	101,500		102,500	307,500
Construction	135,354				
<b>TOTAL EXPENDITURES</b>	60,486,434	66,124,484	78,130,000	83,137,800	83,951,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	24,736,500	25,207,800	25,918,100	29,321,400	29,885,200
Restricted Funds	11,253,585	13,828,520	16,718,600	16,718,600	16,718,600
Federal Fund	24,496,350	27,088,164	35,493,300	37,097,800	37,347,200
<b>TOTAL EXPENDITURES</b>	60,486,434	66,124,484	78,130,000	83,137,800	83,951,000

Administrative Support provides funding for nine organizational units within the Cabinet for Health and Family Services (CHFS) including the Office of the Secretary, the Office of Legal Services, the Office of Communications and Administrative Review, the Office of Human Resource Management, the Office of Legislative & Regulatory Affairs, the Office of Policy and Budget, the Office of Administrative and Technology Services, the Kentucky Health Information Exchange, and the Office of the Ombudsman.

The Office of the Secretary provides leadership, oversight and guidance in order for CHFS to deliver quality services that enhance the health, safety, and wellbeing of all people in the Commonwealth of Kentucky.

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

Communications and Administrative Review is responsible for providing qualified administrative law judges/hearing officials to conduct administrative hearings related to Cabinet matters, overseeing and monitoring legislative activities, and representing the Cabinet in matters of public information, including media inquiries, open records requests, press releases, public relations, and internal communications.

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

Legislative & Regulatory Affairs coordinates activities related to the Cabinet's public policy initiatives and administrative and legislative agendas with other governmental and private agencies. The office is responsible for coordination and oversight of over 660 regulations in the cabinet on behalf of the Office of the Secretary, including the Governor's Red Tape Reduction initiative. This office develops, implements, and pursues the cabinet's legislative agenda including reviewing, evaluating, and analyzing all legislative, regulatory, and public policy proposals impacting the cabinet and responding to requests for public policy information from the cabinet. Each legislative session, CHFS and its departments provide comprehensive reviews, analysis, and feedback on approximately 200 bills and numerous amendments impacting the cabinet's departments and programs.

Policy and Budget manages the cabinet's \$13B annual budget in coordination with departments on behalf of the Office of the Secretary. This office reviews and coordinates activities related to budgetary and programmatic issues across agency lines within the cabinet as well as with other state agencies outside the cabinet, including the Governor's Office for Policy and Management, the Finance and Administration Cabinet, and the Legislative Research Commission. In addition, the office reviews legislation for fiscal impact on the cabinet and responds to budgetary requests for information from various sources.

Administrative and Technology Services consists of Cabinet functions related to accounting, facilities management, procurement, and technology services. Accounting services is responsible for tracking of accounting and payments including travel for the Cabinet; filing required financial reports, including federal cash management activities; responding to audits of the Cabinet's programs, and providing maintenance and security of the accounting systems. Facility Services is responsible for monitoring all facilities of the Cabinet, including space design and utilization, establishment, monitoring, and reporting on safety programs, property insurance, claims processing, preparation and maintenance of the Cabinet's Six-Year Capital Plan; coordinating, tracking, and monitoring capital construction projects; tracking and reporting on the Cabinet's physical assets and public records. Procurement services oversees the purchasing and procurement process, provides technical support to Cabinet staff in procurement and contracting procedures, and ensures compliance with all applicable statutes, regulations, policy, and procedures related to procurement. Technology Services provides technology resources for the Cabinet, including the development, operation, and security of the extensive statewide application systems that support direct delivery of frontline services. The Kentucky Health Information Exchange (KHIE) serves as a focal point for e-health initiatives in the Commonwealth. KHIE helps health care providers in utilizing health technology to improve patient care, reduce medical errors, and make more efficient use of health care dollars by reducing redundant services.

The Ombudsman answers questions from recipients of CHFS programs and provides information to the public about CHFS programs. The Office also investigates customer complaints and works with CHFS management to resolve them. The Ombudsman advises CHFS management regarding patterns of complaints and recommends corrective action when appropriate. Staff conducts federally mandated management evaluation and access reviews for the food stamp program and assists in writing county and regional corrective action plans. The Ombudsman is responsible for determining administrative hearing eligibility related to service complaints regarding the Department for Community Based Services Protection and Permanency cases and requests to appeal child abuse and/or child neglect substantiations. The CHFS Institutional Review Board for the Protection of Human Subjects is housed within the Office of the Ombudsman. The Board reviews and approves all research projects conducted by CHFS or involving CHFS clients or employees as subjects to ensure that the safety and welfare of the research subjects is protected.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,000,000	5,188,600	5,416,400	6,463,400	6,590,700
Budget Reduction-General Fund			-89,800		
<b>Total General Fund</b>	3,000,000	5,188,600	5,326,600	6,463,400	6,590,700
<b>Restricted Funds</b>					
Balance Forward	3,444,950	1,400,644	2,572,400	2,873,500	2,461,100
Current Receipts	3,168,534	3,994,972	4,694,500	4,238,500	4,238,500
<b>Total Restricted Funds</b>	6,613,485	5,395,616	7,266,900	7,112,000	6,699,600
<b>Federal Fund</b>					
Balance Forward	697,839	1,111,841			
Current Receipts	14,418,273	14,035,789	16,117,000	16,975,300	17,110,300
Non-Revenue Receipts	160	45,781			
<b>Total Federal Fund</b>	15,116,273	15,193,411	16,117,000	16,975,300	17,110,300
<b>TOTAL SOURCE OF FUNDS</b>	24,729,757	25,777,627	28,710,500	30,550,700	30,400,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	19,480,409	20,252,361	23,081,800	25,355,600	25,658,500
Operating Expenses	2,736,863	2,952,871	2,755,200	2,734,000	2,734,000
Capital Outlay					
Construction					
<b>TOTAL EXPENDITURES</b>	22,217,273	23,205,232	25,837,000	28,089,600	28,392,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,000,000	5,188,600	5,326,600	6,463,400	6,590,700
Restricted Funds	5,212,841	2,823,221	4,393,400	4,650,900	4,691,500
Federal Fund	14,004,432	15,193,411	16,117,000	16,975,300	17,110,300
<b>TOTAL EXPENDITURES</b>	22,217,273	23,205,232	25,837,000	28,089,600	28,392,500

The Inspector General has three divisions: the Division of Audits and Investigations, the Division of Regulated Child Care, and the Division of Health Care. The general authority for the Office of the Inspector General is codified within KRS 194A.030.

The Division of Audits and Investigations examine Cabinet programs to assess contractor compliance with state and federal laws and regulations. In accordance with KRS 194A.030, the Division is responsible for conducting audits of programs within the Cabinet for Health and Family Services, their grantees and contractors. Investigations are conducted to detect fraud or abuse of any program by any client, or vendor of services with whom the Cabinet has contracted. Special investigations may be requested by the Secretary, commissioners, or agency heads into matters related to the Cabinet and its programs. Any information relevant to possible criminal violations is forwarded to the appropriate prosecuting authority. The agency operates a toll-free welfare and Medicaid fraud and abuse hotline (mandated by KRS 205.8483 and 42 CFR 455); conducts investigations of Women, Infants, and Children program vendors; and collects and reports data on assistance program fraud investigations by the Office of the Inspector General and the Office of the Attorney General. The Kentucky All Schedule Prescription Enforcement Reporting or KASPER system is also maintained here.

Regulated Child Care is charged with licensing certified Family Day Care homes, licensed day care centers (Type I and II), child caring facilities, child-placing agencies, and private adoptive service agencies. This includes initial licensure surveys, yearly re-licensure surveys, and complaint surveys.

Health Care Licensing is responsible for inspecting, monitoring, licensing and certifying all health care facilities as defined by KRS 216.510 (1). On-site inspections are conducted of all health facilities and services throughout the state (including nursing homes, hospitals and laboratories) to determine compliance with state licensing standards and federal Medicare and Medicaid certification requirements. Allegations of abuse and neglect that may occur in a licensed health facility are also investigated.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,587,200	5,711,100	5,824,800	5,249,000	5,249,000
Budget Reduction-General Fund		-55,100			
Reorganization Adjustment		-200,000	-200,000		
<b>Total General Fund</b>	5,587,200	5,456,000	5,624,800	5,249,000	5,249,000
<b>Restricted Funds</b>					
Balance Forward	5,397,357	6,573,881	4,724,600	4,259,700	2,374,200
Current Receipts	12,047,916	10,325,742	9,400,000	9,400,000	9,400,000
Non-Revenue Receipts	-3,499,000	-3,050,000			
Fund Transfers		-2,000,000			
<b>Total Restricted Funds</b>	13,946,273	11,849,623	14,124,600	13,659,700	11,774,200
<b>Federal Fund</b>					
Balance Forward		508	14,700		
Current Receipts	4,865,495	4,569,242	4,551,400	4,566,100	4,566,100
Non-Revenue Receipts	-264,700				
<b>Total Federal Fund</b>	4,600,796	4,569,750	4,566,100	4,566,100	4,566,100
<b>TOTAL SOURCE OF FUNDS</b>	24,134,269	21,875,373	24,315,500	23,474,800	21,589,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	12,501,740	12,185,539	13,034,000	14,795,400	14,987,300
Operating Expenses	2,266,091	2,117,103	2,148,800	2,231,200	2,231,200
Grants Loans Benefits	2,430,385	2,741,426	4,069,000	4,069,000	4,069,000
Capital Outlay	110,263	92,017	804,000	5,000	5,000
<b>TOTAL EXPENDITURES</b>	17,308,479	17,136,085	20,055,800	21,100,600	21,292,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,335,800	5,456,000	5,624,800	5,249,000	5,249,000
Restricted Funds	7,372,392	7,125,047	9,864,900	11,285,500	11,477,400
Federal Fund	4,600,287	4,555,038	4,566,100	4,566,100	4,566,100
<b>TOTAL EXPENDITURES</b>	17,308,479	17,136,085	20,055,800	21,100,600	21,292,500
<b>EXPENDITURES BY UNIT</b>					
Children's Health Services	17,308,479	17,136,085	20,055,800	21,100,600	21,292,500
<b>TOTAL EXPENDITURES</b>	17,308,479	17,136,085	20,055,800	21,100,600	21,292,500

The Commission for Children with Special Health Care Needs (CCSHCN) has over 93 years of experience in providing care for children with a variety of special needs. The mission of the Commission for Children with Special Health Care Needs (CCSHCN) is to enhance the quality of life for Kentucky's children with special health care needs through quality service, leadership, advocacy, education and collaboration with community partners to ensure that services to children are comprehensive, community-based, family-centered and coordinated. CCSHCN supports the highest quality of life for Kentucky's children with special health care needs and their families through collaboration and facilitation of an easily accessible community based system of support. Improved communication across the service delivery system is a high priority goal to avoid duplication while improving access to quality services.

CCSHCN is charged with planning, developing, providing, and evaluating the public statewide system of care for children with special health care needs and providing early hearing and detection intervention services. CCSHCN works collaboratively with other agencies to assure services to children with disabilities are comprehensive, community-based, family-centered, and coordinated, thus avoiding duplication and fragmentation of the service delivery system. Accessibility is a key component of the delivery system. The program provides an array of preventative, diagnostic, and treatment services for special needs children and youth under 21 including: medical care, hospitalization, medications, durable medical goods, case management, therapy, transportation, and nutritional education. Because rapid advances in medical science have enabled over 90 percent of youth with disabilities and chronic conditions to reach adulthood, the program has expanded its focus to include services and supports for academic achievement, transition from education to employment, from pediatric to adult health care, and to independent living. Because health care is so critical to learning and success in school, CCSHCN has an active partnership with the Kentucky Department of Education and other health, education, and social services providers to support children and youth and families and their schools. The Early Hearing



Detection and Intervention Program provide surveillance and support for statewide screening for the early detection of hearing disorders and referral for follow-up treatment. The Hemophilia Program provides medical and social services to children and adults with blood disorders. The Foster Care Program represents a collaborative effort with the Department of Community Based Services to provide medical consultation services to the foster care support program by making regular home visits to the entire population of medically fragile foster care children and acting as onsite, medical resources for the social workers charged with responsibility for both children who are currently in the child welfare system and those who may be at risk for entering that system.

The family's financial status can play a role in determining whether the child is accepted into the Children with Special Health Care Needs Program and/or Hemophilia Program. All programs serve children and youth with or at-risk for special health care needs under age 21, with the exception of the Hemophilia Program, which also serves adults. The direct service programs require that specific medical eligibility requirements be met. For families with incomes less than 213% of the federal poverty level, a sliding scale is applied to determine the amount the family must contribute for treatment. Eligible children and youth in families with incomes in excess of 213% of federal poverty level also can receive services if they reside in medically under-served areas of the state, would benefit from a multidisciplinary approach to care, and/or are underinsured in the areas of hearing aids, durable medical equipment or nutritional supplements. These families are required to reimburse CSHCN for the entire costs of their treatment, but are able to take advantage of the Commission's negotiated rates with contracted medical providers.

**Health and Family Services**

**Medicaid Services**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,611,591,800	1,786,807,700	1,985,980,000	1,881,992,500	2,043,016,800
Budget Reduction-General Fund		-37,741,857	-64,617,800		
Reorganization Adjustment		-142,200	-142,200		
Mandated Allotments	1,255,900				
<b>Total General Fund</b>	<b>1,612,847,700</b>	<b>1,748,923,643</b>	<b>1,921,220,000</b>	<b>1,881,992,500</b>	<b>2,043,016,800</b>
<b>Restricted Funds</b>					
Balance Forward	2,217,486	20,260,363	9,104,600	25,068,100	
Current Receipts	126,482,433	173,515,800	166,643,600	160,983,800	160,789,500
Non-Revenue Receipts	421,927,490	351,489,636	431,589,700	369,220,400	370,818,700
Fund Transfers		-30,262,108			
<b>Total Restricted Funds</b>	<b>550,627,409</b>	<b>515,003,691</b>	<b>607,337,900</b>	<b>555,272,300</b>	<b>531,608,200</b>
<b>Federal Fund</b>					
Balance Forward	32,215,716	17,194,666	9,425,200		
Current Receipts	7,888,270,943	8,016,815,985	8,901,782,300	9,134,229,300	9,463,430,500
Non-Revenue Receipts	-71,442	5,353,248			
<b>Total Federal Fund</b>	<b>7,920,415,218</b>	<b>8,039,363,899</b>	<b>8,911,207,500</b>	<b>9,134,229,300</b>	<b>9,463,430,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>10,083,890,327</b>	<b>10,303,291,233</b>	<b>11,439,765,400</b>	<b>11,571,494,100</b>	<b>12,038,055,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	114,631,539	121,121,546	359,593,900	251,727,400	196,062,900
Operating Expenses	7,270,809	6,269,205	6,751,100	6,924,000	6,815,500
Grants Loans Benefits	9,924,532,689	10,157,361,411	11,048,342,300	11,312,832,700	11,835,167,100
Capital Outlay		9,248	10,000	10,000	10,000
Construction	259				
<b>TOTAL EXPENDITURES</b>	<b>10,046,435,297</b>	<b>10,284,761,410</b>	<b>11,414,697,300</b>	<b>11,571,494,100</b>	<b>12,038,055,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,612,847,700	1,748,923,643	1,921,220,000	1,881,992,500	2,043,016,800
Restricted Funds	530,367,046	505,899,115	582,269,800	555,272,300	531,608,200
Federal Fund	7,903,220,552	8,029,938,652	8,911,207,500	9,134,229,300	9,463,430,500
<b>TOTAL EXPENDITURES</b>	<b>10,046,435,297</b>	<b>10,284,761,410</b>	<b>11,414,697,300</b>	<b>11,571,494,100</b>	<b>12,038,055,500</b>
<b>EXPENDITURES BY UNIT</b>					
Medicaid Administration	153,867,341	157,414,172	399,636,800	289,680,900	234,107,900
Medicaid Benefits	9,892,567,956	10,127,347,238	11,015,060,500	11,281,813,200	11,803,947,600
<b>TOTAL EXPENDITURES</b>	<b>10,046,435,297</b>	<b>10,284,761,410</b>	<b>11,414,697,300</b>	<b>11,571,494,100</b>	<b>12,038,055,500</b>

Medicaid Services is comprised of two appropriation units: Administration and Benefits. Additionally, two major programs operate within each of those appropriation units: the Kentucky Medical Assistance program (regular Medicaid program) and the Kentucky Children's Health Insurance program (KCHIP).

The Medical Assistance program provides for comprehensive physical and behavioral health services by reimbursing providers for health care provided to medically indigent Kentuckians. Providers are reimbursed directly on a fee-for-service basis or indirectly through contractual arrangements with managed care organizations who receive a monthly capitation payment for each enrolled recipient. Eligibility for services is determined by staff in each county through a contractual agreement with the Department for Community Based Services. Individuals may automatically qualify for benefits if they are eligible for Supplemental Security Income benefits administered by the Social Security Administration.

KCHIP provides for comprehensive physical and behavioral health services for uninsured children up to 200 percent of the federal poverty level who are not otherwise eligible for Medicaid.

**Health and Family Services  
Medicaid Administration**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	33,398,600	41,085,800	40,549,800	56,622,700	59,367,300
Reorganization Adjustment		-142,200	-142,200		
Mandated Allotments	1,255,900				
<b>Total General Fund</b>	<b>34,654,500</b>	<b>40,943,600</b>	<b>40,407,600</b>	<b>56,622,700</b>	<b>59,367,300</b>
<b>Tobacco Fund</b>					
<b>Restricted Funds</b>					
Balance Forward	1,247,274	1,090,341	823,200	8,760,800	
Current Receipts	105,121	183,360	105,000	105,000	105,000
Non-Revenue Receipts	20,441,257	14,176,870	42,482,200	10,161,400	10,161,400
<b>Total Restricted Funds</b>	<b>21,793,652</b>	<b>15,450,570</b>	<b>43,410,400</b>	<b>19,027,200</b>	<b>10,266,400</b>
<b>Federal Fund</b>					
Balance Forward	19,690,090	16,435,717	9,425,200		
Current Receipts	95,326,599	94,730,983	315,154,400	214,031,000	164,474,200
Non-Revenue Receipts	-71,442	101,733			
<b>Total Federal Fund</b>	<b>114,945,247</b>	<b>111,268,433</b>	<b>324,579,600</b>	<b>214,031,000</b>	<b>164,474,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>171,393,399</b>	<b>167,662,603</b>	<b>408,397,600</b>	<b>289,680,900</b>	<b>234,107,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	114,631,539	121,121,546	359,593,900	251,727,400	196,062,900
Operating Expenses	7,273,160	6,269,205	6,751,100	6,924,000	6,815,500
Grants Loans Benefits	31,962,383	30,014,173	33,281,800	31,019,500	31,219,500
Capital Outlay		9,248	10,000	10,000	10,000
Construction	259				
<b>TOTAL EXPENDITURES</b>	<b>153,867,341</b>	<b>157,414,172</b>	<b>399,636,800</b>	<b>289,680,900</b>	<b>234,107,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	34,654,500	40,943,600	40,407,600	56,622,700	59,367,300
Tobacco Fund					
Restricted Funds	20,703,311	14,627,386	34,649,600	19,027,200	10,266,400
Federal Fund	98,509,530	101,843,186	324,579,600	214,031,000	164,474,200
<b>TOTAL EXPENDITURES</b>	<b>153,867,341</b>	<b>157,414,172</b>	<b>399,636,800</b>	<b>289,680,900</b>	<b>234,107,900</b>
<b>EXPENDITURES BY UNIT</b>					
Medical Assistance Administration	146,537,362	152,837,569	395,616,100	285,647,900	230,043,800
KCHIP Administration	7,329,979	4,576,603	4,020,700	4,033,000	4,064,100
<b>TOTAL EXPENDITURES</b>	<b>153,867,341</b>	<b>157,414,172</b>	<b>399,636,800</b>	<b>289,680,900</b>	<b>234,107,900</b>

Administrative functions of the Medicaid program and the Kentucky Children's Health Insurance program (KCHIP) include determining applicant eligibility, formulating policy, processing claims, assuring appropriate utilization of medical services, and managed care oversight. For the fee for service elements of the program, claims are paid through contracts with a fiscal agent and a pharmacy benefits administrator. For the managed care elements of the program, a monthly capitation fee for each member is paid. The Medicaid program contracts for medical review of acute care admissions, level of care determinations for long-term care patients, and care reviews for recipients in mental hospitals and psychiatric facilities.

The Department for Community Based Services performs the eligibility determination function on behalf of the Department for Medicaid Services through a contractual arrangement. The Department for Medicaid Services also administers KCHIP, a program to provide health care services for uninsured children with family incomes below 200 percent of the federal poverty level but above the federal income level for the Medicaid Program.

## **Policy**

The Budget of the Commonwealth includes General Fund of \$20,000,000 in fiscal year 2019-2020 to replace the 2007 Medicaid Enterprise Management System (MEMS) with a modernized system that complies with the Medicaid Information Technology Architecture requirements. The state will draw an enhanced federal match in the amount of \$50,596,500 in fiscal year 2019-2020.

The Budget of the Commonwealth includes General Fund of \$17,501,500 in fiscal year 2018-2019 for the Kentucky HEALTH Medicaid 1115 Waiver demonstration project. The project focuses on "Helping to Engage and Achieve Long Term Health (HEALTH)" for Medicaid participants, with the goal of improving member outcomes.

**Health and Family Services**

**Medicaid Benefits**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,578,193,200	1,745,721,900	1,945,430,200	1,825,369,800	1,983,649,500
Budget Reduction-General Fund		-37,741,857	-64,617,800		
<b>Total General Fund</b>	<b>1,578,193,200</b>	<b>1,707,980,043</b>	<b>1,880,812,400</b>	<b>1,825,369,800</b>	<b>1,983,649,500</b>
<b>Restricted Funds</b>					
Balance Forward	970,212	19,170,022	8,281,400	16,307,300	
Current Receipts	126,377,312	173,332,441	166,538,600	160,878,800	160,684,500
Non-Revenue Receipts	401,486,233	337,312,766	389,107,500	359,059,000	360,657,300
Fund Transfers		-30,262,108			
<b>Total Restricted Funds</b>	<b>528,833,757</b>	<b>499,553,121</b>	<b>563,927,500</b>	<b>536,245,100</b>	<b>521,341,800</b>
<b>Federal Fund</b>					
Balance Forward	12,525,627	758,950			
Current Receipts	7,792,944,344	7,922,085,002	8,586,627,900	8,920,198,300	9,298,956,300
Non-Revenue Receipts		5,251,514			
<b>Total Federal Fund</b>	<b>7,805,469,971</b>	<b>7,928,095,466</b>	<b>8,586,627,900</b>	<b>8,920,198,300</b>	<b>9,298,956,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>9,912,496,928</b>	<b>10,135,628,630</b>	<b>11,031,367,800</b>	<b>11,281,813,200</b>	<b>11,803,947,600</b>
<b>EXPENDITURES BY CLASS</b>					
Operating Expenses	-2,350				
Grants Loans Benefits	9,892,570,306	10,127,347,238	11,015,060,500	11,281,813,200	11,803,947,600
<b>TOTAL EXPENDITURES</b>	<b>9,892,567,956</b>	<b>10,127,347,238</b>	<b>11,015,060,500</b>	<b>11,281,813,200</b>	<b>11,803,947,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,578,193,200	1,707,980,043	1,880,812,400	1,825,369,800	1,983,649,500
Restricted Funds	509,663,735	491,271,729	547,620,200	536,245,100	521,341,800
Federal Fund	7,804,711,021	7,928,095,466	8,586,627,900	8,920,198,300	9,298,956,300
<b>TOTAL EXPENDITURES</b>	<b>9,892,567,956</b>	<b>10,127,347,238</b>	<b>11,015,060,500</b>	<b>11,281,813,200</b>	<b>11,803,947,600</b>
<b>EXPENDITURES BY UNIT</b>					
Medicaid Benefits	9,584,884,971	9,894,379,240	10,810,571,600	11,066,446,500	11,379,437,618
KCHIP Benefits	307,682,985	232,967,998	204,488,900	215,366,700	424,509,982
<b>TOTAL EXPENDITURES</b>	<b>9,892,567,956</b>	<b>10,127,347,238</b>	<b>11,015,060,500</b>	<b>11,281,813,200</b>	<b>11,803,947,600</b>

The Kentucky Medicaid program, under Title XIX of the Social Security Act and KRS 205.520, provides for preventive and remedial medical care for financially and medically indigent citizens in Kentucky who meet the income and resource criteria for Medicaid eligibility. The following services are currently provided by Kentucky's Medicaid program: Inpatient Hospital; Mental Hospital (for individuals under age 21 and age 65 and over); Renal Dialysis; Model Waiver II (home based services for individuals who are ventilator dependent); Psychiatric Residential Treatment Facilities (8-9 bed group homes for adolescents needing psychiatric residential services); Outpatient Hospital (including Emergency Room); Ambulatory Surgical Centers; HANDS (home visiting services for new and expectant parents); Specialized Children's Services Clinics (sexual abuse examinations); School-Based Services (Medicaid coverage for health services provided by schools to children with disabilities); Commission for Children with Special Health Care Needs; Intermediate Care Facility Services for Individuals with Intellectual Disabilities-ICFIID (residential habilitation for Medicaid recipients with intellectual disabilities); Nursing Facility Services (residential placement for the elderly and/or disabled); Preventative Services (health care) through the Local Health Departments; Early Intervention Services for Infants through age 2 with developmental problems; Early and Periodic Screening; Diagnosis and Treatment Services (EPSDT) which is preventive health care for children under 21 and coverage of any Federally-allowable, medically necessary Medicaid service for children, even if the service is not covered by the state's Medicaid plan; Chiropractic; X-ray and Laboratory Services; Physical, Occupational and Speech Therapy; Durable Medical Equipment (DME); Federally Qualified Health Centers (FQHC); Primary Care Centers (PCC); Community Mental Health Centers (CMHC); Rural Health Centers; Family Planning; Home Health services; Supports for Community Living –SCL (long term community services and supports for individuals with intellectual disabilities); Home and Community Based Waiver – HCBS (long term community services and supports for individuals who meet nursing facility level of care); Adult Day Health Care; Brain Injury Waiver Services (long term community services and supports for individuals with acquired brain injuries); Michelle P. Waiver services (long term

community services and supports for individuals with intellectual or developmental disabilities); Nurse Anesthetist; Hospice; Transportation (Non-Emergency and Emergency/Ambulance); Pharmacy; Vision Care; Dental; Physician Services; Nurse Practitioner/Midwife; Audiology Services; Podiatry; Comprehensive Outpatient Rehabilitative Facilities (CORF); Distinct Psychiatric Units in hospitals; Distinct Rehabilitative Units in hospitals; Physicians Assistants; Private Duty Nursing Services; Behavioral health (mental health or substance use disorder services) provided by licensed practitioners, practitioner groups and licensed organizations; Targeted Case Management for individuals with serious mental health or substance abuse disorders; Medicare Premiums (Medicare beneficiaries with incomes below the federal poverty level receive Medicaid assistance for payment of Medicare premiums, deductibles and cost sharing). These individuals are Qualified Medicare Beneficiaries (QMBs). Individuals at the lowest income levels are entitled to full Medicaid benefits. Medicare beneficiaries with income levels slightly higher than poverty receive Medicaid assistance for payment of Medicare premiums. These individuals are Specified Low-Income Medicare Beneficiaries (SLMBs).

Effective January 1, 2014, the federal Patient Protection and Affordable Care Act (ACA) changed the basis for Medicaid eligibility from eligibility categories tied to deprivation to income-based eligibility, with household income for most beneficiaries determined by the Modified Adjusted Gross Income (MAGI) reported on income tax returns. ACA also simplified and streamlined eligibility processes for most beneficiaries. ACA required states with Medicaid benchmark benefit packages, including Kentucky, to align their Medicaid benefits with ten essential health benefits defined by the benchmark plan adopted for the state's health benefit exchange (the 2012 Anthem PPO plan for Kentucky). This required Kentucky to add substance use treatment services and private duty nursing to its benefit package for all Medicaid beneficiaries. Prior to ACA, Kentucky Medicaid only covered substance use treatment for children and pregnant women. Kentucky adopted the adult Medicaid eligibility expansion which extends Medicaid eligibility to individuals in households with income at or below 138% of the federal poverty level (FPL).

### **Medicaid Enrollment Projections FY 2018-20**

	MCO (Traditional Medicaid)	MCO (Medicaid Expansion)	MCO (KCHIP)	Fee For Service (FFS)	Grand Total
SFY_18	757,481	470,391	85,664	154,498	1,468,034
SFY_19	771,625	492,333	90,617	163,087	1,517,662
SFY_20	787,324	513,635	95,392	172,032	1,568,383

The Medicaid Expansion population for fiscal year 2017 was 453,852. The fiscal year 2016-2017 enrollment forecast from the 2016-2018 Medicaid budget request was 428,947.

### **Kentucky Medical Assistance Program (KMAP) Recipient Groups**

Based on the eligibility changes in ACA, individuals who are eligible for KMAP benefits are classified into two groups: the Modified Adjusted Gross Income (MAGI) eligibility group and the non-MAGI eligibility group.

The **MAGI eligibility group** includes children and non-disabled adults under age 65. Specifically, this group includes children, pregnant women, caretaker relatives of children eligible for Medicaid, the adult Medicaid expansion eligibility group and former foster care children who are eligible for Medicaid up to age 26. Eligibility for each of these groups is based on the following income levels: pregnant women and infants under one year of age – 200% of the Federal Poverty Level (FPL); children from one to eighteen years of age: 147% FPL; and the adult Medicaid expansion eligibility group: 138% FPL. Former foster care children are eligible for Medicaid up to age 26 regardless of their income.

The **non-MAGI eligibility group includes** aged, blind and disabled individuals whose eligibility is associated with their health status and who are subject to resource requirements as well as income limits in establishing Medicaid eligibility.

### **Projecting Benefits Cost**

Forecasting models were combined in the preparation of the Medicaid Benefits projections. Both the Office of State Budget Director (OSBD) and the Department for Medicaid Services (DMS) prepared cash forecasts to arrive at a consensus forecast. These forecasts examine past trends in categorical spending to generate projections for future cash expenditures, adjusting for policy changes. It should be noted that fewer members and services remain under fee-for-service due to the expansion of managed care which was implemented November 1, 2011. Using member eligibility information, historical monthly cash fee-for-service data was classified as either fee-for-service or managed care. Managed care costs were calculated based on the monthly member forecast and the negotiated rates with the

contracted managed care organizations. The managed care portion of the budget does not include individual categories of service; therefore, total projected costs for individual services cannot be determined.

### **Provider Taxes**

Although the majority of the funds that the Commonwealth uses to match federal Medicaid dollars are derived from the General Fund, approximately 21 percent of the program's fiscal year 2019 and 20 percent of the program's fiscal year 2020 expenditure match will be secured from dedicated provider assessments. The assessments are levied on hospitals, home health agencies, Intermediate Care Facilities for Persons with Intellectual Disabilities, providers of alternative community services and long-term care facilities. The recommended budget assumes continuation of the current level of provider tax collections to maintain existing reimbursement levels for hospitals established in state fiscal year 2006.

### **Disproportionate Share Hospital (DSH) Payments**

The budget includes funding for Disproportionate Share Hospital (DSH) payments equal to the maximum amount established by federal law. Disproportionate Share Hospital payments to state mental hospitals are budgeted in each year of the biennium. This budget includes funds transferred from the university teaching hospitals to be used as state matching funds for the portion of DSH funds received by those facilities.

### **Managed Care**

The budget request assumes that Medicaid services are provided statewide by five (5) contracted Managed Care Organizations (MCOs): Anthem, Aetna (Coventry Cares), Humana CareSource, Passport, and Wellcare. Recipients in long term care facilities and waiver programs are excluded from managed care enrollment.

### **Benefit Match Rate**

The budget request assumes a federal medical assistance percentage of 71.55 for state fiscal year 2018-2019 and 71.67 percent for fiscal year 2019-2020 for eligibility groups other than the ACA Medicaid expansion group for most budget items. The federal medical assistance percentage (FMAP) for the Medicaid expansion eligibility group authorized by the ACA drops from 95% in calendar year (CY) 2017 to 94% in CY 2018 (impacts six months of fiscal year 2017-2018). The ACA federal match drops again in CY 2019 to 93% (impacts six months of fiscal year 2018-2019) followed by a drop to 90% for CY 2020 (impacts six months of fiscal year 2019-2020) and beyond. The federal Medicaid match rate for KCHIP for SFYs 2018 and 2019 is calculated at 100 percent.

### **Kentucky Children's Health Insurance Program (KCHIP)**

The Kentucky Children's Health Insurance program was initiated under Title XXI of the Social Security Act and currently serves eligible children up to 213 percent of the federal poverty level.

As under current law, the Legislative agreement proposed that CHIP be continued with the federal share to continue to be enhanced by 23 percentage points for two more years, in 2018 and 2019. This enhancement would be halved to 11.5 percentage points in 2020; and would be eliminated in 2021 and 2022. As a result, the federal match rate for KCHIP would be 100% in SFYs 2018-2019, decreasing to 93.8% in SFY 2020.

**Health and Family Services**  
**Behavioral Health, Developmental & Intellectual Disabilities**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	194,854,000	180,368,200	180,605,900	172,406,600	173,286,700
Budget Reduction-General Fund		-1,804,800	-460,900		
Reorganization Adjustment		115,700	115,700		
<b>Total General Fund</b>	194,854,000	178,679,100	180,260,700	172,406,600	173,286,700
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	891,400	891,400	891,400	1,500,800	1,500,800
Continuing Approp-Tob Settlement	216,133	279,291	182,100		
<b>Total Tobacco Fund</b>	1,107,533	1,170,691	1,073,500	1,500,800	1,500,800
<b>Restricted Funds</b>					
Balance Forward	20,396,111	17,946,989	19,454,700	6,936,100	1,967,800
Current Receipts	198,362,075	204,703,768	196,278,000	203,457,500	200,335,000
Non-Revenue Receipts	-8,744,866	649,717	910,100	1,157,100	1,157,100
Fund Transfers		-2,000,000			
<b>Total Restricted Funds</b>	210,013,319	221,300,474	216,642,800	211,550,700	203,459,900
<b>Federal Fund</b>					
Balance Forward					
Current Receipts	37,264,285	38,639,759	52,464,300	49,131,100	39,703,000
Non-Revenue Receipts	-185,519	-96,736			
<b>Total Federal Fund</b>	37,078,766	38,543,022	52,464,300	49,131,100	39,703,000
<b>TOTAL SOURCE OF FUNDS</b>	443,053,618	439,693,287	450,441,300	434,589,200	417,950,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	121,578,160	119,616,790	114,810,600	121,446,700	122,299,400
Operating Expenses	23,576,892	18,855,649	17,416,000	16,964,500	16,977,600
Grants Loans Benefits	258,290,931	269,058,142	299,965,000	282,829,300	266,627,800
Debt Service	11,257,725	11,277,225	11,261,200	11,328,500	11,993,200
Capital Outlay	1,861,831	1,248,439	52,400	52,400	52,400
Construction		230			
<b>TOTAL EXPENDITURES</b>	416,565,538	420,056,475	443,505,200	432,621,400	417,950,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	186,592,200	178,679,100	180,260,700	172,406,600	173,286,700
Tobacco Fund	828,241	988,578	1,073,500	1,500,800	1,500,800
Restricted Funds	192,066,331	201,845,775	209,706,700	209,582,900	203,459,900
Federal Fund	37,078,766	38,543,022	52,464,300	49,131,100	39,703,000
<b>TOTAL EXPENDITURES</b>	416,565,538	420,056,475	443,505,200	432,621,400	417,950,400
<b>EXPENDITURES BY UNIT</b>					
Community Behavioral Health	96,764,264	97,376,431	112,401,500	108,578,500	99,187,200
Community Developmental and Intellectual Disabilities	25,126,234	23,134,275	25,457,600	24,777,800	24,794,800
General Support	21,211,300	26,577,323	27,311,500	25,608,900	25,650,600
Residential	273,463,741	272,968,446	278,334,600	273,656,200	268,317,800
<b>TOTAL EXPENDITURES</b>	416,565,538	420,056,475	443,505,200	432,621,400	417,950,400

The Department for Behavioral Health, Developmental and Intellectual Disabilities operates behavioral health, substance abuse, developmental and intellectual disabilities, and brain injury programs. Services are provided in the community and in state-owned, state-operated and contracted residential facilities. Approximately 900 inpatients are cared for daily in the facilities operated or contracted by the Cabinet, and several thousand more are treated as outpatients in the community setting by the 14 Regional Boards for Mental Health or Individuals with an Intellectual Disability established by KRS 210.



**Health and Family Services**  
**Behavioral Health, Developmental & Intellectual Disabilities**  
**Community Behavioral Health**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	56,414,100	53,880,500	53,892,600	52,394,600	52,431,400
Budget Reduction-General Fund		-205,198	-460,900		
Other	-1,110,700				
<b>Total General Fund</b>	55,303,400	53,675,302	53,431,700	52,394,600	52,431,400
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	891,400	891,400	891,400	1,500,800	1,500,800
Continuing Approp-Tob Settlement	216,133	279,291	182,100		
<b>Total Tobacco Fund</b>	1,107,533	1,170,691	1,073,500	1,500,800	1,500,800
<b>Restricted Funds</b>					
Balance Forward	4,196,935	3,964,057	5,704,000	3,936,100	1,967,800
Current Receipts	7,109,695	9,063,705	6,794,900	6,580,500	6,581,000
Non-Revenue Receipts	1,527,054	1,408,720	1,459,300	1,473,300	1,473,300
Fund Transfers		-500,000			
<b>Total Restricted Funds</b>	12,833,683	13,936,482	13,958,200	11,989,900	10,022,100
<b>Federal Fund</b>					
Balance Forward	1,458,813	1,508,289	1,673,900		
Current Receipts	32,697,990	34,645,628	46,200,300	44,661,000	35,232,900
Non-Revenue Receipts	-185,519				
<b>Total Federal Fund</b>	33,971,284	36,153,917	47,874,200	44,661,000	35,232,900
<b>TOTAL SOURCE OF FUNDS</b>	103,215,900	104,936,391	116,337,600	110,546,300	99,187,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,054,718	4,815,014	4,397,900	4,598,500	4,580,600
Operating Expenses	431,820	291,494	392,700	422,200	426,700
Grants Loans Benefits	92,277,726	92,269,923	107,610,900	103,557,800	94,179,900
<b>TOTAL EXPENDITURES</b>	96,764,264	97,376,431	112,401,500	108,578,500	99,187,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	54,603,400	53,675,302	53,431,700	52,394,600	52,431,400
Tobacco Fund	828,241	988,578	1,073,500	1,500,800	1,500,800
Restricted Funds	8,869,626	8,232,506	10,022,100	10,022,100	10,022,100
Federal Fund	32,462,996	34,480,046	47,874,200	44,661,000	35,232,900
<b>TOTAL EXPENDITURES</b>	96,764,264	97,376,431	112,401,500	108,578,500	99,187,200
<b>EXPENDITURES BY UNIT</b>					
Community Alcohol and Drug Services	38,024,117	39,297,760	52,543,400	53,429,500	45,385,900
Community Mental Health Services	58,740,147	58,078,672	59,858,100	55,149,000	53,801,300
<b>TOTAL EXPENDITURES</b>	96,764,264	97,376,431	112,401,500	108,578,500	99,187,200

**Community Mental Health Services**

The Community Mental Health Services program provides services and support to Kentuckians with mental health conditions in an effort to improve their ability to function in the community. The Department for Behavioral Health, Developmental and Intellectual Disabilities contracts with 14 Regional Community Mental Health Centers (CMHCs) and other local entities. In addition, the Community Mental Health Services program has targeted funds to the most vulnerable citizens with behavioral health conditions. These include:

- Adults with severe mental illness (KRS 210, KRS 202A),
- Children/youth with severe emotional disabilities (KRS 200.501 to KRS 200.509)
- Uninsured or underinsured individuals with behavioral health disorders.

In accordance with KRS 210.410, CMHCs must provide persons suffering from mental health conditions with specific services such as: consultation and educational services to help individuals, and their families, understand their illnesses

and treatment options; community support programs to assist individuals with mental illness in developing skills that allow them to live independently within the community; outpatient services; emergency services; and inpatient services, which are generally made available through referrals to crisis stabilization units or state or community hospitals.

State and federal funds are used to provide psychiatric screening and assessment services, case management services, psychotropic medications, housing, and vocational support services for adults with severe mental illness and children with severe emotional disabilities. Funds are also provided for unique services and supports designed to “wraparound” an adult or child who is at risk of psychiatric hospitalization or other out of home placement.

Funding is also used to support promotion of mental “wellness” and early intervention assessment and treatment services. Suicide prevention for youth, adults and older adults is an important focus of the Department as well as services to individuals, and their families, dealing with behavioral health issues related to or exasperated by military service.

Funding is used to support statewide needs assessment and planning, monitoring of services provided, training and technical assistance for providers and other community partners (child welfare, law enforcement, education), and procurement and administration of federal and other funds for the provision of effective, community-based services and supports. Integrated (physical and behavioral health) healthcare delivery is necessary for achieving optimal outcomes.

### **Community Alcohol and Drug Services**

The Community Alcohol and Drug Services Program provides quality treatment, prevention, and education services to citizens suffering from, or at-risk of, substance use disorders (tobacco, alcohol and prescription or illegal drugs). Services are provided primarily through contracts with the CMHCs. Substance abuse prevention and treatment services are provided pursuant to KRS 222. The receipts from alcohol intoxication fines are received pursuant to KRS 431.100. Other statutes under which the program operates include: KRS 189A (Driving Under the Influence assessment, education, and treatment) and KRS 218A.410 (Drug Property subject to forfeiture).

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

During the past four years, CMHCs have been required to adjust to delivery system changes due to implementation of:

- Medicaid Managed Care
- Medicaid Expansion;
- The Patient Protection and Affordable Care Act (“PPACA”; Public Law 111–148);
- The Health Care and Education Reconciliation Act and the Mental Health Parity; and
- The Addiction Equity Act (MHPAEA).

**Health and Family Services**  
**Behavioral Health, Developmental & Intellectual Disabilities**  
**Community Developmental and Intellectual Disabilities**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	19,769,900	17,790,600	18,303,700	17,607,900	17,624,900
Budget Reduction-General Fund		-843,264			
Other	-907,600				
<b>Total General Fund</b>	18,862,300	16,947,336	18,303,700	17,607,900	17,624,900
<b>Restricted Funds</b>					
Balance Forward	111,254	28,080	145,000		
Current Receipts		132,000	88,000	16,000	16,000
Non-Revenue Receipts	2,575,000	2,200,000	2,450,800	2,683,800	2,683,800
<b>Total Restricted Funds</b>	2,686,254	2,360,080	2,683,800	2,699,800	2,699,800
<b>Federal Fund</b>					
Balance Forward	-1,473,643	-1,503,415	-1,675,700		
Current Receipts	4,498,489	3,896,384	6,145,800	4,470,100	4,470,100
Non-Revenue Receipts		-96,736			
<b>Total Federal Fund</b>	3,024,845	2,296,233	4,470,100	4,470,100	4,470,100
<b>TOTAL SOURCE OF FUNDS</b>	24,573,399	21,603,649	25,457,600	24,777,800	24,794,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,266,302	3,257,889	3,915,100	4,554,600	4,610,400
Operating Expenses	823,191	542,019	794,000	815,400	815,400
Grants Loans Benefits	21,029,619	19,334,366	20,748,500	19,407,800	19,369,000
Capital Outlay	7,122				
<b>TOTAL EXPENDITURES</b>	25,126,234	23,134,275	25,457,600	24,777,800	24,794,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	17,939,800	16,947,336	18,303,700	17,607,900	17,624,900
Restricted Funds	2,658,174	2,215,035	2,683,800	2,699,800	2,699,800
Federal Fund	4,528,260	3,971,904	4,470,100	4,470,100	4,470,100
<b>TOTAL EXPENDITURES</b>	25,126,234	23,134,275	25,457,600	24,777,800	24,794,800
<b>EXPENDITURES BY UNIT</b>					
Local Developmental and Intellectual Disabilities	23,812,208	21,955,256	24,009,900	23,408,800	23,424,900
KY Developmental Disability Council	1,314,026	1,179,019	1,447,700	1,369,000	1,369,900
<b>TOTAL EXPENDITURES</b>	25,126,234	23,134,275	25,457,600	24,777,800	24,794,800

Community Developmental and Intellectual Disabilities is responsible for administration of the Supports for Community Living Medicaid waiver program for individuals with intellectual and developmental disabilities and for the oversight of community providers of both waiver and state General Fund service programs.

Developmental and Intellectual Disability Services provides support and services to individuals to help them be contributing members of their community. Services are provided through contracts with the 14 Regional Community Mental Health Centers and with for-profit and non-profit agencies which provide residential, vocational, community, respite, and a variety of other services that increase independence in the community. Some of the residential services include support to individuals within their own homes, family homes, group home living placements, apartment living supervision, community staffed residences, and assistance with other living arrangements. Participating providers must support people who choose their agencies to assist them to live in the community. It is the responsibility of the provider to ensure that people are safe, healthy, respected and valued; that they live in the community with effective, individualized assistance; and are contributing members of the community in which they live and work. Additionally, each of the 14 Regional Community Mental Health Centers have 24/7 crisis prevention and intervention support available to individuals, families and providers with the goal of enabling an individual to remain in his/her community and to prevent future crisis events.

The Kentucky Council on Developmental Disabilities is administratively attached to the Division of Developmental and

Intellectual Disabilities. The Council is made up of 26 members (individuals with developmental disabilities and family/guardian/siblings) appointed by the Governor and state agency representatives as defined in (PL 106-402). The Council promotes systems change, capacity building and advocacy for individuals with developmental disabilities. The Council on Developmental Disabilities represents the interests of approximately 122,000 Kentuckians who have developmental disabilities. The Council funds time-limited demonstration projects and engages in outreach activities to assist individuals with developmental disabilities and their families.

**Health and Family Services**  
**Behavioral Health, Developmental & Intellectual Disabilities**  
**General Support**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	27,936,500	27,179,200	27,195,800	25,608,900	25,650,600
Budget Reduction-General Fund		-717,577			
Reorganization Adjustment		115,700	115,700		
Other	-1,085,900				
<b>Total General Fund</b>	<b>26,850,600</b>	<b>26,577,323</b>	<b>27,311,500</b>	<b>25,608,900</b>	<b>25,650,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>26,850,600</b>	<b>26,577,323</b>	<b>27,311,500</b>	<b>25,608,900</b>	<b>25,650,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,883,212	3,830,535	4,066,000	4,543,400	4,585,100
Operating Expenses	357,766	228,916	222,700	234,600	234,600
Grants Loans Benefits	16,970,323	22,517,872	23,022,800	20,830,900	20,830,900
<b>TOTAL EXPENDITURES</b>	<b>21,211,300</b>	<b>26,577,323</b>	<b>27,311,500</b>	<b>25,608,900</b>	<b>25,650,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	21,211,300	26,577,323	27,311,500	25,608,900	25,650,600
<b>TOTAL EXPENDITURES</b>	<b>21,211,300</b>	<b>26,577,323</b>	<b>27,311,500</b>	<b>25,608,900</b>	<b>25,650,600</b>

General Support includes the Commissioner's Office, the Division of Administration and Financial Management, the Division of Program Integrity and the Office of Autism. This unit's activities include policy and budget development, proactive program monitoring, standards development, Autism Spectrum Disorder support, legislative monitoring and management decision-making for the overall direction of the Department. The Department contracts with the University of Kentucky for technical and information support services.

**Health and Family Services**  
**Behavioral Health, Developmental & Intellectual Disabilities**

**Residential**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	90,733,500	81,517,900	81,213,800	76,795,200	77,579,800
Budget Reduction-General Fund		-38,762			
Other	3,104,200				
<b>Total General Fund</b>	<b>93,837,700</b>	<b>81,479,138</b>	<b>81,213,800</b>	<b>76,795,200</b>	<b>77,579,800</b>
<b>Restricted Funds</b>					
Balance Forward	16,087,922	13,954,851	13,605,700	3,000,000	
Current Receipts	191,252,380	195,508,063	189,395,100	196,861,000	193,738,000
Non-Revenue Receipts	-12,846,920	-2,959,003	-3,000,000	-3,000,000	-3,000,000
Fund Transfers		-1,500,000			
<b>Total Restricted Funds</b>	<b>194,493,382</b>	<b>205,003,912</b>	<b>200,000,800</b>	<b>196,861,000</b>	<b>190,738,000</b>
<b>Federal Fund</b>					
Balance Forward	14,830	-4,874	1,800		
Current Receipts	67,806	97,747	118,200		
<b>Total Federal Fund</b>	<b>82,636</b>	<b>92,873</b>	<b>120,000</b>		
<b>TOTAL SOURCE OF FUNDS</b>	<b>288,413,718</b>	<b>286,575,924</b>	<b>281,334,600</b>	<b>273,656,200</b>	<b>268,317,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	110,373,928	107,713,352	102,431,600	107,750,200	108,523,300
Operating Expenses	21,964,115	17,793,219	16,006,600	15,492,300	15,500,900
Grants Loans Benefits	128,013,263	134,935,980	148,582,800	139,032,800	132,248,000
Debt Service	11,257,725	11,277,225	11,261,200	11,328,500	11,993,200
Capital Outlay	1,854,710	1,248,439	52,400	52,400	52,400
Construction		230			
<b>TOTAL EXPENDITURES</b>	<b>273,463,741</b>	<b>272,968,446</b>	<b>278,334,600</b>	<b>273,656,200</b>	<b>268,317,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	92,837,700	81,479,138	81,213,800	76,795,200	77,579,800
Restricted Funds	180,538,531	191,398,235	197,000,800	196,861,000	190,738,000
Federal Fund	87,510	91,073	120,000		
<b>TOTAL EXPENDITURES</b>	<b>273,463,741</b>	<b>272,968,446</b>	<b>278,334,600</b>	<b>273,656,200</b>	<b>268,317,800</b>

Residential Services provides inpatient care in the areas of psychiatric hospitalization, intermediate care for persons with developmental and intellectual disabilities, nursing facility care, and forensic psychiatry for approximately 900 individuals each day.

Inpatient psychiatric services are provided for adults through four psychiatric hospitals: Eastern State Hospital in Lexington with an average daily census (ADC) of 114; Central State Hospital in Louisville with an ADC of 63; and Western State Hospital in Hopkinsville with an ADC of 138. The ARH Psychiatric Facility located in Hazard, owned and operated by Appalachian Regional Healthcare, Inc., with an ADC of 51, provides acute inpatient psychiatric services through a contract with the Department. Eastern State Hospital is operated under a management contract with the University of Kentucky.

Glasgow Nursing Facility with an ADC of 73 and Western State Nursing Facility with an ADC of 100 provide quality care to adults with severe and persistent mental illness who require a skilled nursing facility's level of care. Eastern State Hospital Nursing Facility, with an ADC of 15, opened in FY 2015 and provides care to adults with acquired brain injury and geriatric long-term care.

Ten facilities provide intermediate care for individuals with developmental and intellectual disabilities who are unable to live unassisted in their communities: the Oakwood Community Center in Somerset with an ADC of 105, Outwood in Dawson Springs with an ADC of 34, Hazelwood in Louisville with an ADC of 75, Bingham Gardens located in Louisville with an ADC of 22, Del Maria in Fern Creek with an ADC of 8, the Meadows in Mount Washington with an ADC of 8, and Windsong in Crestwood with an ADC of 8. Residents are assisted in self-care skills and appropriate social behavior and are provided specialized services to promote their personal growth.

The Department has established three specialty clinics in support of individuals with developmental and intellectual disabilities living in the community, who may have transitioned from a facility placement. Moving from a facility placement to a community placement creates a gap in services that can negatively impact clients and jeopardize a successful placement. These clinics provide a vast array of specialized services including medical, dental and therapeutic services on an outpatient basis, avoiding institutionalization. These three specialty clinics are located on the campuses of Bingham Gardens, Hazelwood Center, and Oakwood.

Forensic psychiatric services are provided at the Kentucky Correctional Psychiatric Center within the Luther Lockett Correctional Complex in LaGrange (97 licensed beds). Pretrial services are provided for persons with felony charges who are referred by district and circuit courts for evaluation of competency to stand trial. The correctional component may serve some post-convicted females in need of acute inpatient psychiatric treatment who are transferred from various institutions within the Department of Corrections.

### **Policy**

The Budget of the Commonwealth includes General Fund in the amount of \$71,000 in fiscal year 2018-2019 and \$737,000 in fiscal year 2019-2020 for debt service to support new bonds as set forth in Part II, Capital Projects Budget.

**Health and Family Services**

**Public Health**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	71,111,300	73,703,400	74,548,200	76,360,000	76,481,200
Budget Reduction-General Fund		-735,700	-4,359,900		
Reorganization Adjustment		-134,200	-134,200		
Other					
<b>Total General Fund</b>	71,111,300	72,833,500	70,054,100	76,360,000	76,481,200
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	13,383,800	13,933,100	14,168,100	15,903,000	15,472,100
Special Appropriation	682,500				
Continuing Approp-Tob Settlement	4,800,893	7,026,367	8,848,700		
<b>Total Tobacco Fund</b>	18,867,193	20,959,467	23,016,800	15,903,000	15,472,100
<b>Restricted Funds</b>					
Balance Forward	13,504,932	29,579,823	26,687,300	16,702,100	8,706,400
Current Receipts	85,615,244	80,637,512	81,620,700	84,807,700	84,507,700
Non-Revenue Receipts	-9,372,634	-3,196,268	-5,925,000	-5,925,000	-5,925,000
Fund Transfers		-2,850,000			
<b>Total Restricted Funds</b>	89,747,543	104,171,068	102,383,000	95,584,800	87,289,100
<b>Federal Fund</b>					
Balance Forward	2,056,786	1,058,495			
Current Receipts	181,394,862	173,337,365	187,879,400	190,380,300	190,607,100
Non-Revenue Receipts		1,418,344			
<b>Total Federal Fund</b>	183,451,648	175,814,205	187,879,400	190,380,300	190,607,100
<b>TOTAL SOURCE OF FUNDS</b>	363,177,684	373,778,239	383,333,300	378,228,100	369,849,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	61,106,910	67,746,197	68,913,000	77,339,800	77,904,800
Operating Expenses	13,361,710	11,679,712	12,523,700	12,084,200	11,976,200
Grants Loans Benefits	247,383,822	258,802,494	285,194,500	280,097,700	279,666,800
Debt Service	425,000				
Capital Outlay	54,657	13,835			
<b>TOTAL EXPENDITURES</b>	322,332,099	338,242,239	366,631,200	369,521,700	369,547,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	67,930,400	72,833,500	70,054,100	76,360,000	76,481,200
Tobacco Fund	11,840,826	12,110,808	23,016,800	15,903,000	15,472,100
Restricted Funds	60,167,720	77,483,725	85,680,900	86,878,400	86,987,400
Federal Fund	182,393,153	175,814,205	187,879,400	190,380,300	190,607,100
<b>TOTAL EXPENDITURES</b>	322,332,099	338,242,239	366,631,200	369,521,700	369,547,800
<b>EXPENDITURES BY UNIT</b>					
General Health Support	33,558,783	45,278,282	39,818,200	38,670,700	38,425,200
Women's Health	9,078,961	9,900,532	10,061,300	9,912,400	9,923,600
Prevention and Quality Improvement	12,026,333	11,130,545	11,415,500	15,562,100	15,537,900
Epidemiology and Health Planning	45,967,420	50,898,733	55,109,500	58,998,700	59,485,400
Maternal and Child Health	201,434,652	197,891,678	224,102,700	219,547,700	219,207,700
Laboratory Services	8,032,501	8,905,210	10,416,800	10,703,000	10,756,600
Public Health Protection and Safety	12,233,449	14,237,258	15,707,200	16,127,100	16,211,400
<b>TOTAL EXPENDITURES</b>	322,332,099	338,242,239	366,631,200	369,521,700	369,547,800

The Department for Public Health's (DPH) mission is to improve the health and safety of all people in Kentucky through Prevention, Promotion and Protection. DPH is responsible for carrying out the core public health functions of:



1) assessment of health status and programs; 2) science-based health policy development; and, 3) assurance of health services, codes and programs to meet the needs of Kentuckians. Pursuant to KRS 211.025 and 211.180, DPH and its seven divisions carries-out and enforces public health laws and regulations, assists local boards of health and health departments, and acts to protect and improve health. It does so by formulating, promoting, establishing, and executing policies, plans, and programs “relating to all matters of public health”, partnering with 61 local health departments (LHDs) covering 120 counties as well as other local, state and federal agencies.

The department’s focus is improving the health status of the population. Due in part to public health efforts, fewer Kentuckians smoke, a greater number of colon cancers are prevented, teen pregnancy rates are down, and deaths from cardiovascular disease are decreasing.

The department strives to protect and improve the health and quality of life of each of over 4.4 million Kentuckians every day by administering approximately 150 distinct programs and services, which are as varied as immunizations, newborn screening, women’s cancer prevention, radon control and the regulation of tattoo parlors. A sizable part of the state’s economy is regulated by the actions of the department including the operation of food retail services, food manufacturing, radiation health services, hotels and pools. In fiscal years 2016 and 2017, the public health system in Kentucky provided clinical services to an average of about 450,000 unduplicated patients each year. Many public health services are unavailable from any other source or are unattainable from another source at low or no cost.

The department relies on LHDs to carry out many public health activities required by statute, regulation, or participation in federal grant awards. Federal monies support over half of the department’s yearly budget. The majority of these awards are allocated to the community level for the performance of services. LHDs may also choose to perform enhanced services based on community health needs and for which the availability of funding allows.

The department consists of seven divisions: Administration and Financial Management to include the Commissioner’s Office, Women’s Health, Prevention and Quality Improvement, Epidemiology and Health Planning, Maternal and Child Health, Laboratory Services, and Public Health Protection and Safety.

A healthy population can help create a more robust workforce and contribute to driving down societal costs for healthcare. Kentucky’s public health system, which touches numerous lives daily with its wide array of programs and messages, is critical to protecting and improving the state’s health through its myriad programs and services many of which are performed only by public health agencies.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	27,051,100	34,271,300	35,233,600	35,303,700	35,358,200
Budget Reduction-General Fund		-208,900	-82,000		
Reorganization Adjustment		-134,200	-134,200		
Other		48,177			
<b>Total General Fund</b>	27,051,100	33,976,377	35,017,400	35,303,700	35,358,200
<b>Restricted Funds</b>					
Balance Forward	159,228	1,099,665	1,224,800		
Current Receipts	15,147,683	10,771,822	8,576,000	8,367,000	8,067,000
Non-Revenue Receipts	-6,281,155	655,252	-5,000,000	-5,000,000	-5,000,000
<b>Total Restricted Funds</b>	9,025,756	12,526,739	4,800,800	3,367,000	3,067,000
<b>Federal Fund</b>					
Balance Forward	2,038	-638			
Current Receipts	56,616				
<b>Total Federal Fund</b>	58,654	-638			
<b>TOTAL SOURCE OF FUNDS</b>	36,135,510	46,502,479	39,818,200	38,670,700	38,425,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,907,319	8,338,776	7,784,500	8,266,500	8,327,200
Operating Expenses	-70,689	-58,717	98,800	108,400	102,200
Grants Loans Benefits	24,667,496	36,998,222	31,934,900	30,295,800	29,995,800
Capital Outlay	54,657				
<b>TOTAL EXPENDITURES</b>	33,558,783	45,278,282	39,818,200	38,670,700	38,425,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	25,573,400	33,976,377	35,017,400	35,303,700	35,358,200
Restricted Funds	7,926,091	11,301,905	4,800,800	3,367,000	3,067,000
Federal Fund	59,292				
<b>TOTAL EXPENDITURES</b>	33,558,783	45,278,282	39,818,200	38,670,700	38,425,200

The General Health Support Program includes two organizational units: the Commissioner and Administration and Financial Management.

The Commissioner is responsible for the leadership, management, oversight, and policy direction of the Department for Public Health. The Commissioner advises the heads of major agencies in state government on policies, plans, and programs relating to matters of public health. This includes actions necessary to respond to extraordinary events in order to safeguard the health of the citizens of the Commonwealth. The Commissioner serves as the State Health Officer for the Commonwealth. The Commissioner's role includes the coordination of public health emergency response capabilities with federal and other state agencies and involvement in the statewide management of anti-terrorist (nuclear, biologic, chemical) activities. The Commissioner provides leadership in transforming the role of public health in Kentucky to new models as more of the uninsured citizens have opportunities for healthcare coverage under the new insurance marketplace and expanded Medicaid coverage.

The Chief Nursing Officer for Public Health, located in the Commissioner's Office, provides nurse administration consultation and technical assistance to the Commissioner, executive staff, and state and local health departments including approximately 900 nurses and APRNs who practice in local health departments across the state. This guidance includes nursing scope of practice issues, the development and implementation of clinical protocols, nursing education and clinical competencies as well as public health nursing workforce development initiatives.

The Center for Health Equity was established in September 2008 and functionally operates through the Commissioner's Office. The Center seeks to eliminate health disparities in the state of Kentucky specifically those social, cultural, and environmental factors that contribute to adverse health outcomes. The Office serves in an advisory capacity to all divisions across the Department of Public Health.

Administration and Financial Management provides resource support to the Department for Public Health including approximately 400+ department-level personnel. It provides budget and accounting support, payments, grant allocation, fee collection, procurement, and contracting support, as well as oversight of local health departments' fiscal planning and administrative management functions. The Department's biennial budget is developed by Administration and Financial Management. It works in concert with the other health services programs in the Department to plan, program, execute, manage, and report the financial activities of the Department and local health departments. Administration and Financial Management also plays a vital role in providing effective and efficient training that enhances workforce abilities of the department, local health departments, public health preparedness, and other public health system partners.

The program is also responsible for providing guidance on the day-to-day operation of the 61 local health jurisdictions across the state and has the responsibilities for personnel management of nearly 2,600 local health personnel; medical records and forms management, reporting of clinical and community-based services, policy interpretation, and the Local Board of Health nomination process. Training on medical coding and billing practices, local health personnel procedures, and financial operations is also provided by program staff.

**Health and Family Services  
Public Health  
Women's Health**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	698,200	301,300	266,600	240,800	243,000
<b>Total General Fund</b>	<b>698,200</b>	<b>301,300</b>	<b>266,600</b>	<b>240,800</b>	<b>243,000</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	80,000	80,000	80,000	80,000	80,000
Continuing Approp-Tob Settlement	156,295	179,789	222,000		
<b>Total Tobacco Fund</b>	<b>236,295</b>	<b>259,789</b>	<b>302,000</b>	<b>80,000</b>	<b>80,000</b>
<b>Restricted Funds</b>					
Balance Forward	8,035	9,859	8,400		
Current Receipts	325,777	241,487	340,700	349,100	349,100
<b>Total Restricted Funds</b>	<b>333,812</b>	<b>251,346</b>	<b>349,100</b>	<b>349,100</b>	<b>349,100</b>
<b>Federal Fund</b>					
Balance Forward	146,940	158,229	53,600		
Current Receipts	8,011,591	9,213,776	9,090,000	9,242,500	9,251,500
<b>Total Federal Fund</b>	<b>8,158,532</b>	<b>9,372,005</b>	<b>9,143,600</b>	<b>9,242,500</b>	<b>9,251,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>9,426,839</b>	<b>10,184,440</b>	<b>10,061,300</b>	<b>9,912,400</b>	<b>9,923,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,708,822	2,178,020	1,889,900	1,991,200	2,003,200
Operating Expenses	306,892	181,792	350,200	347,400	346,600
Grants Loans Benefits	7,063,248	7,540,720	7,821,200	7,573,800	7,573,800
<b>TOTAL EXPENDITURES</b>	<b>9,078,961</b>	<b>9,900,532</b>	<b>10,061,300</b>	<b>9,912,400</b>	<b>9,923,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	698,200	301,300	266,600	240,800	243,000
Tobacco Fund	56,506	37,831	302,000	80,000	80,000
Restricted Funds	323,953	242,961	349,100	349,100	349,100
Federal Fund	8,000,303	9,318,440	9,143,600	9,242,500	9,251,500
<b>TOTAL EXPENDITURES</b>	<b>9,078,961</b>	<b>9,900,532</b>	<b>10,061,300</b>	<b>9,912,400</b>	<b>9,923,600</b>

The Division of Women's Health (DWH), in partnership with key stakeholders, provides leadership to improve the physical and socio-emotional health, safety, and well-being of Kentucky's women, including those with low incomes, diverse ethnic or racial backgrounds and isolated populations with limited access to care. The Division also represents Kentucky for the federal Health Resources Service Administration (HRSA) Office of Women's Health. The DWH includes the following programs:

The Kentucky Women's Cancer Screening Program (KWCSPP) provides breast and cervical cancer screenings and diagnostic case management and treatment referral services to reduce cancer morbidity and mortality among Kentucky's medically underserved, low income, and uninsured women. The Kentucky Women's Cancer Screening program is funded by a federal grant from the Centers for Disease Control and Prevention (CDC). The CDC grant requires the program: to provide appropriate referrals for medical treatment; to assure appropriate follow-up services and case management; to develop and disseminate public information and education programs for the detection and control of breast and cervical cancers; to improve the education, training, and skills of health professionals; to monitor the quality of screening procedures for breast and cervical cancers; and to evaluate activities through appropriate surveillance.

The Breast Cancer Research and Education Trust Fund program, created in 2005, is funded by revenue collected from the breast cancer license plates purchases and the State Income tax form optional checkbox. Funds collected through these methods are distributed to community-based affiliates through an annual Request for Proposal process. Projects awarded support breast cancer research, education, treatment, screening, and awareness in Kentucky.

The Folic Acid Counseling and Supplementation program services are provided in all 61 local health departments (LHDs) and sub-delegate sites. Research has shown that when women consume adequate folic acid, the incidence of neural tube defects such as spina bifida can be decreased by as much as 70%. The Folic Acid program is funded by Tobacco Settlement funds.

The Title X Family Planning program provides individuals with the information and means to exercise personal decisions to determine the number and spacing of their children. Title X family planning clinics play a critical role in assuring access to voluntary, confidential family planning services for low-income or uninsured families. Charges to participants are at no cost or at a reduced cost based on their household income. Family Planning services are offered in LHDs and clinics targeting special populations (e.g. males, Hispanics, and adolescents). Title X supported clinics also provide a number of preventive health services such as: patient education and counseling, breast and pelvic examinations, cervical cancer screenings, sexually transmitted diseases, and human immunodeficiency virus (HIV) screenings, preconception counseling, and pregnancy diagnosis. The Title X Family Planning program is funded through the federal Office of Population Affairs, Health and Human Services agency.

The Abstinence Education Grant Program provides abstinence education to middle school students (fifth through eighth grade) to encourage students to choose abstaining from sexual activity as the best choice to achieve optimal health and well-being. This program provides students with knowledge about the physical and emotional benefits of abstaining from sexual activity until adulthood and equips them with refusal skills and decision-making skills to accomplish this goal.

The Personal Responsibility Education Program provides ready-for-adulthood education to teenagers age 13-18 in middle and high school. Two programs are utilized to provide age-appropriate, abstinence-based, comprehensive sexuality education and other positive youth development subjects. One program is delivered in the classroom setting for 5-10 days and the other program is an after-school program delivered throughout the school year. Curriculum delivered in the classroom includes sexual health subjects and information on healthy relationships, self-esteem, goal setting and decision making skills. Additionally, the afterschool curriculum includes lessons on values and community and 20 hours of community-service learning each year.

**Health and Family Services  
Public Health  
Prevention and Quality Improvement**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,244,800	6,656,900	6,803,600	9,811,500	9,773,700
Budget Reduction-General Fund		-431,700	-988,100		
Other		-268,938			
<b>Total General Fund</b>	7,244,800	5,956,262	5,815,500	9,811,500	9,773,700
<b>Restricted Funds</b>					
Balance Forward	514,888	252,659			
Current Receipts	1,000	323,478	300,000	300,000	300,000
Fund Transfers		-286,000			
<b>Total Restricted Funds</b>	515,888	290,137	300,000	300,000	300,000
<b>Federal Fund</b>					
Balance Forward	-192,687	117,009	-62,200		
Current Receipts	5,298,600	4,704,873	5,362,200	5,450,600	5,464,200
<b>Total Federal Fund</b>	5,105,913	4,821,882	5,300,000	5,450,600	5,464,200
<b>TOTAL SOURCE OF FUNDS</b>	12,866,601	11,068,281	11,415,500	15,562,100	15,537,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,372,592	2,145,756	1,823,600	2,206,100	2,236,100
Operating Expenses	413,465	595,180	480,700	627,900	573,700
Grants Loans Benefits	9,240,276	8,389,609	9,111,200	12,728,100	12,728,100
<b>TOTAL EXPENDITURES</b>	12,026,333	11,130,545	11,415,500	15,562,100	15,537,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,774,200	5,956,262	5,815,500	9,811,500	9,773,700
Restricted Funds	263,229	290,174	300,000	300,000	300,000
Federal Fund	4,988,904	4,884,109	5,300,000	5,450,600	5,464,200
<b>TOTAL EXPENDITURES</b>	12,026,333	11,130,545	11,415,500	15,562,100	15,537,900

The Prevention and Quality Improvement Program is comprised of two subprograms: Chronic Disease Prevention and Health Care Access.

The mission of the Prevention and Quality Improvement (PQI) program is to deliver programs and services, including chronic disease management, clinical and community education/promotion, quality improvement, health access for low income Kentuckians, and health risk behavior data analysis in order to promote healthy behaviors by Kentuckians. The program's activities cover the spectrum of population-based and personal preventive health services, delivered through a wide range of health care providers and related groups.

The PQI program provides leadership and partners with key stakeholders in order to improve care and services to the public comprised of low incomes, diverse ethnicity and racial backgrounds, and isolated populations with limited access to care. Program staff support clinical and community based services and infrastructure building through policy development and implementation, surveillance activities, case management, and technical assistance.

The PQI program identifies best practices to reduce the risks of poor health and sets standards to focus more on positive outcomes. This is accomplished through community-based health education programs, clinical care programs for adults primarily of a preventive nature, awareness and education, and promotion of an adequate network of primary care providers throughout the Commonwealth especially in the underserved areas of the state.

The PQI program is responsible for the Kentucky Prescription Assistance Program (KPAP) and the Kentucky Colon Cancer Screening Program (KCCSP).

Chronic Disease Prevention and Control subprogram is responsible for decreasing the morbidity and mortality from chronic diseases, with emphasis on prevention and risk factors that can be reduced through healthy lifestyles. Prevention programs include asthma, arthritis and osteoporosis, comprehensive cancer, colon cancer, chronic obstructive pulmonary disease, diabetes, heart disease and stroke, and worksite wellness. The sub program provides funding to local health departments for community-based services aimed at individuals and at bringing about policy and environmental changes that will improve the health status of Kentuckians. This branch also manages the Kentucky Colon Cancer Screening Program (KCCSP).

The Health Care Access subprogram provides a departmental focus on primary care and administers federal grants and programs relative to primary care. Through these programs, approximately 150 additional physicians are serving Kentucky's medically underserved population. The Program is responsible for determining areas of Kentucky that meet Health Professional Shortage Area and Medically Underserved Area criteria. This subprogram is also responsible for the Charitable Health Program, the National Health Service Corps Program, Kentucky Physician Care Program, J-1 VISA Program, and the Kentucky Prescription Assistance Program (KPAP) and the Kentucky Spinal Cord and Head Injury Research Board.

**Health and Family Services  
Public Health  
Epidemiology and Health Planning**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,576,300	3,285,900	3,405,100	3,215,300	3,221,100
Budget Reduction-General Fund			-704,200		
<b>Total General Fund</b>	<b>3,576,300</b>	<b>3,285,900</b>	<b>2,700,900</b>	<b>3,215,300</b>	<b>3,221,100</b>
<b>Tobacco Fund</b>					
Continuing Approp-Tob Settlement	160,424	26			
<b>Total Tobacco Fund</b>	<b>160,424</b>	<b>26</b>			
<b>Restricted Funds</b>					
Balance Forward	10,119,047	18,500,045	14,848,100	9,077,300	4,773,600
Current Receipts	21,469,356	11,475,518	15,607,500	18,995,200	18,995,200
Non-Revenue Receipts	-187,870	-325,000	-325,000	-325,000	-325,000
<b>Total Restricted Funds</b>	<b>31,400,533</b>	<b>29,650,563</b>	<b>30,130,600</b>	<b>27,747,500</b>	<b>23,443,800</b>
<b>Federal Fund</b>					
Balance Forward	-133,859	-223,316	-1,821,100		
Current Receipts	29,332,577	31,212,534	33,176,400	32,809,500	32,941,500
<b>Total Federal Fund</b>	<b>29,198,718</b>	<b>30,989,218</b>	<b>31,355,300</b>	<b>32,809,500</b>	<b>32,941,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>64,335,975</b>	<b>63,925,707</b>	<b>64,186,800</b>	<b>63,772,300</b>	<b>59,606,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	26,697,903	32,209,382	33,299,300	36,580,000	36,788,100
Operating Expenses	5,547,712	4,550,436	4,404,800	4,360,000	4,338,600
Grants Loans Benefits	13,721,805	14,125,080	17,405,400	18,058,700	18,358,700
Capital Outlay		13,835			
<b>TOTAL EXPENDITURES</b>	<b>45,967,420</b>	<b>50,898,733</b>	<b>55,109,500</b>	<b>58,998,700</b>	<b>59,485,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,484,500	3,285,900	2,700,900	3,215,300	3,221,100
Tobacco Fund	160,398				
Restricted Funds	12,900,488	14,802,524	21,053,300	22,973,900	23,322,800
Federal Fund	29,422,034	32,810,309	31,355,300	32,809,500	32,941,500
<b>TOTAL EXPENDITURES</b>	<b>45,967,420</b>	<b>50,898,733</b>	<b>55,109,500</b>	<b>58,998,700</b>	<b>59,485,400</b>

The mission of the Division of Epidemiology and Health Planning is to provide quality epidemiological and vital records services, public health planning and preparedness services, and reportable disease prevention and control services in order to promote, protect, and plan for the health and safety of Kentuckians. The division has responsibility for much of the three D's in public health: "Health Data, Acute Disease Prevention and Control, and Disaster Preparedness."

To accomplish these responsibilities, the Division conducts activities in four areas:

- The Infectious Disease Branch, which includes disease surveillance, prevention, and control activities related to vaccine-preventable diseases, sexually transmitted diseases, tuberculosis, adult viral hepatitis, healthcare associated infections, and other reportable diseases,
- The HIV/AIDS Branch, which includes prevention activities, client services, and surveillance for HIV/AIDS,
- The Office of Vital Statistics, which collects and preserves mandatory records of vital events including births, deaths, marriages, and divorces, and
- The Public Health Preparedness Branch, which includes the development, implementation, and exercising of statewide emergency preparedness plans for both terrorist (nuclear, biologic, chemical) threats as well as naturally occurring disease outbreaks.

The Immunization Program provides financial support and vaccines to local health departments (LHDs) and other providers for the provision of over one million immunizations each year to about 550,000 persons. Immunization rates are tracked in schools, day care, LHD clinics, and the general child population.



The Sexually Transmitted Disease (STD) Program is designed to reduce the occurrence and prevent the transmission and debilitating complications of sexually transmitted diseases. The STD Program provides educational materials, staff training, program planning and evaluation services, technical consultation, and selected antibiotics to all LHDs and other selected health care providers.

The Tuberculosis (TB) Control program aims to reduce the number of cases and deaths due to TB by preventing non-infected individuals from becoming infected, keeping those infected without disease from progressing to disease, and by attempting to maintain infected individuals with disease as non-infectious.

The Adult Viral Hepatitis Prevention Program is a federally funded program that focuses on the prevention of viral hepatitis in adults caused by hepatitis A, hepatitis B, and hepatitis C viruses.

The Healthcare Associated Infection (HAI) Program establishes an infrastructure within the Kentucky Department for Public Health to develop statewide activities focused on the prevention of HAIs within healthcare facilities.

The Reportable Disease Program is responsible for case confirmation, oversight of disease investigations, and surveillance for reportable diseases such as meningitis, hepatitis, diarrheal diseases, foodborne illnesses, and vector-borne diseases.

The HIV/AIDS Branch seeks to identify and track cases of HIV and AIDS, prevent the disease by raising awareness and promoting risk reduction behaviors, and connect HIV-positive clients to care. The HIV Prevention Program focuses on testing, awareness of one's status, and strategic intervention activities to reduce HIV transmission for at-risk populations. The HIV/AIDS Services program assists HIV-positive clients with case management, in addition to providing life-saving medications and insurance continuation for qualified clients, as a payor of last resort.

The Office of Vital Statistics is responsible for the registration, certification, and issuance of vital records (birth, death, marriage, and divorce certificates) in Kentucky. The program's primary responsibility is the maintenance and security of these vital records as well as responding to specific requests for vital statistics data.

The Public Health Preparedness Program has the responsibility of developing, coordinating, and overseeing the public health response to potential disaster events. It prepares the Commonwealth for disease outbreaks and other public health threats by integrating local public health assets, upgrading the State Laboratory to the capacity required by the Centers for Disease Control and Prevention, and providing hospitals and healthcare facilities across the state with funding to ensure preparedness for events attributable to disasters.

**Health and Family Services  
Public Health  
Maternal and Child Health**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	23,941,600	21,162,900	20,608,500	20,322,200	20,348,200
Budget Reduction-General Fund		-95,100	-1,860,200		
Other		268,938			
<b>Total General Fund</b>	23,941,600	21,336,738	18,748,300	20,322,200	20,348,200
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	13,303,800	13,853,100	14,088,100	15,823,000	15,392,100
Special Appropriation	682,500				
Continuing Approp-Tob Settlement	4,484,174	6,846,552	8,626,700		
<b>Total Tobacco Fund</b>	18,470,474	20,699,652	22,714,800	15,823,000	15,392,100
<b>Restricted Funds</b>					
Balance Forward	1,854,333	5,947,635	6,396,500	4,358,100	2,192,800
Current Receipts	34,982,607	42,219,448	41,546,500	41,546,500	41,546,500
Non-Revenue Receipts	-2,164,950	-3,465,733	570,000	570,000	570,000
<b>Total Restricted Funds</b>	34,671,990	44,701,349	48,513,000	46,474,600	44,309,300
<b>Federal Fund</b>					
Balance Forward	1,950,574	706,818	1,611,500		
Current Receipts	137,011,318	125,664,269	136,873,200	139,120,700	139,178,400
Non-Revenue Receipts		1,418,344			
<b>Total Federal Fund</b>	138,961,892	127,789,432	138,484,700	139,120,700	139,178,400
<b>TOTAL SOURCE OF FUNDS</b>	216,045,956	214,527,170	228,460,800	221,740,500	219,228,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	11,819,835	11,761,557	11,971,500	14,841,900	14,940,300
Operating Expenses	1,288,052	1,097,015	1,094,700	1,107,600	1,100,100
Grants Loans Benefits	188,326,765	185,033,105	211,036,500	203,598,200	203,167,300
<b>TOTAL EXPENDITURES</b>	201,434,652	197,891,678	224,102,700	219,547,700	219,207,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	22,831,300	21,336,738	18,748,300	20,322,200	20,348,200
Tobacco Fund	11,623,922	12,072,977	22,714,800	15,823,000	15,392,100
Restricted Funds	28,724,356	38,304,729	44,154,900	44,281,800	44,289,000
Federal Fund	138,255,074	126,177,234	138,484,700	139,120,700	139,178,400
<b>TOTAL EXPENDITURES</b>	201,434,652	197,891,678	224,102,700	219,547,700	219,207,700

The Maternal and Child Health (MCH) Program promotes and safeguards the health of all Kentuckians, with an emphasis on at-risk mothers, infants and children. The program goal is to help those at risk achieve the highest level of health and wellness possible through public health surveillance, education, nutrition, perinatal care, early childhood promotion and intervention, well-child care, oral health, injury prevention, coordinated school health, tobacco prevention and control, obesity prevention, and healthy communities, and selected primary and preventive care activities. The MCH Program is responsible for public health surveillance systems including the Neonatal Abstinence Reporting, Pregnancy Risk Assessment Monitoring System, the Sudden Unexpected Infant Death Registry, and Zika Birth Defects Surveillance.

The MCH Division is responsible for carrying out services under the following federal and state laws and regulations:

Title V of the Social Security Act, Section 501.516(a).8, and (10) Federal Omnibus Budget Reconciliation Act 1981, Public Law 97-35; Public Law 90-248.

Title V of the Social Security Act, 42 USC, Section 705(a)(5)(F)(iv) Rules for Early Periodic Screening, Diagnostic, and Treatment Services Linkages

KRS 156.501: Provide half of the cost toward a Kentucky Department of Education School Nurse Consultant KRS 199.894: Technical assistance for childcare providers through the Healthy Start in Child Care Program KRS 211.180 "...the protection and improvement of the health of expectant mothers, infants, preschool, and school age children."

The MCH Division provides oversight to the services and activities that focus on these populations,

KRS 211.180: Well Child and Adolescent Health Services

KRS 211.900-211.905, 211.994, and KRS 211.180: Statewide program for prevention, screening, diagnosis and treatment of childhood lead poisoning

KRS 211.190, KRS 214.160, KRS 213.161, and 902 KAR4:100: Prenatal/Maternity Services  
KRS 211.651: Kentucky Birth Surveillance Registry (obtains data on children with birth defects)  
KRS 211:674: Perinatal Advisory Committee  
KRS 211.676: Neonatal Abstinence Syndrome established as a Public Health Reportable disease  
KRS 211.684: Child Fatality Review Process and teams established  
KRS 158.854,194A, 902 KAR 18, WIC Program, under the Federal Child Nutrition Act of 1966, 42 USC 1786, federal regulations 7 CFR Part 246.  
KRS 214:155: Newborn Metabolic Screening, Metabolic Foods and Formula; related, 902 KAR 4:035: Cost Reimbursements for Uninsured for metabolic foods and formula  
KRS 211.690: Defines Health Access Nurturing Development Services, HANDS, as a voluntary statewide home visitation program for the purpose of providing assistance to overburdened parents. 902 KAR 4:120 details components of the program.  
KRS 200.652: Authorizes the Part C Early Intervention Program (First Steps) for families of an infant or toddler with a developmental disability.  
902 KAR 115:010: Water fluoridation for the protection of dental health  
902 KAR 115:020: Enforcement of Water fluoride program

The Early Childhood Development subprogram is required, by statute, to provide early childhood initiatives such as home visitation (Health Access Nurturing Development Services or HANDS), childcare health consultation, early childhood mental health services for children, Kentucky Strengthening Families, and Help Me Grow. The Early Childhood Development subprogram also identifies children in Kentucky who are at-risk for serious medical conditions and developmental delays through the Newborn Metabolic Screening and Case Management program and Kentucky Birth Surveillance Registry, both of which are also in statute.

The Kentucky Early Intervention System (KEIS) subprogram, also referred to as First Steps, provides case management and coordination of services for infants and toddlers between birth and three years of age with developmental disabilities or developmental delays. These early intervention services include services such as physical therapy, occupational therapy, speech therapy, hearing and vision services, and other services as needed to meet the child's developmental needs. First Steps services are provided in the home or other community settings, unless it is not feasible to do so, and are subject to a sliding fee scale unless the family has documented an inability to pay. Families and other interested parties access the First Steps program locally through 15 Points of Entry covering the state. Children served by First Steps transition at age three to the local education agency or other community supports.

The Child and Family Health Improvement subprogram provides oversight to services and activities including: prenatal care; child and adolescent preventive health; childhood lead poisoning prevention; child fatality review and injury prevention; oral health; and coordinated school health. This sub-program also houses our infant mortality efforts, including the Safe Sleep campaign.

The Nutrition Services subprogram administers the Special Supplemental Nutrition Program for Women, Infants and Children (WIC); Clinical Nutrition Services, Breastfeeding Peer Counselor Program; and the WIC Farmer's Market Nutrition Program. The Women, Infants and Children program is funded wholly by the US Department of Agriculture and provides food packages and nutrition education to low-income pregnant and post-partum women, infants and children at nutritional risk, and sets standards for nutrition services. Nutritionists in local health departments provide medical nutrition therapy and follow-up nutrition care for mothers and children with special nutrition needs.

The Health Promotion subprogram administers programs that focus on behavioral risk factors to promote lifestyle changes for developing a healthy community. The subprogram provides services in the areas of Tobacco Cessation and Control, Tobacco Quitline, Obesity Prevention, and Healthy Communities Projects.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,192,600	4,069,300	4,039,000	3,712,700	3,746,100
Budget Reduction-General Fund			-388,700		
Other		-48,177			
<b>Total General Fund</b>	4,192,600	4,021,123	3,650,300	3,712,700	3,746,100
<b>Restricted Funds</b>					
Balance Forward	323,543	1,424,276	2,391,600	1,758,400	915,200
Current Receipts	5,479,996	6,781,759	6,703,300	6,703,200	6,703,200
Non-Revenue Receipts	-738,659	-60,787	-1,170,000	-1,170,000	-1,170,000
Fund Transfers		-1,250,000			
<b>Total Restricted Funds</b>	5,064,880	6,895,248	7,924,900	7,291,600	6,448,400
<b>Federal Fund</b>					
Balance Forward	4,823	-2,371	-5,200		
Current Receipts	222,602	377,631	605,200	613,900	615,100
<b>Total Federal Fund</b>	227,426	375,260	600,000	613,900	615,100
<b>TOTAL SOURCE OF FUNDS</b>	9,484,906	11,291,631	12,175,200	11,618,200	10,809,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,367,559	4,713,486	5,414,300	6,124,200	6,180,700
Operating Expenses	4,660,012	4,191,594	5,002,500	4,578,800	4,575,900
Grants Loans Benefits	4,930	130			
<b>TOTAL EXPENDITURES</b>	8,032,501	8,905,210	10,416,800	10,703,000	10,756,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,162,100	4,021,123	3,650,300	3,712,700	3,746,100
Restricted Funds	3,640,604	4,503,639	6,166,500	6,376,400	6,395,400
Federal Fund	229,796	380,448	600,000	613,900	615,100
<b>TOTAL EXPENDITURES</b>	8,032,501	8,905,210	10,416,800	10,703,000	10,756,600

Laboratory Services provides chemical, biological, and molecular testing to address a variety of public health concerns that require very sophisticated and accurate laboratory analysis. The scope of these concerns spans from global preparedness and environmental to clinical and epidemiological.

Protection of the state and nation's health is supported through disease surveillance activities that use sophisticated equipment and result in early detection of outbreaks caused by emerging infectious diseases, which is essential for guiding epidemiologic investigations that determine the measures needed to prevent and control the spread of disease.

Laboratory Services is responsible for the prompt detection and identification of a wide variety of microorganisms, such as bacteria and viruses, and toxic chemical substances that pose a threat to the public's health. It provides examinations of clinical and environmental specimens to support other state and local health department programs and diagnostic testing not readily available elsewhere for hospitals and practicing physicians. Additionally, it tests environmental samples for water fluoride levels; examines milk, food, and water for evidence of biologic and/or chemical contamination; and performs complex analyses for the detection of pesticides and other environmental and/or workplace chemicals. It is also responsible for the prompt detection of a variety of heritable conditions in newborns.

Federal funds are received from grants and a cooperative agreement with Occupational Safety and Health Administration and agency fees are collected for newborn metabolic screening.

The state public health laboratory is certified by the College of American Pathologists as a high-complexity laboratory, obligating it to meet the most stringent of requirements.

**Health and Family Services  
Public Health**

**Public Health Protection and Safety**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,406,700	3,955,800	4,191,800	3,753,800	3,790,900
Budget Reduction-General Fund			-336,700		
<b>Total General Fund</b>	4,406,700	3,955,800	3,855,100	3,753,800	3,790,900
<b>Restricted Funds</b>					
Balance Forward	525,858	2,345,685	1,817,900	1,508,300	824,800
Current Receipts	8,208,826	8,824,000	8,546,700	8,546,700	8,546,700
Fund Transfers		-1,314,000			
<b>Total Restricted Funds</b>	8,734,683	9,855,685	10,364,600	10,055,000	9,371,500
<b>Federal Fund</b>					
Balance Forward	278,957	302,764	223,400		
Current Receipts	1,461,557	2,164,282	2,772,400	3,143,100	3,156,400
<b>Total Federal Fund</b>	1,740,514	2,467,046	2,995,800	3,143,100	3,156,400
<b>TOTAL SOURCE OF FUNDS</b>	14,881,897	16,278,531	17,215,500	16,951,900	16,318,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,232,881	6,399,218	6,729,900	7,329,900	7,429,200
Operating Expenses	1,216,265	1,122,412	1,092,000	954,100	939,100
Grants Loans Benefits	4,359,303	6,715,628	7,885,300	7,843,100	7,843,100
Debt Service	425,000				
<b>TOTAL EXPENDITURES</b>	12,233,449	14,237,258	15,707,200	16,127,100	16,211,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,406,700	3,955,800	3,855,100	3,753,800	3,790,900
Restricted Funds	6,388,999	8,037,793	8,856,300	9,230,200	9,264,100
Federal Fund	1,437,750	2,243,665	2,995,800	3,143,100	3,156,400
<b>TOTAL EXPENDITURES</b>	12,233,449	14,237,258	15,707,200	16,127,100	16,211,400

The Division of Public Health Protection and Safety provides a variety of environmental health services to the general public and other local and state agency partners. These services range from monitoring exposure to radiation to ensuring sanitation of food, milk, and various public facilities including hotels, swimming pools, tattoo studios and others. These programs provide technical consultation, guidance and training to the sixty-one (61) local health departments (LHDs); some 500 LHD environmental registered sanitarians, and provide regulatory oversight to thousands of Kentucky's regulated businesses. The Program's mission statement is: promoting a healthier, safer public through prevention, education, communication, and regulation.

The Radiation Health subprogram inspects and issues over 720 licenses to users of radioactive materials. The subprogram monitors the transportation of radioactive waste throughout the Commonwealth, and is mandated and equipped to respond to radiological emergencies 24 hours a day. The subprogram registers and inspects more than 4,000 facilities with 10,715 X-Ray tubes, and conducts reviews and inspects approximately 164 mammography facilities and approves approximately 65 shielding plans for facilities. The subprogram also operates a radiation health laboratory which collects and analyzes approximately 5,000 environmental samples for radiologic contamination annually and conducts over 6,000 analyses on the samples. This subprogram also provides monitoring for radiologic sites such as the Maxey Flats Disposal Site and the Paducah Gaseous Diffusion Plant. Approximately 17,700 quality control analyses are also conducted annually.

The Milk Safety subprogram operates under Kentucky Revised Statute Chapter 217C, to prevent adulteration, misbranding, and false advertising of milk and milk products and protects the public from disease transmission through milk products. This mandate is achieved through inspections of dairy farms, dairy plants, micro-processors, distributors, milk haulers, and all other identities which improve the quality of milk that is produced and sold to the public. This subprogram also monitors the development of product standards of identity and legal labeling for all dairy products as mandated by the U.S. Food and Drug Administration (FDA) and the U.S. Department of Agriculture. Kentucky adopted the 2011 edition of the Pasteurize Milk Ordinance, a federally mandated ordinance which ensures certain quality standards and which allows milk produced and processed in Kentucky to be produced, processed, transported and sold to all other forty-nine states.

The Food Safety subprogram provides regulatory oversight to Kentucky's multi-billion dollar food industry. The subprogram provides training and technical consultation to LHD employees who inspect food service establishments, retail food stores, vending machine companies, tattoo studios, body piercing facilities, boarding homes, tanning facilities, and bed and breakfast establishments in order to prevent the spread of communicable diseases and injuries. The subprogram also directly regulates food manufacturing and storage programs and the farmer's market for program compliance with state regulation. The subprogram responds to and investigates food recalls and works closely with the federal FDA on outbreak investigation involving regulated foods. The Food Safety subprogram is also actively involved during natural and man-made disasters to protect the food supply.

The Environmental Management subprogram is responsible for the oversight and regulatory requirements involving public facilities, including hotels/motels, public restrooms, schools, state confinement facilities, public swimming and bathing facilities, mobile home/recreational vehicle parks/communities, and youth camps through annual operating permits and routine inspections as required by law. The subprogram provides technical assistance and training to the sixty-one (61) LHDs which provide direct inspection of the regulated entities. The subprogram is also responsible for: conducting initial certification and ongoing specialized trainings to LHD environmental staff, providing continuing education for septic system installers, approving septic system components and experimental designs, providing consumer education on such issues as mold and bedbugs, operating a radon education program, and providing support for both the rabies control program and issues regarding private water sources. The subprogram additionally is responsible for maintaining certifications and tracking continuing education for certified radon professionals.

This subprogram also ensures that public health nuisances (illegal garbage dumps, accumulation of trash and garbage, rodent infestations, mosquito infestations, and untreated sewage) are investigated and abated by LHD inspectors. Through its education, investigation, permitting, and inspection activities, the Environmental Management Branch has a direct effect on protecting the lives of the public as well as, the operation of most private business entities.

The Public Safety subprogram is responsible for the regulation and certification of lead abatement professionals and clearance testing of mitigated properties. This subprogram also oversees the public swimming pool construction program and the methamphetamine contaminated properties program. Public Safety provides epidemiological support for disease cluster investigations and supports statistical and standardized reporting of environmental data. This subprogram houses the CDC funded program, which provides data to the Environmental Public Health Tracking Network to establish links between the environment and health outcomes.

**Health and Family Services**

**Health Policy**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	455,400	437,400	441,500	471,600	476,900
Budget Reduction-General Fund		-4,400			
<b>Total General Fund</b>	455,400	433,000	441,500	471,600	476,900
<b>Restricted Funds</b>					
Balance Forward	888,186	1,196,123	516,300	287,700	59,100
Current Receipts	688,142	621,145	640,000	640,000	640,000
Non-Revenue Receipts	-50,000	-48,250	-50,000	-50,000	-50,000
Fund Transfers		-600,000			
<b>Total Restricted Funds</b>	1,526,329	1,169,018	1,106,300	877,700	649,100
<b>Federal Fund</b>					
Balance Forward	10,035				
Current Receipts	2,122,990	1,239,635	1,013,100	1,013,100	1,013,100
Non-Revenue Receipts	9,662	-1,973			
<b>Total Federal Fund</b>	2,142,686	1,237,662	1,013,100	1,013,100	1,013,100
<b>TOTAL SOURCE OF FUNDS</b>	4,124,414	2,839,680	2,560,900	2,362,400	2,139,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,431,378	2,079,386	2,029,100	2,055,800	1,891,600
Operating Expenses	46,337	44,018	44,100	47,500	47,500
Grants Loans Benefits	430,077	200,000	200,000	200,000	200,000
<b>TOTAL EXPENDITURES</b>	2,907,792	2,323,404	2,273,200	2,303,300	2,139,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	434,900	433,000	441,500	471,600	476,900
Restricted Funds	330,206	652,742	818,600	818,600	649,100
Federal Fund	2,142,686	1,237,662	1,013,100	1,013,100	1,013,100
<b>TOTAL EXPENDITURES</b>	2,907,792	2,323,404	2,273,200	2,303,300	2,139,100
<b>EXPENDITURES BY UNIT</b>					
Office of Health Policy	2,907,792	2,323,404	2,273,200	2,303,300	2,139,100
<b>TOTAL EXPENDITURES</b>	2,907,792	2,323,404	2,273,200	2,303,300	2,139,100

The Office of Health Policy is charged with administering the state certificate of need program and coordinating with other Cabinet for Health and Family Services (CHFS) agencies as well as state agencies outside CHFS regarding health care policy issues and health data collection.

There are two functions within the Office of Health Policy: Health Policy Development and Certificate of Need.

The Health Policy Development staff seeks to provide coordination among state agencies and programs including: The Department for Medicaid Services, Department for Behavioral Health and Developmental and Intellectual Disabilities and the Department for Public Health as well as agencies outside the Cabinet such as Department of Insurance and the Kentucky Employees' Health Plan. In addition to coordinating health policy and health insurance issues, staff oversees legislative and regulatory efforts to ensure that proposed statutes and regulations are consistent across departments, consistent with the overall goals of the cabinet, and develops health insurance policy in coordination with the Kentucky Department of Insurance. Staff is also responsible for collecting and analyzing statewide health data critical for sound decision making. Through its policy work, data collection and analysis, the Office identifies opportunities for preparing and distributing relevant information to the public about health, health care and public policy.

The Certificate of Need (CON) staff is responsible for administering the certificate of need program in order to prevent unnecessary proliferation and/or duplication of health care facilities, health services and major medical equipment that increase the cost of health care within the Commonwealth. Staff are responsible for developing the State Health Plan which guides the decision-making process for many types of CON applications. The proposed State Health Plan goes through an extensive review process allowing for comment and input from the public as well as the provider community.

A certificate of need is required to establish a health facility, to change bed capacity of health facility, to make a substantial

change in a project (as defined by KRS Chapter 216B.015), to add a health service for which there are review criteria in the state health plan, to add a service subject to licensure, to obligate a capital expenditure or acquire major medical equipment which exceeds a specific threshold, or to change the geographic area which has been designated on a certificate of need or license.



**Health and Family Services**  
**Family Resource Centers and Volunteer Services**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,479,300	1,402,300	1,412,600	11,318,100	11,336,400
Current Year Appropriation			4,100,000		
<b>Total General Fund</b>	1,479,300	1,402,300	5,512,600	11,318,100	11,336,400
<b>Federal Fund</b>					
Balance Forward	215,723	219,614	173,900		
Current Receipts	4,686,711	5,405,873	6,795,200	7,042,200	7,053,300
<b>Total Federal Fund</b>	4,902,434	5,625,487	6,969,100	7,042,200	7,053,300
<b>TOTAL SOURCE OF FUNDS</b>	6,381,734	7,027,787	12,481,700	18,360,300	18,389,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,203,602	1,237,929	1,856,200	2,137,000	2,158,800
Operating Expenses	93,910	104,598	136,100	185,800	185,800
Grants Loans Benefits	4,798,008	5,511,376	10,489,400	16,037,500	16,045,100
<b>TOTAL EXPENDITURES</b>	6,095,520	6,853,904	12,481,700	18,360,300	18,389,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,412,700	1,402,300	5,512,600	11,318,100	11,336,400
Federal Fund	4,682,820	5,451,604	6,969,100	7,042,200	7,053,300
<b>TOTAL EXPENDITURES</b>	6,095,520	6,853,904	12,481,700	18,360,300	18,389,700
<b>EXPENDITURES BY UNIT</b>					
Family Resource and Youth Services Center	1,311,940	1,424,900	5,580,100	11,368,700	11,383,900
Kentucky Com. Community Volunteerism and Serv.	4,783,580	5,429,003	6,901,600	6,991,600	7,005,800
<b>TOTAL EXPENDITURES</b>	6,095,520	6,853,904	12,481,700	18,360,300	18,389,700

The Department for Family Resource Centers and Volunteer Services is comprised of two separate programs: Family Resource and Youth Service Centers and the Kentucky Commission on Community Volunteerism and Services.

**Health and Family Services**  
**Family Resource Centers and Volunteer Services**  
**Family Resource and Youth Services Center**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,216,100	1,140,500	1,150,100	11,031,700	11,046,200
Current Year Appropriation			4,100,000		
<b>Total General Fund</b>	<b>1,216,100</b>	<b>1,140,500</b>	<b>5,250,100</b>	<b>11,031,700</b>	<b>11,046,200</b>
<b>Federal Fund</b>					
Balance Forward	69,484	59,786	58,500		
Current Receipts	152,742	283,102	271,500	337,000	337,700
<b>Total Federal Fund</b>	<b>222,226</b>	<b>342,888</b>	<b>330,000</b>	<b>337,000</b>	<b>337,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,438,326</b>	<b>1,483,388</b>	<b>5,580,100</b>	<b>11,368,700</b>	<b>11,383,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	786,068	806,278	1,202,100	1,422,400	1,437,600
Operating Expenses	36,301	26,282	57,600	106,900	106,900
Grants Loans Benefits	489,572	592,341	4,320,400	9,839,400	9,839,400
<b>TOTAL EXPENDITURES</b>	<b>1,311,940</b>	<b>1,424,900</b>	<b>5,580,100</b>	<b>11,368,700</b>	<b>11,383,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,149,500	1,140,500	5,250,100	11,031,700	11,046,200
Federal Fund	162,440	284,400	330,000	337,000	337,700
<b>TOTAL EXPENDITURES</b>	<b>1,311,940</b>	<b>1,424,900</b>	<b>5,580,100</b>	<b>11,368,700</b>	<b>11,383,900</b>

The Kentucky Education Reform Act (KERA) of 1990, KRS 156.496 and KRS 156.4977 as amended, created the Family Resource and Youth Services Centers (FRYSC). FRYSC provides technical assistance, as well as administrative and training support to the local school-based FRYSC. The primary goal of these centers is to enhance student ability to succeed in school by developing and sustaining partnerships that promote early learning and successful transition into school, academic achievement and well-being, graduation, and transition into adult life.

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

Selected FRYSCs are also participating as a partner in one of the Race to the Top: Early Learning Challenge initiatives: Born Learning Academies. Kentucky incorporated the academies as part of its Race to the Top grant application. Kentucky proposes to expand the number of Born Learning Academies to 150 more elementary schools over four years. Through a gradual release approach of this evidence-based model, local Academies are implemented to assist parents of preschool children. The Born Learning Academies, which consist of six sessions, enable families to better understand early learning and development of their child by using everyday activities and occurrences as learning moments. FRYSCs currently work in every high-need elementary school in the Commonwealth. The goal of the Race to the Top is full integration of the Born Learning model into FRYSCs core grant components within five years.

**Policy**

The Budget of the Commonwealth includes an additional \$4,100,000 in fiscal year 2017-2018 and \$9,791,700 in each fiscal year of the 2018-2020 fiscal biennium to support Family Resource and Youth Service Centers.

**Health and Family Services**  
**Family Resource Centers and Volunteer Services**  
**Kentucky Commission on Community Volunteerism and Service**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	263,200	261,800	262,500	286,400	290,200
<b>Total General Fund</b>	<b>263,200</b>	<b>261,800</b>	<b>262,500</b>	<b>286,400</b>	<b>290,200</b>
<b>Federal Fund</b>					
Balance Forward	146,239	159,828	115,400		
Current Receipts	4,533,969	5,122,771	6,523,700	6,705,200	6,715,600
<b>Total Federal Fund</b>	<b>4,680,208</b>	<b>5,282,600</b>	<b>6,639,100</b>	<b>6,705,200</b>	<b>6,715,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,943,408</b>	<b>5,544,400</b>	<b>6,901,600</b>	<b>6,991,600</b>	<b>7,005,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	417,534	431,651	654,100	714,600	721,200
Operating Expenses	57,610	78,316	78,500	78,900	78,900
Grants Loans Benefits	4,308,436	4,919,036	6,169,000	6,198,100	6,205,700
<b>TOTAL EXPENDITURES</b>	<b>4,783,580</b>	<b>5,429,003</b>	<b>6,901,600</b>	<b>6,991,600</b>	<b>7,005,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	263,200	261,800	262,500	286,400	290,200
Federal Fund	4,520,380	5,167,203	6,639,100	6,705,200	6,715,600
<b>TOTAL EXPENDITURES</b>	<b>4,783,580</b>	<b>5,429,003</b>	<b>6,901,600</b>	<b>6,991,600</b>	<b>7,005,800</b>

The Kentucky Commission for Community Volunteerism and Services (KCCVS) was created in 1994 to serve as a conduit for federal funds that support AmeriCorps programs in the Commonwealth and to assume responsibility for the statewide coordination of volunteer activities.

Federal funds received by KCCVS are contracted to community organizations that, in turn, receive local matching funds, which include cash and in-kind services. AmeriCorps members provide household budget training, home renovation assistance, life skills training, and services to help senior citizens live independently. They train volunteers, serve the homeless, mentor at-risk youth, and offer assistance to victims of natural disasters. In addition, participants tutor children in math and reading and provide drug abuse prevention education in elementary and secondary schools. Children tutored by AmeriCorps members tend to advance a minimum of two reading levels during the school year. Since 1994, Kentucky AmeriCorps members have served more than 15 million hours and have qualified for Education Awards totaling more than \$34.1 million.

**Health and Family Services**

**Income Support**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	8,225,700	7,635,600	7,635,600	7,116,600	7,116,600
Budget Reduction-General Fund		-75,900	-14,100		
Reorganization Adjustment		-44,600	-44,600		
<b>Total General Fund</b>	<b>8,225,700</b>	<b>7,515,100</b>	<b>7,576,900</b>	<b>7,116,600</b>	<b>7,116,600</b>
<b>Restricted Funds</b>					
Balance Forward		2,518,884	3,010,400		
Current Receipts	18,263,559	15,919,176	12,994,400	12,424,900	12,424,900
Non-Revenue Receipts	113,677	114,401	126,000	126,000	126,000
<b>Total Restricted Funds</b>	<b>18,377,236</b>	<b>18,552,461</b>	<b>16,130,800</b>	<b>12,550,900</b>	<b>12,550,900</b>
<b>Federal Fund</b>					
Balance Forward	1,387,887	579,828	5,574,700		
Current Receipts	74,671,978	80,969,173	79,394,200	85,212,900	85,736,600
<b>Total Federal Fund</b>	<b>76,059,864</b>	<b>81,549,001</b>	<b>84,968,900</b>	<b>85,212,900</b>	<b>85,736,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>102,662,800</b>	<b>107,616,562</b>	<b>108,676,600</b>	<b>104,880,400</b>	<b>105,404,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	37,867,536	39,906,909	49,096,800	56,262,700	56,897,100
Operating Expenses	5,167,538	5,047,375	5,044,700	5,299,700	5,189,000
Grants Loans Benefits	56,107,015	53,693,618	54,535,100	43,318,000	43,318,000
Capital Outlay	51,799	382,725			
Construction		806			
<b>TOTAL EXPENDITURES</b>	<b>99,193,888</b>	<b>99,031,433</b>	<b>108,676,600</b>	<b>104,880,400</b>	<b>105,404,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	7,855,500	7,515,100	7,576,900	7,116,600	7,116,600
Restricted Funds	15,858,352	15,542,042	16,130,800	12,550,900	12,550,900
Federal Fund	75,480,036	75,974,291	84,968,900	85,212,900	85,736,600
<b>TOTAL EXPENDITURES</b>	<b>99,193,888</b>	<b>99,031,433</b>	<b>108,676,600</b>	<b>104,880,400</b>	<b>105,404,100</b>
<b>EXPENDITURES BY UNIT</b>					
Disability Determinations	44,421,499	45,758,929	50,882,800	56,627,200	57,034,200
Child Support	54,772,389	53,272,504	57,793,800	48,253,200	48,369,900
<b>TOTAL EXPENDITURES</b>	<b>99,193,888</b>	<b>99,031,433</b>	<b>108,676,600</b>	<b>104,880,400</b>	<b>105,404,100</b>

The Department for Income Support is responsible for administering Child Support Enforcement and Disability Determination Services.

These programs help to ensure that children are financially supported by parents who are legally obligated to pay child support and to determine medical eligibility for residents of the Commonwealth who apply for Social Security and Supplemental Security Income disability benefits from the federal government. The Department's mission is to facilitate financial and medical support services that enhance family wellness.

**Health and Family Services  
Income Support  
Disability Determinations**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Non-Revenue Receipts	113,677	114,401	126,000	126,000	126,000
<b>Total Restricted Funds</b>	113,677	114,401	126,000	126,000	126,000
<b>Federal Fund</b>					
Balance Forward	-664,309	-837,314	-910,600		
Current Receipts	44,134,818	45,571,279	51,667,400	56,501,200	56,908,200
<b>Total Federal Fund</b>	43,470,509	44,733,965	50,756,800	56,501,200	56,908,200
<b>TOTAL SOURCE OF FUNDS</b>	43,584,186	44,848,367	50,882,800	56,627,200	57,034,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	29,735,132	32,361,010	40,597,900	46,374,300	46,879,300
Operating Expenses	3,350,431	3,337,453	3,337,500	3,535,800	3,437,800
Grants Loans Benefits	11,284,137	9,676,935	6,947,400	6,717,100	6,717,100
Capital Outlay	51,799	382,725			
Construction		806			
<b>TOTAL EXPENDITURES</b>	44,421,499	45,758,929	50,882,800	56,627,200	57,034,200
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	113,677	114,401	126,000	126,000	126,000
Federal Fund	44,307,822	45,644,527	50,756,800	56,501,200	56,908,200
<b>TOTAL EXPENDITURES</b>	44,421,499	45,758,929	50,882,800	56,627,200	57,034,200

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

Disability Determination Services workload depends upon:

- the number of individuals who apply for disability benefits through the Social Security Administration (SSA),
- the number of claims that SSA selects for continuing review and sends to DDS, and
- Congressional mandates, legal actions or other initiatives.

**Health and Family Services  
Income Support  
Child Support**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	8,225,700	7,635,600	7,635,600	7,116,600	7,116,600
Budget Reduction-General Fund		-75,900	-14,100		
Reorganization Adjustment		-44,600	-44,600		
<b>Total General Fund</b>	<b>8,225,700</b>	<b>7,515,100</b>	<b>7,576,900</b>	<b>7,116,600</b>	<b>7,116,600</b>
<b>Restricted Funds</b>					
Balance Forward		2,518,884	3,010,400		
Current Receipts	18,263,559	15,919,176	12,994,400	12,424,900	12,424,900
<b>Total Restricted Funds</b>	<b>18,263,559</b>	<b>18,438,060</b>	<b>16,004,800</b>	<b>12,424,900</b>	<b>12,424,900</b>
<b>Federal Fund</b>					
Balance Forward	2,052,196	1,417,142	6,485,300		
Current Receipts	30,537,160	35,397,894	27,726,800	28,711,700	28,828,400
<b>Total Federal Fund</b>	<b>32,589,356</b>	<b>36,815,035</b>	<b>34,212,100</b>	<b>28,711,700</b>	<b>28,828,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>59,078,615</b>	<b>62,768,195</b>	<b>57,793,800</b>	<b>48,253,200</b>	<b>48,369,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,132,403	7,545,899	8,498,900	9,888,400	10,017,800
Operating Expenses	1,817,107	1,709,922	1,707,200	1,763,900	1,751,200
Grants Loans Benefits	44,822,879	44,016,683	47,587,700	36,600,900	36,600,900
<b>TOTAL EXPENDITURES</b>	<b>54,772,389</b>	<b>53,272,504</b>	<b>57,793,800</b>	<b>48,253,200</b>	<b>48,369,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	7,855,500	7,515,100	7,576,900	7,116,600	7,116,600
Restricted Funds	15,744,675	15,427,640	16,004,800	12,424,900	12,424,900
Federal Fund	31,172,214	30,329,764	34,212,100	28,711,700	28,828,400
<b>TOTAL EXPENDITURES</b>	<b>54,772,389</b>	<b>53,272,504</b>	<b>57,793,800</b>	<b>48,253,200</b>	<b>48,369,900</b>

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

The core functions of the child support program include locating parents; establishing paternity; establishing, enforcing, and modifying child support orders; and collecting and disbursing child support payments. Program responsibilities include the establishment and enforcement of medical support. In addition to traditional judicial processes, state and federal laws allow the Child Support Program to accomplish its mission through administrative processes such as in-hospital paternity establishment, wage assignments, liens and levies on personal property and assets, and offsetting tax refunds and unemployment benefits. The Child Support Program maintains program administration contracts with 117 county officials to provide child support collection locally in all 120 counties.

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

The Child Support Enforcement Program receives incentive payments from the federal government based on program performance in five program areas: Paternity Establish Performance for Title IV-D and Statewide, Support Order Performance, Current Payment Performance, Arrearage Payment Performance and Cost-Effectiveness Performance. The Deficit Reduction Act (DRA) of 2005 disallowed use of federal performance incentives as state matching funds for Federal Financial Participation (FFP).

**Health and Family Services  
Community Based Services**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	414,581,400	383,005,000	384,035,000	471,974,100	473,960,500
Current Year Appropriation			2,500,000		
Reorganization Adjustment		-128,900	-128,900		
Mandated Allotments	341,100				
<b>Total General Fund</b>	414,922,500	382,876,100	386,406,100	471,974,100	473,960,500
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	8,715,000	6,668,400	8,894,700	13,211,100	12,250,000
Current Year Appropriation	2,046,600				
Continuing Approp-Tob Settlement		2,046,600	3,400		
<b>Total Tobacco Fund</b>	10,761,600	8,715,000	8,898,100	13,211,100	12,250,000
<b>Restricted Funds</b>					
Balance Forward	3,496,962	1,559,255	5,678,100		
Current Receipts	172,796,246	199,586,143	192,557,300	240,599,300	244,383,300
Non-Revenue Receipts	-53,091,704	-40,979,959	-41,718,100	-39,283,200	-42,143,900
<b>Total Restricted Funds</b>	123,201,504	160,165,439	156,517,300	201,316,100	202,239,400
<b>Federal Fund</b>					
Balance Forward	23,027,776	8,494,721	7,034,900		
Current Receipts	481,648,095	507,392,732	536,988,100	572,881,400	577,870,100
Non-Revenue Receipts	-125				
<b>Total Federal Fund</b>	504,675,746	515,887,453	544,023,000	572,881,400	577,870,100
<b>TOTAL SOURCE OF FUNDS</b>	1,053,561,349	1,067,643,992	1,095,844,500	1,259,382,700	1,266,320,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	338,879,239	342,869,375	353,873,400	471,469,600	475,410,300
Operating Expenses	47,810,030	46,021,296	48,976,800	60,477,500	60,518,600
Grants Loans Benefits	638,866,397	666,006,555	692,994,300	727,435,600	730,391,100
Capital Outlay	117,124	27,640			
Construction	22,885	2,697			
<b>TOTAL EXPENDITURES</b>	1,025,695,674	1,054,927,563	1,095,844,500	1,259,382,700	1,266,320,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	399,157,400	382,876,100	386,406,100	471,974,100	473,960,500
Tobacco Fund	8,715,000	8,711,556	8,898,100	13,211,100	12,250,000
Restricted Funds	121,642,249	154,487,363	156,517,300	201,316,100	202,239,400
Federal Fund	496,181,025	508,852,545	544,023,000	572,881,400	577,870,100
<b>TOTAL EXPENDITURES</b>	1,025,695,674	1,054,927,563	1,095,844,500	1,259,382,700	1,266,320,000
<b>EXPENDITURES BY UNIT</b>					
Family Support	332,678,472	340,335,038	354,603,700	393,270,500	399,607,400
Energy	42,447,707	43,510,269	45,001,700	45,005,900	45,006,200
Child Care	98,340,151	111,508,130	127,040,600	130,302,800	129,370,000
Family and Community Services	552,229,344	559,574,126	569,198,500	690,803,500	692,336,400
<b>TOTAL EXPENDITURES</b>	1,025,695,674	1,054,927,563	1,095,844,500	1,259,382,700	1,266,320,000

The Department for Community Based Services (DCBS) is responsible for administering the following programs: Family Support (including Temporary Assistance to Needy Families; Supplementation Nutrition Assistance Program; Medicaid and health insurance affordability program eligibility; and State Supplementation for aged, blind or disabled individuals); Energy Assistance; Child Care; and Family and Community Based Services (including Family Based Services, Adult Services and Alternatives for Children).

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

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	133,298,400	128,208,000	129,454,100	151,613,300	154,001,600
Reorganization Adjustment		-128,900			
Mandated Allotments	341,100				
<b>Total General Fund</b>	133,639,500	128,079,100	129,454,100	151,613,300	154,001,600
<b>Restricted Funds</b>					
Balance Forward	1,409,529	771,474	838,700		
Current Receipts	1,719,788	3,167,352	1,147,800	2,086,500	2,086,500
Non-Revenue Receipts	14,612,317	20,761,097	28,145,500	29,174,300	29,267,600
<b>Total Restricted Funds</b>	17,741,634	24,699,923	30,132,000	31,260,800	31,354,100
<b>Federal Fund</b>					
Balance Forward	73,420,142	61,457,656	63,236,800		
Current Receipts	185,871,429	190,173,844	131,780,800	210,396,400	214,251,700
Non-Revenue Receipts	-3				
<b>Total Federal Fund</b>	259,291,568	251,631,500	195,017,600	210,396,400	214,251,700
<b>TOTAL SOURCE OF FUNDS</b>	410,672,702	404,410,523	354,603,700	393,270,500	399,607,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	153,333,128	170,530,886	168,986,700	201,173,700	203,033,900
Operating Expenses	21,152,777	20,970,654	25,592,100	27,524,000	27,001,300
Grants Loans Benefits	158,052,785	148,805,859	160,024,900	164,572,800	169,572,200
Capital Outlay	117,124	27,640			
Construction	22,660				
<b>TOTAL EXPENDITURES</b>	332,678,472	340,335,038	354,603,700	393,270,500	399,607,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	117,874,400	128,079,100	129,454,100	151,613,300	154,001,600
Restricted Funds	16,970,160	23,861,263	30,132,000	31,260,800	31,354,100
Federal Fund	197,833,912	188,394,675	195,017,600	210,396,400	214,251,700
<b>TOTAL EXPENDITURES</b>	332,678,472	340,335,038	354,603,700	393,270,500	399,607,400
<b>EXPENDITURES BY UNIT</b>					
Supplemental Nutrition Assistance Program	107,672,995	113,899,220	115,378,400	139,869,300	140,464,600
Medical Assistance	44,021,797	47,010,083	56,607,500	59,515,700	59,779,500
State Supplementation	15,204,300	16,329,216	13,979,900	14,144,900	14,159,800
TANF	165,779,381	163,096,518	168,637,900	179,740,600	185,203,500
<b>TOTAL EXPENDITURES</b>	332,678,472	340,335,038	354,603,700	393,270,500	399,607,400

Family Support consists of the following programs: Temporary Assistance to Needy Families (TANF); Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps; eligibility determination for Medicaid and for health insurance premium assistance through the Kentucky Health Benefit Exchange; and State Supplementation Program for persons who are aged, blind, or have a disability (State Supplementation). The programs administered by the Division of Family Support are designed to promote self-sufficiency, job training assessment, and the delivery of basic essential services for families and children who need assistance. Programs are accessible to all residents of Kentucky counties. Each local office has the responsibility to determine eligibility, provide facts and information of available benefits as well as the regulatory limitations of available benefits, and maintain case record information.

The National Voter Registration Act of 1993, also known as the Motor-Voter Act, requires agencies that deliver services to persons with disabilities or provide benefits under the Temporary Assistance for Needy Families/Kentucky Transitional Assistance Program, Special Supplemental Nutrition Programs for Women, Infants and Children (WIC), Medicaid, or SNAP, as well as Armed Forces Recruiting Stations and driver licensing stations to make available voter registration applications to their clients. Since Family Support administers two of these programs, it distributes voter registration forms, provides assistance in completing these forms, and ensures completed forms reach the proper state election office for processing in order to comply with this mandate.



## **Temporary Assistance for Needy Families (TANF)**

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) amended and combined Title IV-A (Aid for Families with Dependent Children or AFDC) and Title IV-F (Job Opportunities and Basic Skills Training Program or JOBS) of the Social Security Act to provide block grants to states for TANF. These federal funds support the program's administrative and benefit expenditures that include personnel, operating, and indirect costs; contracts with partnering agencies; cash assistance subsidies; supportive services; child care; and transportation. A Maintenance of Effort requirement mandates that states spend at least 80 percent of fiscal year 1994 expenditures on the program each year. For Kentucky, this amount is \$71.9 million per year.

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

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

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

The Family Alternatives Diversion Program (FAD) provides an alternative for families, who, while otherwise eligible, choose not to receive K-TAP cash assistance. A maximum of \$1,300 is available to assist the family with immediate needs such as food, shelter, transportation, etc. These benefits may be authorized for a three-month period. FAD may be approved once during a 24-month period and no more than twice in a lifetime.

The Kinship Care Program provides financial assistance and support services to non-parental relatives caring for children who cannot remain in the home of their parents due to abuse, neglect, or the death of both parents. Effective April 1, 2013, the Department for Community Based Services (DCBS) issued a moratorium impacting a child's initial eligibility for the Kinship Care Program; however, the moratorium did not apply to previously existing beneficiaries. A one-time relative placement support benefit and K-TAP are available to address a child's immediate and ongoing needs, respectively, upon placement by the Department with a qualified relative caregiver as an alternative to foster care.

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

## **Medicaid Eligibility and Health Insurance Affordability**

DCBS determines eligibility for the Medicaid program under a contract with the Department for Medicaid Services. The Medicaid program is authorized under Title XIX of the U.S. Social Security Act and KRS 205.520 and has expanded through state option made available through the Patient Protection and Affordable Care Act (P.L. 111-148), as amended by Health Care and Education Reconciliation Act (P.L. 111-152).

The Department provides eligibility determination services for health insurance premium assistance program via the state-based American Health Benefit Exchange (Kentucky Health Benefit Exchange) established in accordance with P.L. 111-148, as amended, and 42 U.S.C. 18031

## **State Supplementation**

The State Supplementation Program, authorized by KRS 205.245, provides financial support to aged, blind, or disabled individuals who have insufficient income to meet their needs in a licensed personal care home or family care home, or to purchase caretaker services designed to prevent institutionalization. To be eligible, persons must meet the criteria of the Social Security Income program related to age, blindness or disability as well as additional requirements associated with citizenship, Kentucky residency, and special needs.

## **Supplemental Nutrition Assistance Program (SNAP)**

The Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps, helps low-income persons purchase food for a nutritional diet. SNAP has its origins in the Food Stamp Act of 1964 (P.L. 88-525). It is designed to promote the general welfare and safeguard the health and well-being of the nation's population by raising nutritional levels among low-income households. "Household" is defined as any individual, family, or group of people living with each other who buy and prepare food together. To qualify, each household must meet eligibility standards.

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

### **Policy**

The Budget of the Commonwealth includes \$1,800,000 General Fund in fiscal year 2019-2020 and \$3,300,000 General Fund in fiscal year 2019-2020 lifting the Kinship Care moratorium issued in March 2013.

The Budget of the Commonwealth includes \$3,380,000 General Fund for additional Social Worker and administrative support positions within Community Based Services to improve workforce, upgrade technology and address caseload levels.

**Health and Family Services  
Community Based Services**

**Energy**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Federal Fund</b>					
Balance Forward	554,949	853,903	257,300		
Current Receipts	42,746,661	42,913,693	44,744,400	45,005,900	45,006,200
<b>Total Federal Fund</b>	<b>43,301,609</b>	<b>43,767,595</b>	<b>45,001,700</b>	<b>45,005,900</b>	<b>45,006,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>43,301,609</b>	<b>43,767,595</b>	<b>45,001,700</b>	<b>45,005,900</b>	<b>45,006,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	71,729	41,795	42,700	47,000	47,300
Operating Expenses	12,118	11,569	11,600	13,600	14,700
Grants Loans Benefits	42,363,860	43,456,906	44,947,400	44,945,300	44,944,200
<b>TOTAL EXPENDITURES</b>	<b>42,447,707</b>	<b>43,510,269</b>	<b>45,001,700</b>	<b>45,005,900</b>	<b>45,006,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Fund	42,447,707	43,510,269	45,001,700	45,005,900	45,006,200
<b>TOTAL EXPENDITURES</b>	<b>42,447,707</b>	<b>43,510,269</b>	<b>45,001,700</b>	<b>45,005,900</b>	<b>45,006,200</b>

The Low Income Home Energy Assistance program is a federally funded program that helps low-income households meet their home heating and/or cooling needs through direct fuel bill subsidies.

The Home Energy Assistance program, authorized by KRS 205.400, provides support with home heating/cooling costs for low-income households. Services include accepting applications, determining eligibility, implementing an outreach component, and coordinating this program with other energy assistance initiatives. Eligibility criteria include income that does not exceed 130 percent of the federal poverty level, resources that total less than \$2,000 (or \$3,000 if at least one person in the household is either age 60 or older or disabled, \$4,000 if there is a catastrophic illness in the household), and the responsibility for home heating expenses. This program is divided into two components. The subsidy component assists recipients with home heating costs for which they are responsible either by direct payment or as an undesignated portion of their rent. The crisis component assists eligible households experiencing a home energy emergency involving imminent loss of heating energy.

**Health and Family Services  
Community Based Services**

**Child Care**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	60,400,000	41,535,900	26,249,700	26,341,600	26,349,900
Other	-43,931,000	-15,000,000			
<b>Total General Fund</b>	<b>16,469,000</b>	<b>26,535,900</b>	<b>26,249,700</b>	<b>26,341,600</b>	<b>26,349,900</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	8,540,000	6,493,400	8,714,700	10,531,100	9,570,000
Current Year Appropriation	2,046,600				
Continuing Approp-Tob Settlement		2,046,600	3,400		
<b>Total Tobacco Fund</b>	<b>10,586,600</b>	<b>8,540,000</b>	<b>8,718,100</b>	<b>10,531,100</b>	<b>9,570,000</b>
<b>Restricted Funds</b>					
Balance Forward	79,452	270,207	607,900		
Current Receipts	215,980	337,738		72,800	72,800
Non-Revenue Receipts			-535,100		
<b>Total Restricted Funds</b>	<b>295,432</b>	<b>607,945</b>	<b>72,800</b>	<b>72,800</b>	<b>72,800</b>
<b>Federal Fund</b>					
Balance Forward	12,638,630	11,501,232	6,253,400		
Current Receipts	72,168,628	71,187,762	85,746,600	93,357,300	93,377,300
Non-Revenue Receipts	-100				
<b>Total Federal Fund</b>	<b>84,807,158</b>	<b>82,688,994</b>	<b>92,000,000</b>	<b>93,357,300</b>	<b>93,377,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>112,158,190</b>	<b>118,372,839</b>	<b>127,040,600</b>	<b>130,302,800</b>	<b>129,370,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,940,468	8,690,482	10,660,100	13,895,700	12,962,900
Operating Expenses	675,005	668,256	531,100	558,000	558,000
Grants Loans Benefits	88,724,453	102,146,695	115,849,400	115,849,100	115,849,100
Construction	225	2,697			
<b>TOTAL EXPENDITURES</b>	<b>98,340,151</b>	<b>111,508,130</b>	<b>127,040,600</b>	<b>130,302,800</b>	<b>129,370,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	16,469,000	26,535,900	26,249,700	26,341,600	26,349,900
Tobacco Fund	8,540,000	8,536,556	8,718,100	10,531,100	9,570,000
Restricted Funds	25,225		72,800	72,800	72,800
Federal Fund	73,305,926	76,435,675	92,000,000	93,357,300	93,377,300
<b>TOTAL EXPENDITURES</b>	<b>98,340,151</b>	<b>111,508,130</b>	<b>127,040,600</b>	<b>130,302,800</b>	<b>129,370,000</b>

The Child Care Program administers the child care assistance subsidy program, the STARS quality rating system, as well as a professional development framework for child care providers. The primary funding services for the program include the federal Child Care Development Fund, state General Fund and Tobacco Settlement-Phase I funds.

The Child Care Development Fund (CCDF) was created by Congress in August 1996 as part of the federal welfare reform legislation. Child care services delivered through CCDF are designed to promote, expand, and improve the quality of care for children in Kentucky and ensure that families most in need are aware of and have access to available, quality child care which is developmentally appropriate, affordable, and safe. The Cabinet for Health and Family Services' approach to service delivery combines the efforts of Cabinet staff and other service providers to address a family's needs in a comprehensive fashion thereby maximizing the likelihood that a family will achieve positive outcomes. Child Care serves Kentucky's most vulnerable children prioritizing children receiving child protective or preventive services, Temporary Assistance for Needy Families (TANF) recipients and persons transitioning off TANF, children with special needs, and teen parents. Children of low income working families are also eligible for child care assistance.

CCDF Regulation 45 C.F.R. Section 98.51 mandates that no less than four percent (4%) of the aggregate funds expended by the lead agency for the fiscal year be spent for quality activities which include child care health and safety requirements, STARS for KIDS NOW and early care and education professional development. Moreover, CCDF requires that additional funding be set aside for quality initiatives to address the following topics: infant and toddler care, school age care and resource and referral services.

Child Care invests in support services required to allow parents to be self-sufficient without sacrificing the well-being of their children. The CCDF was last reauthorized in 2005 and the goals of access and quality compete for limited childcare resources.

**The Child Care Assistance Program** is one of the support services directed at: (1) eliminating barriers to work and education for parents; (2) strengthening and maintaining client families; (3) providing early educational opportunities for at-risk children; (4) preventing or remedying abuse, neglect or exploitation of children; (5) preventing family dissolution; and (6) preventing out of home placements; These services are provided by subsidized child care through the CCDF for full and part-day care through the use of licensed providers, certified family child care homes and registered providers. Childcare services are intended to supplement, but not supplant, the parents' responsibility for the child's protection, development, and supervision. To that end, children with special needs and child protective services cases are the top priority for the Division of Child Care. In addition, childcare funding is also used to support low-income working parents and TANF client's efforts to find and keep jobs and transition off welfare. Licensed centers and homes, certified family childcare homes, and registered providers including relative and non-relative providers meeting enrollment requirements and health and safety guidelines, are reimbursed for services at approved rates for eligible, enrolled families.

Due to a projected budget shortfall in fiscal year 2014 the following changes were implemented in the Child Care Assistance Program:

- Effective April 1, 2013 – DCBS froze intake for new low-income clients; and
- Effective July 1, 2013 – DCBS reduced the CCAP income eligibility threshold from 150% of the 2011 Federal Poverty Level (FPL) at initial application and 165% FPL at redetermination to 100% FPL for redetermination.

Additional funding in the 2014-2016 biennial budget restored funding to enable the freeze to be lifted and to restore income eligibility levels back to the 150% of the 2011 federal poverty level and 165% redetermination levels.

**The STARS for KIDS NOW Program** is part of Kentucky's Early Childhood Initiative and is a voluntary quality rating system that places major emphasis on raising the quality level of early care and education in child care settings. STARS for KIDS NOW monetary incentives and rewards are granted to childcare providers based on environmental scoring using identified characteristics associated with positive outcomes for children and families. Through the provision of technical assistance, providers work to achieve quality indicators in their Environmental Rating Scale to achieve a STAR Level of 1 through 4. Programs receiving STARS Levels 1 through 4 rating surpass the minimum licensing or certification requirements per regulations. Programs are assessed in the following areas: staff/child ratios, group size, curriculum, family involvement, training and education of staff, regulatory compliance, and personnel practices. The Department is an active participant in the Race to the Top, Early Learning Challenge grant. Kentucky is currently in the process of revising the STARS Quality Rating system requirements and expanding the requirements to include not only child day care centers, but public preschool and Head Start programs as well. The Department will be piloting the new requirements during fiscal year 2016.

**The Professional Development System** is also part of Kentucky's Early Childhood Initiative. The Division has put in place the "Kentucky Childhood Professional Development Framework" which addresses the needs for education, training and credentialing of early care professionals in Kentucky and represents a culmination of months of planning and input from multiple stakeholders across the state. The Framework identifies individual core competencies, credentials, scholarships, grants, awards and training criteria to early care and education professionals. Additionally, targeted quality set-asides under CCDF are being utilized to promote and improve the quality of infant/toddler training opportunities, enhance professional development activities, improve education in child care programs, improve staff and child interactions, increase parental involvement, and facilitate regulatory compliance to all child care programs.

Childcare resource, and referral agencies (CCR&R's) provide services across the Commonwealth of Kentucky. The Cabinet contracts with the University of Kentucky, Human Development Institute through a sub-contract for coordination and management of Child Care Resource and Referral (CCR&R) Network ensuring services in the fifteen (15) Area Development Districts (ADD) covering all 120 counties in Kentucky to coordinate statewide core services as outlined in KRS 199.8992.

The CCR&R Network is comprised of fourteen (14) Regional Training Coordinators, fourteen (14) Regional Technical Assistance Coordinators, and two (2) Regional Technical Assistance Specialists to provide technical assistance, resources and coordination of professional development education to increase the quality of early care and education services across the commonwealth.

The Department, through the Child Care program, contracts with the CHFS Office of the Inspector General (OIG) to inspect, monitor, and license center-based providers, and inspect, monitor, and certify family childcare home providers who care for up to six (6) unrelated children. The OIG is also contracted to investigate complaints against licensed and certified providers as well as to conduct fraud investigations. State statute stipulates that an individual caseload of 1:50 be maintained for continuation of quality services; however, the current average individual case load is 1:100.

Collaborative efforts continue between the Child Care program and key stakeholders in order to ensure that outcomes will focus on continuing quality improvements in early learning environments. These efforts include partnerships with Head Start, the Department of Education, the Department for Public Health Division of Maternal and Child Health, Kentucky Out-of-School Alliance, Governor's Office of Early Childhood, and other government and quasi-government agencies that share the common goal of increasing professionalism in early care and education, promoting quality care, and supporting early learning guidelines.

**Policy**

The Budget of the Commonwealth Phase I Tobacco Settlement Funds in the amount of \$10,711,100 in fiscal year 2018-2019 and \$9,750,000 in fiscal year 2019-2020 for the Early Childhood Development Program.

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

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	220,883,000	213,261,100	228,331,200	294,019,200	293,609,000
Current Year Appropriation			2,500,000		
Reorganization Adjustment			-128,900		
Other	43,931,000	15,000,000			
<b>Total General Fund</b>	<b>264,814,000</b>	<b>228,261,100</b>	<b>230,702,300</b>	<b>294,019,200</b>	<b>293,609,000</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	175,000	175,000	180,000	2,680,000	2,680,000
<b>Total Tobacco Fund</b>	<b>175,000</b>	<b>175,000</b>	<b>180,000</b>	<b>2,680,000</b>	<b>2,680,000</b>
<b>Restricted Funds</b>					
Balance Forward	2,007,981	517,574	4,231,500		
Current Receipts	170,860,479	196,081,053	191,409,500	238,440,000	242,224,000
Non-Revenue Receipts	-67,704,021	-61,741,056	-69,328,500	-68,457,500	-71,411,500
<b>Total Restricted Funds</b>	<b>105,164,438</b>	<b>134,857,571</b>	<b>126,312,500</b>	<b>169,982,500</b>	<b>170,812,500</b>
<b>Federal Fund</b>					
Balance Forward	-63,585,945	-65,318,070	-62,712,600		
Current Receipts	180,861,377	203,117,434	274,716,300	224,121,800	225,234,900
Non-Revenue Receipts	-22				
<b>Total Federal Fund</b>	<b>117,275,410</b>	<b>137,799,364</b>	<b>212,003,700</b>	<b>224,121,800</b>	<b>225,234,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>487,428,848</b>	<b>501,093,036</b>	<b>569,198,500</b>	<b>690,803,500</b>	<b>692,336,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	176,533,914	163,606,213	174,183,900	256,353,200	259,366,200
Operating Expenses	25,970,130	24,370,818	22,842,000	32,381,900	32,944,600
Grants Loans Benefits	349,725,299	371,597,095	372,172,600	402,068,400	400,025,600
<b>TOTAL EXPENDITURES</b>	<b>552,229,344</b>	<b>559,574,126</b>	<b>569,198,500</b>	<b>690,803,500</b>	<b>692,336,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	264,814,000	228,261,100	230,702,300	294,019,200	293,609,000
Tobacco Fund	175,000	175,000	180,000	2,680,000	2,680,000
Restricted Funds	104,646,864	130,626,100	126,312,500	169,982,500	170,812,500
Federal Fund	182,593,480	200,511,926	212,003,700	224,121,800	225,234,900
<b>TOTAL EXPENDITURES</b>	<b>552,229,344</b>	<b>559,574,126</b>	<b>569,198,500</b>	<b>690,803,500</b>	<b>692,336,400</b>
<b>EXPENDITURES BY UNIT</b>					
Family Based Services	130,469,044	134,086,824	141,112,000	158,687,900	160,232,900
Adult Services	35,020,274	36,141,689	36,045,000	38,645,500	38,880,200
Alternatives For Children	386,740,026	389,345,613	392,041,500	493,470,100	493,223,300
<b>TOTAL EXPENDITURES</b>	<b>552,229,344</b>	<b>559,574,126</b>	<b>569,198,500</b>	<b>690,803,500</b>	<b>692,336,400</b>

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

The subprograms contained in Family and Community Services are Family Based Services, Adult Services, and Alternatives for Children. The legal authority for the program is in KRS Chapters 199, 200, 209 (Adult Protection), and 600-645, and in Titles IV, XIX and XX of the Social Security Act.

**Family Based Services**

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

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

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

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

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

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

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

Child advocacy centers provide services to victims of child sexual abuse and their non-offending caregivers.

## **Adult Services**

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

- Adult protection,
- Domestic violence protection,
- Adult home safety services (which is the direct provision of home safety services to adults at risk or in need of protection),
- Alternate care (also called patient movement and placement) which involves assisting individuals with appropriate community and institutional placements,
- Preventive services for adults which entails assessment, planning, and guidance,
- Services provided by domestic violence shelters and crisis centers,
- Services provided by rape crisis centers, and
- Certification of batterer intervention program providers.

Services often involve finding food, shelter, clothing, and medical treatment. Adult Self-Support includes the Community Services Block Grant, which provides funding for emergency needs of economically disadvantaged citizens. This program helps to alleviate the stresses on the family unit resulting from poverty while promoting self-sufficiency.

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



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

DCBS is involved in placement and movement of individuals into, between, and out of facilities. Placement and Movement denotes assistance provided to Medicaid-eligible individuals. Alternate Care denotes assistance to non-Medicaid eligible individuals. Approximately 56,000 Kentuckians need alternate care or placement and movement services each year. The majority of these individuals have family or friends to assist them in finding alternate living arrangements. The Department assists those individuals who are not able to locate appropriate placements. Alternate Care Services help ensure that persons are not inappropriately placed in a level of care exceeding their need, and thus promotes cost effectiveness. These services also help ensure that persons assisted receive the care they require.

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

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

Rape crisis centers provide services to victims of rape and sexual assault, their friends, and family members.

Batterer intervention program providers are mental health professionals meeting certification standards specified by DCBS who provide services to domestic violence batterers.

### **Alternatives for Children**

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

Family Foster Care takes place in the home of an agency-approved family. The development of alternative resources such as the Families and Children Together Services (FACTS), Family Preservation Program, Kinship Care or non-parental relative care, and Preventative Assistance has reduced the trend of more children placed in out-of-home care. Due to a projected budget shortfall in fiscal year 2014, a moratorium was implemented on the Kinship Care Program effective April 1, 2013. Relative caregivers and children in the program as of March 31, 2013 were not impacted.

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

Independent Living services are specialized services, including classroom and experiential training, designed to enhance the self-sufficiency skills of older children in foster care, private child care, and other state funded living arrangements. Services are provided both directly by staff and by contract agencies. As they complete each phase of the training, youth receive a stipend. In addition, youth ages 18-21 who were formerly in care may receive room and board assistance for a limited time.

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

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

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

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

## **Policy**

The Budget of the Commonwealth provides additional General Funds in fiscal year 2017-2018 in the amount of \$2,500,000 to Alternatives for Children program.

The Budget of the Commonwealth includes \$3,893,000 in General Fund, \$21,900,000 in Restricted Fund and \$2,200,500 in Federal Funds in each fiscal year to increase reimbursement rates to private child caring agencies.

The Budget of the Commonwealth provides an additional \$375,000 General fund in each fiscal year to support the Fostering for Success Program within Community Based Services.

The Budget of the Commonwealth includes \$11,148,100 General Fund each fiscal year providing social worker and supervisor salary increases to raise social worker retention.

The Budget of the Commonwealth includes \$10,660,000 General Fund for additional Social Worker and administrative support positions within Community Based Services to improve workforce, upgrade technology and address caseload levels.

The Budget of the Commonwealth provides Phase I Tobacco Settlement Funds in the amount of \$2,500,000 in each fiscal year for the Early Childhood Adoption & Foster Care Program.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	45,252,100	42,583,200	42,716,800	43,742,400	43,937,800
Budget Reduction-General Fund		-425,300	-77,600		
Reorganization Adjustment		-52,600	-52,600		
<b>Total General Fund</b>	45,252,100	42,105,300	42,586,600	43,742,400	43,937,800
<b>Restricted Funds</b>					
Balance Forward	1,406,434	1,173,774	2,056,800	2,165,400	2,159,900
Current Receipts	1,397,208	1,508,887	1,568,400	1,568,400	1,568,400
Non-Revenue Receipts	2,214,029	1,784,200	1,724,600	1,724,600	1,724,600
<b>Total Restricted Funds</b>	5,017,671	4,466,862	5,349,800	5,458,400	5,452,900
<b>Federal Fund</b>					
Balance Forward					
Current Receipts	22,231,893	20,637,505	24,811,800	24,810,100	24,810,100
Non-Revenue Receipts	-2,108,027	12,092	17,500	19,200	19,200
<b>Total Federal Fund</b>	20,123,867	20,649,597	24,829,300	24,829,300	24,829,300
<b>TOTAL SOURCE OF FUNDS</b>	70,393,638	67,221,758	72,765,700	74,030,100	74,220,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	11,014,557	11,728,600	14,473,200	15,478,400	15,684,100
Operating Expenses	1,106,649	1,069,424	2,193,400	2,196,500	2,196,500
Grants Loans Benefits	55,205,660	52,366,997	53,933,700	54,195,300	54,195,300
Capital Outlay	698				
<b>TOTAL EXPENDITURES</b>	67,327,564	65,165,022	70,600,300	71,870,200	72,075,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	43,359,800	42,105,300	42,586,600	43,742,400	43,937,800
Restricted Funds	3,843,897	2,410,125	3,184,400	3,298,500	3,308,800
Federal Fund	20,123,867	20,649,597	24,829,300	24,829,300	24,829,300
<b>TOTAL EXPENDITURES</b>	67,327,564	65,165,022	70,600,300	71,870,200	72,075,900
<b>EXPENDITURES BY UNIT</b>					
Aging and Independent Living	58,206,409	55,166,953	60,132,100	60,056,200	60,136,300
Guardianship	9,121,154	9,998,069	10,468,200	11,814,000	11,939,600
<b>TOTAL EXPENDITURES</b>	67,327,564	65,165,022	70,600,300	71,870,200	72,075,900

The Department for Aging and Independent Living (DAIL) sets policies and oversees programs for Kentucky's elderly and physically disabled citizens. The programs administered by the Department benefit Kentuckians by contributing to building self-sustaining families and improving the quality of life through an array of community-based services designed to help older persons, individuals with physical disabilities, and wards of the state to be as independent as possible in the least restrictive environment. Department programs also provide counseling and support services to family caregivers to enable them to provide quality care to older persons while fulfilling other family and employment responsibilities. In carrying out its programs, DAIL emphasizes successful aging, independent living, planning for an aging society, and continued involvement of older persons, adult wards of the state and physically disabled individuals in every aspect of the community. There are two program budget units within DAIL: Aging and Independent Living Services and Guardianship Services.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	38,400,000	35,351,700	33,882,000	33,627,900	33,701,100
Budget Reduction-General Fund		-425,300	-48,900		
Reorganization Adjustment		-52,600	-52,600		
Other	-1,300,000	-1,612,900			
<b>Total General Fund</b>	37,100,000	33,260,900	33,780,500	33,627,900	33,701,100
<b>Restricted Funds</b>					
Balance Forward	711,353	331,827	973,500	1,292,100	1,534,000
Current Receipts	631,564	469,448	529,000	529,000	529,000
Non-Revenue Receipts	1,927,429	1,497,600	1,438,000	1,438,000	1,438,000
<b>Total Restricted Funds</b>	3,270,346	2,298,874	2,940,500	3,259,100	3,501,000
<b>Federal Fund</b>					
Balance Forward	-59,850		-10,700		
Current Receipts	22,228,067	20,569,960	24,713,900	24,703,200	24,703,200
Non-Revenue Receipts	-2,108,027				
<b>Total Federal Fund</b>	20,060,190	20,569,960	24,703,200	24,703,200	24,703,200
<b>TOTAL SOURCE OF FUNDS</b>	60,430,536	56,129,735	61,424,200	61,590,200	61,905,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,836,798	2,702,439	6,261,200	6,153,400	6,233,500
Operating Expenses	304,986	213,901	207,400	219,500	219,500
Grants Loans Benefits	55,064,626	52,250,612	53,663,500	53,683,300	53,683,300
<b>TOTAL EXPENDITURES</b>	58,206,409	55,166,953	60,132,100	60,056,200	60,136,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	35,207,700	33,260,900	33,780,500	33,627,900	33,701,100
Restricted Funds	2,938,519	1,325,411	1,648,400	1,725,100	1,732,000
Federal Fund	20,060,190	20,580,642	24,703,200	24,703,200	24,703,200
<b>TOTAL EXPENDITURES</b>	58,206,409	55,166,953	60,132,100	60,056,200	60,136,300

The Department for Aging and Independent Living is designated as the State Unit on Aging by the Federal Administration on Aging. In accordance with the Older Americans Act Amendments of 1965 as amended through December 2006 and 45 CFR 1321. The Aging and Independent Living program is responsible for aging issues on behalf of all older persons in Kentucky. It is required to carry out a wide range of functions related to service delivery, advocacy, planning, coordination, interagency linkages, information-sharing, community preparedness, brokering, and evaluation. These functions are intended to focus on the development or enhancement of comprehensive and coordinated community-based service systems designed to help elderly and physically disabled adult Kentuckians maintain independence and dignity in their own homes and communities. This focus on community-based alternatives is consistent with Kentucky's plan developed in response to the Supreme Court's Olmstead decision and the State Plan on Aging.

The Aging and Independent Living program administers statewide services; develops the State Plan on Aging; allocates funds to the 15 Area Agencies on Aging and Independent Living (AAA) as well as 14 Community Mental Health Centers (CMHCs) for the Hart Supported Living Program; and approves AAA program plans, amendments, budgets, and contracts for local provision of aging and physical disabilities services. It provides education, training, benefits counseling, information and assistance to respond to the needs of senior citizens and those with physical disabilities.

The services administered to achieve these goals include:

- Title III Older Americans Act Nutritional Services provided through agreements with the AAA's include the Nutritional Services Incentive Program: For persons ages 60 and over, provides congregate meals at senior centers and home-delivered meals to the homebound elderly in each Kentucky county
- Senior Community Service Employment Program (Title V): Employs persons age 55 and older who have incomes at or below 125% of the poverty level in part-time non-profit community work, such as senior citizens centers, with the goals of training and eventual placement in unsubsidized employment.

- State Health Insurance Assistance Program (SHIP): (Section 4360 OBRA 1990, PL 101-508) provides benefits counseling and assistance to aged and disabled Medicare eligible persons through a federal Health Care Financing Administration Grant.
- Long-Term Care Ombudsman Program: On behalf of long-term care residents and their families, this program receives and investigates all complaints and problems of residents of nursing homes and personal care homes in Kentucky. The program assists in protecting the health, safety, welfare and rights of elderly Kentuckians in long term facilities.
- Aging and Disability Resource Center (ADRC): (Sec 1110 SS Act and 42 USC 3031-3037B) provides a single point of entry to services and supports for individuals who require assistance due to need or disability, regardless of age.
- Homecare Program (KRS 205.445-465): A state-funded alternative in-home program for frail and vulnerable persons 60 years and older who have functional or physical limitations and are at risk of institutionalization. Homecare provides essential services designed to delay or prevent institutionalization, including homemaker/personal care, homemaker/home management, home health aide, home-delivered meals, home-repair, chore, respite, and escort services.
- Nursing Home Diversion is a consumer directed model that provides a community based case approach to the state funded Homecare Program.
- Hart Supported Living (KRS 210.770-795): A state funded program that is intended to address service gaps not covered by other funding sources such as Medicaid waiver services. The program provides services which enable a person with disabilities to live in a home of the person's choice which is typical of those living arrangements in which persons without disabilities reside, encourages the individual's integrated participation in the community, promotes the individual's rights and autonomy, enhances the individual's skills and competencies in living in the community and enables the individual's acceptance in the community by promoting home ownership or leasing arrangements in the name of the individual or the individual's family or guardian.
- Personnel Care Attendant Program (PCAP) for Physically Disabled Adults (KRS 205.900): A state funded program that provides personal care assistant services and case management services to severely physically disabled adults, age 18 and over, who have functional loss of two or more limbs and need the services to prevent institutionalization or to leave an institutional setting.
- Adult Day and Alzheimer's Respite (KRS 209): Provides programs for day-long care and supervision for persons 60 and over who, because of physical, mental, and/or psychological limitations, cannot remain in their own homes alone during the day.
- Kentucky Caregiver Program (910 KAR 1:260): A state funded program that provides assistance to Grandparents caring for grandchildren under the age of 18. The program provides information services, individual counseling, caregiver training, and funds (limited to not more than \$500 per grandchild and no more than \$1,500 per household per fiscal year) for defraying the costs of caring for the grandchild that could include purchase of clothing, educational supplies or assistance, certain legal services, medical services not related to co-pays and premiums, and other services as authorized by the Area Agency on Aging.
- Family Caregiver Support Program: A federally funded program serving family and informal caregivers who provide care to people over 60 or an individual of any age with Alzheimer or a related diagnosis, as well as grandparents and other relatives over 55 who provide care to children up to age 19.
- Traumatic Brain Injury Trust Fund Program (KRS 42.320): A state program that provides assistance to children and adults with brain injuries. The TBI Trust Fund Program is a funding source of last resort for Kentucky residents. The TBI Trust Fund draws its funds primarily from court fees, traffic school fees and DUI service fees. The fund can also accept contributions and grants. The fund is administered by a Board of Directors to assure that individuals with a brain injury and their families are provided services and supports to promote independence and personal productivity.
- Traumatic Brain Injury Behavioral Program (KRS 189A.050): This program is funded through DUI fees and serves persons affected by Traumatic Brain Injury who are in need of behavioral services. Services are provided through crisis intervention, residential treatment, targeted case management, and other wraparound services.
- The Consumer Directed Option (CDO): The program gives Medicaid waiver members more choices in the way some Medicaid services are provided. The client can choose who will provide services they need as well as how, when, and where these services will be provided
- Adult Day Certification (KRS 205.950): The Department for Aging and Independent Living certifies Adult Day Social Model programs to assure quality standards are met for the client.
- Assisted Living Certification (KRS 194A.707): The Department of Aging and Independent Living certifies Social Model Assisted Living Communities to assure compliance with state statutes and regulations. The cost of administering the program is partially covered through fees charged to social assisted living communities.

- Alzheimer's disease and Related Advisory Council (KRS 194.600-609): Oversees information and resources related to policy and services affecting the sixty thousand (60,000) residents of Kentucky with dementia, and the caregivers and families of the residents.
- Preventive Health: Provides disease prevention, education and assistance in training and care of elderly Kentuckians on health related issues.
- Supportive Services: For persons over 60, these include: assessment/case management, transportation, escort to medical facilities, stores and other service delivery points; information, assistance and referral: homecare and other in-home services; health promotion; visiting and telephone reassurance; legal assistance, counseling; education; advocacy; respite; preventive health services; elder abuse prevention programs; supportive services for families of elderly victims of Alzheimer's and related disorders.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,852,100	7,231,500	8,834,800	10,114,500	10,236,700
Budget Reduction-General Fund			-28,700		
Other	1,300,000	1,612,900			
<b>Total General Fund</b>	<b>8,152,100</b>	<b>8,844,400</b>	<b>8,806,100</b>	<b>10,114,500</b>	<b>10,236,700</b>
<b>Restricted Funds</b>					
Balance Forward	695,082	841,948	1,083,300	873,300	625,900
Current Receipts	765,644	1,039,440	1,039,400	1,039,400	1,039,400
Non-Revenue Receipts	286,600	286,600	286,600	286,600	286,600
<b>Total Restricted Funds</b>	<b>1,747,326</b>	<b>2,167,988</b>	<b>2,409,300</b>	<b>2,199,300</b>	<b>1,951,900</b>
<b>Federal Fund</b>					
Balance Forward	59,850		10,700		
Current Receipts	3,826	67,544	97,900	106,900	106,900
Non-Revenue Receipts		12,092	17,500	19,200	19,200
<b>Total Federal Fund</b>	<b>63,676</b>	<b>79,636</b>	<b>126,100</b>	<b>126,100</b>	<b>126,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>9,963,102</b>	<b>11,092,024</b>	<b>11,341,500</b>	<b>12,439,900</b>	<b>12,314,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,177,759	9,026,161	8,212,000	9,325,000	9,450,600
Operating Expenses	801,663	855,522	1,986,000	1,977,000	1,977,000
Grants Loans Benefits	141,034	116,385	270,200	512,000	512,000
Capital Outlay	698				
<b>TOTAL EXPENDITURES</b>	<b>9,121,154</b>	<b>9,998,069</b>	<b>10,468,200</b>	<b>11,814,000</b>	<b>11,939,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	8,152,100	8,844,400	8,806,100	10,114,500	10,236,700
Restricted Funds	905,378	1,084,714	1,536,000	1,573,400	1,576,800
Federal Fund	63,676	68,955	126,100	126,100	126,100
<b>TOTAL EXPENDITURES</b>	<b>9,121,154</b>	<b>9,998,069</b>	<b>10,468,200</b>	<b>11,814,000</b>	<b>11,939,600</b>

Kentucky's Adult Guardianship Services Program is administered as authorized in KRS 210.290 and 387.500-387.900. Individuals are served by staff in both central office and nine regional offices. This Program provides a legal relationship between a court-appointed adult who assumes the responsibility of being the guardian for a ward. A ward is a person who has been declared "legally disabled" by the court and is no longer able to care for his or her personal and/or financial needs.

Appointed guardians may be a friend or family member who is willing to serve in this capacity on behalf of the disabled individual. If there is no one willing to assume guardianship for the disabled person, the court will appoint the Cabinet for Health and Family Services as the state guardian. The duties of the state guardian include:

- Full Guardianship/Full Conservator – In this category the Cabinet will be responsible for both the personal and financial needs of the ward. In this case, the court will also decide which civil rights the person can retain and which are given to the guardian. These may include the right to vote, the right to drive a car, the right to make medical decisions, the right to determine where to live, the right to sell property, and the right to sign legal documents such as checks, marriage licenses or wills.
- Limited Guardian – A limited guardian may be appointed if the disabled person is declared partially disabled and can manage some personal needs but may need assistance with others.
- Conservator – A conservator may be appointed if the disabled person needs help only with managing financial or fiduciary affairs.
- Conservator/Guardian - This category allows for a combination of a conservator who manages financial and fiduciary affairs with a guardian who manages living and personal needs arrangements.

**Policy**

The Budget of the Commonwealth includes General Fund of \$1,600,000 for the Guardianship Program within the Department for Aging and Independent Living for additional social workers/field workers to address caseload levels.

**Health and Family Services**  
**Health Benefit and Information Exchange**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	720,334	1,356,801	606,900	42,700	4,500
Current Receipts	65	1,229			
Non-Revenue Receipts	13,771,423	9,774,272	4,261,000	5,025,700	5,096,000
<b>Total Restricted Funds</b>	14,491,822	11,132,302	4,867,900	5,068,400	5,100,500
<b>Federal Fund</b>					
Balance Forward		278	-800		
Current Receipts	7,252,767	9,666,569	727,000		
Non-Revenue Receipts	-814,429		800		
<b>Total Federal Fund</b>	6,438,338	9,666,847	727,000		
<b>TOTAL SOURCE OF FUNDS</b>	20,930,160	20,799,149	5,594,900	5,068,400	5,100,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	16,906,690	17,677,358	4,123,200	3,858,100	3,878,900
Operating Expenses	2,194,918	2,437,839	1,099,000	966,500	966,500
Grants Loans Benefits	460,822	1,460	330,000	239,300	255,100
Construction	10,651	76,386			
<b>TOTAL EXPENDITURES</b>	19,573,081	20,193,042	5,552,200	5,063,900	5,100,500
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	13,135,021	10,525,369	4,825,200	5,063,900	5,100,500
Federal Fund	6,438,060	9,667,673	727,000		
<b>TOTAL EXPENDITURES</b>	19,573,081	20,193,042	5,552,200	5,063,900	5,100,500
<b>EXPENDITURES BY UNIT</b>					
Health Benefit Exchange	19,573,081	20,193,042	5,552,200	5,063,900	5,100,500
<b>TOTAL EXPENDITURES</b>	19,573,081	20,193,042	5,552,200	5,063,900	5,100,500

The Kentucky Office of Health Benefit Exchange (KOHBE) oversees Kentucky's online health benefit exchange where individuals can learn how to enroll in health coverage, pre-screen to find out what financial aid they may be eligible for and find help in their communities to fill out applications or pick a plan. The KOHBE has an executive director and two divisions: Division of Health Care Policy, Education and Outreach Administration, and Division of Operations and Kentucky Access.

The Kentucky Health Information Exchange (KHIE) was created to serve as a focal point for e-health initiatives in the Commonwealth. The KHIE helps health care providers in utilizing health technology to improve patient care, reduce medical errors, and make more efficient use of resources by reducing redundant services.



# Justice and Public Safety

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**Justice and Public Safety**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	692,339,200	760,478,000	768,568,600	910,163,400	922,728,700
Current Year Appropriation	16,177,500		8,901,800		
Continuing Approp-General Fund		22,568			
Budget Reduction-General Fund		-1,000,000	-7,356,600		
Mandated Allotments	35,936,600	42,782,300			
Other					
<b>Total General Fund</b>	<b>744,453,300</b>	<b>802,282,868</b>	<b>770,113,800</b>	<b>910,163,400</b>	<b>922,728,700</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	1,241,100	1,609,100	1,769,800	7,831,000	7,362,800
Special Appropriation	459,100				
Continuing Approp-Tob Settlement	73,123	323,988	668,600		
<b>Total Tobacco Fund</b>	<b>1,773,323</b>	<b>1,933,088</b>	<b>2,438,400</b>	<b>7,831,000</b>	<b>7,362,800</b>
<b>Restricted Funds</b>					
Balance Forward	19,054,259	30,676,434	29,784,000	28,131,200	18,758,800
Current Receipts	51,402,263	50,784,215	48,813,200	51,539,600	51,793,100
Non-Revenue Receipts	86,005,074	97,570,441	94,566,300	115,351,400	111,710,500
Fund Transfers	-11,000,000	-1,637,900	-1,500,000		
<b>Total Restricted Funds</b>	<b>145,461,597</b>	<b>177,393,191</b>	<b>171,663,500</b>	<b>195,022,200</b>	<b>182,262,400</b>
<b>Federal Fund</b>					
Balance Forward	918,123	1,751,767	1,783,500	160,800	74,800
Current Receipts	36,408,556	35,081,139	47,724,600	75,768,600	100,730,700
Non-Revenue Receipts	275,111	1,452,801	-743,100		
<b>Total Federal Fund</b>	<b>37,601,790</b>	<b>38,285,707</b>	<b>48,765,000</b>	<b>75,929,400</b>	<b>100,805,500</b>
<b>Road Fund</b>					
Regular Appropriation	96,845,800	87,676,700	88,596,700	105,278,800	106,762,100
<b>Total Road Fund</b>	<b>96,845,800</b>	<b>87,676,700</b>	<b>88,596,700</b>	<b>105,278,800</b>	<b>106,762,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,026,135,810</b>	<b>1,107,571,554</b>	<b>1,081,577,400</b>	<b>1,294,224,800</b>	<b>1,319,921,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	557,209,562	596,222,745	606,640,000	720,284,000	713,221,400
Operating Expenses	125,478,256	133,687,387	120,289,800	126,734,300	127,108,000
Grants Loans Benefits	293,017,450	328,525,853	318,972,700	407,400,300	441,406,000
Debt Service	3,002,950	4,748,997	218,500	2,499,100	4,008,600
Capital Outlay	7,635,086	12,127,824	7,164,400	18,473,500	13,007,000
Construction	2,796	6,275			
<b>TOTAL EXPENDITURES</b>	<b>986,346,099</b>	<b>1,075,319,079</b>	<b>1,053,285,400</b>	<b>1,275,391,200</b>	<b>1,298,751,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	737,415,779	802,266,524	770,113,800	910,163,400	922,728,700
Tobacco Fund	1,449,335	1,264,455	2,438,400	7,831,000	7,362,800
Restricted Funds	114,785,162	147,609,173	143,532,300	176,263,400	161,150,100
Federal Fund	35,850,023	36,502,227	48,604,200	75,854,600	100,747,300
Road Fund	96,845,800	87,676,700	88,596,700	105,278,800	106,762,100
<b>TOTAL EXPENDITURES</b>	<b>986,346,099</b>	<b>1,075,319,079</b>	<b>1,053,285,400</b>	<b>1,275,391,200</b>	<b>1,298,751,000</b>
<b>EXPENDITURES BY UNIT</b>					
Justice Administration	35,043,782	45,448,550	57,445,000	94,843,700	119,553,200
Criminal Justice Training	50,539,801	72,554,043	69,289,800	90,450,800	82,954,700
Juvenile Justice	105,836,400	106,563,259	106,516,500	124,838,000	125,845,900
State Police	206,034,954	223,689,329	227,495,900	280,045,000	270,364,800
Corrections	535,014,691	570,568,576	531,753,900	613,770,900	627,935,200

**EXPENDITURES BY UNIT**

Public Advocacy	53,876,471	56,495,322	60,784,300	71,442,800	72,097,200
<b>TOTAL EXPENDITURES</b>	<b>986,346,099</b>	<b>1,075,319,079</b>	<b>1,053,285,400</b>	<b>1,275,391,200</b>	<b>1,298,751,000</b>

The Kentucky Justice Cabinet was established in 1974 and was renamed the Justice and Public Safety Cabinet in 2007. The Cabinet is responsible for criminal justice services throughout the Commonwealth of Kentucky, including law enforcement, law enforcement training, adult and juvenile incarceration, and public advocacy. The Cabinet provides overall leadership, policy direction and training for six departments and multiple public agencies and boards, with a focus on prevention, treatment, law enforcement and preparing offenders for reentry into society with acquired skills to facilitate non-criminal behavior.

The Cabinet is comprised of six departments:

- Department of Justice Administration
- Department for Public Advocacy
- Department of Kentucky State Police
- Department of Juvenile Justice
- Department of Criminal Justice Training
- Department of Corrections

The mission of the Justice and Public Safety Cabinet is to ensure the safety and security of Kentucky communities through a fair and impartial administration of taxpayer resources. The approach centers on protecting citizens, restoring victims and reforming wrongdoers, all in a focused environment where everything is measured for accountability and performance. The Cabinet seeks the best possible return from our public safety investment, using evidence-based programs, fiscal discipline, and data-driven strategies. Likewise, the Cabinet is committed to holding offenders to the highest standards of personal accountability and responsibility.

The vision of the Justice and Public Safety Cabinet is to remain a national leader in criminal justice while focusing our limited resources on the most effective strategies to reduce crime and protect public safety. This involves a comprehensive effort to right-size corrections, enhance re-entry programs, and reinvest any savings into law enforcement, community supervision, and better drug interventions. The Cabinet will empower and support victims, and demand that offenders learn productive skills to support themselves after release.

The Justice and Public Safety Cabinet core values include:

**Public Safety:** Our first obligation and highest priority is to protect the safety and security of Kentucky families and communities.

**Government Accountability:** We will perform all of our duties with the highest level of ethical and fiscal discipline, setting clear, measurable goals and continually evaluating our performance against those objectives.

**Data-Driven Decision Making:** We will administer justice using the best data, evidence, and policy expertise available to drive favorable outcomes.

**Transparency:** We will endeavor in every way to engage with Kentucky taxpayers, families, stakeholders, and all other members of the public, providing information in a timely and accurate manner and develop public confidence in our work.

**Impartiality:** We will provide a fair and impartial system of justice to all Kentuckians.

**Justice and Public Safety**

**Justice Administration**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	11,210,300	30,312,800	31,855,000	31,085,700	31,244,000
Budget Reduction-General Fund			-1,368,500		
Mandated Allotments	10,000,000				
Other					
<b>Total General Fund</b>	<b>21,210,300</b>	<b>30,312,800</b>	<b>30,486,500</b>	<b>31,085,700</b>	<b>31,244,000</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	1,241,100	1,609,100	1,769,800	7,831,000	7,362,800
Special Appropriation	459,100				
Continuing Approp-Tob Settlement	73,123	323,988	668,600		
<b>Total Tobacco Fund</b>	<b>1,773,323</b>	<b>1,933,088</b>	<b>2,438,400</b>	<b>7,831,000</b>	<b>7,362,800</b>
<b>Restricted Funds</b>					
Balance Forward	1,595,211	1,535,089	2,931,000	2,458,100	2,449,200
Current Receipts	979,280	1,040,706	1,464,200	1,148,800	1,248,800
Non-Revenue Receipts	2,205,900	1,815,500	1,404,300	3,139,400	3,142,700
<b>Total Restricted Funds</b>	<b>4,780,391</b>	<b>4,391,295</b>	<b>5,799,500</b>	<b>6,746,300</b>	<b>6,840,700</b>
<b>Federal Fund</b>					
Balance Forward	541,388	1,514,426	1,647,200	102,600	16,600
Current Receipts	10,526,909	12,559,834	19,634,100	51,543,900	76,627,000
Non-Revenue Receipts	89,473				
<b>Total Federal Fund</b>	<b>11,157,770</b>	<b>14,074,260</b>	<b>21,281,300</b>	<b>51,646,500</b>	<b>76,643,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>38,921,785</b>	<b>50,711,443</b>	<b>60,005,700</b>	<b>97,309,500</b>	<b>122,091,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	11,925,260	13,178,081	15,193,500	17,235,000	17,562,400
Operating Expenses	1,402,665	1,975,238	1,836,100	1,356,800	1,347,000
Grants Loans Benefits	21,674,236	30,280,000	40,390,400	76,251,900	100,643,800
Capital Outlay	41,621	15,231	25,000		
<b>TOTAL EXPENDITURES</b>	<b>35,043,782</b>	<b>45,448,550</b>	<b>57,445,000</b>	<b>94,843,700</b>	<b>119,553,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	20,705,800	30,296,653	30,486,500	31,085,700	31,244,000
Tobacco Fund	1,449,335	1,264,455	2,438,400	7,831,000	7,362,800
Restricted Funds	3,245,303	1,460,324	3,341,400	4,297,100	4,302,800
Federal Fund	9,643,344	12,427,118	21,178,700	51,629,900	76,643,600
<b>TOTAL EXPENDITURES</b>	<b>35,043,782</b>	<b>45,448,550</b>	<b>57,445,000</b>	<b>94,843,700</b>	<b>119,553,200</b>
<b>EXPENDITURES BY UNIT</b>					
Secretary	4,573,330	4,910,937	5,929,600	6,550,700	6,635,500
Office of Drug Control Policy	3,642,846	3,338,191	4,536,800	9,854,600	9,393,600
Medical Examiner Program	4,372,538	4,716,355	4,770,900	4,891,100	4,940,100
Parole Board	913,486	1,004,918	1,056,300	1,185,700	1,202,500
Grants	10,162,550	14,107,561	23,835,700	54,237,200	79,254,600
Criminal Justice Council	297,415	256,593	352,000	257,000	257,000
Motorcycle Training Program	581,617	765,194	900,000	900,000	900,000
Access to Justice	500,000	898,800	563,700	639,800	639,800
Substance Abuse Initiatives	10,000,000	15,450,000	15,500,000	16,327,600	16,330,100
<b>TOTAL EXPENDITURES</b>	<b>35,043,782</b>	<b>45,448,550</b>	<b>57,445,000</b>	<b>94,843,700</b>	<b>119,553,200</b>

The Department of Justice Administration (DJA), within the Justice and Public Safety Cabinet and under the authority of KRS 15A, provides leadership, strategic planning and administrative support for all agencies within the Justice Cabinet. The functions located within DJA are outlined below

The Office of the Secretary under KRS 15A.020 is charged with housing a variety of administrative, financial, investigative and legal functions that perform key oversight activities for the Department and the Cabinet. The associated offices and branches are outlined below:

Office of the Secretary, which is headed the Deputy Secretary, appointed pursuant to KRS 12.050, and is responsible for the direct administrative support for the Secretary.

The Office of Management and Administrative Services (OMAS) is responsible for all matters relating to human resources, state and federal grants management, management of daily operations, information processing, fiscal function and administrative services for the Justice and Public Safety Cabinet. As one of the largest Cabinets in state government with nearly 8,000 employees, the OMAS provides management support and oversight to over five departments with combined funding near \$1 billion, including \$40-\$45 million in annual state and federal grants programs.

The Office of Legal Services is dedicated to providing quality legal services for the Justice and Public Safety Cabinet. As one of the largest Cabinets in state government and responsibility for the Commonwealth's criminal justice services, the Justice and Public Safety Cabinet and its employees face a wide range of legal issues every day. Attorneys in the office provide legal assistance to the Cabinet's officers, employees, and departments on a myriad of issues, such as employment and administrative law matters, regulatory and statutory interpretation, legislative initiatives, and a wide range of civil legal questions. They also provide representation before administrative bodies and in state and federal court in any matters that involve the Cabinet.

The mission of the Internal Investigations Branch is to serve the citizens of the Commonwealth of Kentucky by receiving and investigating certain limited allegations involving abuse of juveniles committed to, or in the custody of, the Department of Juvenile Justice and investigating administrative violations within the Justice and Public Safety Cabinet as determined by the Cabinet Secretary. Allegations that meet certain criteria are assigned for investigation. Investigations are conducted for administrative purposes and if criminal violations are discovered, the allegation is referred to law enforcement. The duties of the office have expanded to include investigating allegations within the Justice and Public Safety Cabinet with the exception of the Kentucky State Police and with certain restrictions in the Department of Public Advocacy. In 2008, the Internal Investigations Branch was assigned the responsibility for conducting background investigations on applicants for commission as Special Law Enforcement Officers (SLEO) and Special Local Peace Officers (SLPO). Once commissioned, these officers have full law enforcement authority on their designated properties only. SLPOs are commissioned for duty on private property; SLEOs are commissioned for duty on public property.

The Office of Legislative and Intergovernmental Services is responsible for all matters relating to the provision of support to the Criminal Justice Council, legislative liaison services, and functions and duties vested in the Criminal Justice Council as described in KRS 15A.030.

The Child Fatality and Near Fatality External Review Panel was created and established by Kentucky Revised Statutes 620.055 for the purpose of conducting comprehensive reviews of child fatalities and near fatalities suspected to be the result of abuse or neglect. The Panel is a twenty-member multidisciplinary team of professionals including representatives from the medical, social services, mental health, legal, and law enforcement communities, as well as others who work with and on behalf of Kentucky's children. The Panel reviews official records and other relevant information received from a variety of sources: The Cabinet for Health and Family Services, the Department for Juvenile Justice, medical records including autopsy reports, law enforcement records and records held by a Family, Circuit or District Court. The purpose of these reviews is to become aware of systemic deficits and to make recommendations for improvements to help prevent child fatalities and near fatalities due to abuse or neglect.

The Justice and Public Safety Cabinet, pursuant to KRS 15A.020, is responsible for housing the Office of the Kentucky State Medical Examiner, which is headed by the Chief Medical Examiner for the Commonwealth of Kentucky. The office is responsible for all matters relating to forensic pathology and forensic toxicology. Recognized as national leaders in their respective field, the scientific staff members of the Kentucky Office of the Medical Examiner provide death investigation services and forensic autopsy services for deaths that occur in Kentucky when authorized by County Coroners or the Court. All deaths that are sudden or unexpected or occur from other than natural causes must be reported to the County Coroner, who then may authorize a postmortem examination by the Kentucky Medical Examiner's Office. The goal of the Medical Examiner's Office is to assist county coroners, families, law enforcement agencies and the legal system by determining a scientifically unbiased and logical cause and manner of death.

The Kentucky Parole Board is an independent, autonomous agency attached in administrative capacity to the Justice & Public Safety Cabinet under KRS 439.330. The Kentucky Parole Board consists of nine full-time members whose primary responsibility is to grant and revoke parole for adult felony offenders incarcerated in Kentucky correctional institutions. The purpose of the Parole Board is to determine if, when and under what circumstances the best interest of society will be served by allowing an offender to serve a portion of his/her sentence in the community under supervision and conditions of parole. Parole is the process that endeavors to reintegrate the offender from incarceration back into society, before restoring complete freedom.

The Justice and Public Safety Cabinet is responsible for establishing the Criminal Justice Council (CJC) pursuant to KRS 15A.075. Since its creation in 1998, the Kentucky Criminal Justice Council has established a neutral forum for discussion of systemic issues by a diverse group of state and local criminal justice professionals. As a statewide criminal justice coordinating body, the Council works to develop a better understanding of the nature of crime across the different regions of the state; to develop clearer goals and system priorities; to promote coordination among the components of the justice system; and to promote effective utilization of limited resources.

Under the provisions of KRS 15A.150, the Justice and Public Safety Cabinet shall administer all state and federally funded grant programs related to criminal justice. The Grants Management Branch (GMB) located within Justice Administration serves as the designated State Agency Administrator for criminal justice discretionary and formula grants issued by the U.S. Department of Justice and certain state funds for similar purposes. Originally established in 1968 as part of the Kentucky Crime Commission, GMB is now located within the Office of the Secretary, Office of Management and Administrative Services, Kentucky Justice and Public Safety Cabinet. Major current funding programs administered include: Byrne Memorial Justice Assistance Grants (JAG), Victims of Crime Act (VOCA) grants, and the Violence Against Women Act (VAWA) grants. The Branch also manages Discretionary grant awards for forensic science projects, PREA compliance and training, substance abuse treatment and training, rape kit backlog testing. Programs are administered according to funding source guidelines, applicable statutes, state and agency priorities and policies.

In August of 2004, a 51-member team of state, federal and local officials in substance abuse prevention-education, treatment and enforcement recommended the creation of the Office of Drug Control Policy (ODCP). Pursuant to KRS 15A.020 the Justice and Public Safety Cabinet is responsible for housing the ODCP which is tasked to coordinate Kentucky's response to substance abuse. The goal of the ODCP is to change the way substance abuse is handled, reduce the problem and make the Commonwealth a model for other states. They have joined prevention/education, treatment, and law enforcement in a united effort to confront the epidemic and have made great strides.

The Access to Justice Foundation is a poverty law resource center dedicated to providing opportunity for quality civil legal assistance for low-income Kentuckians. This is accomplished by supporting Kentucky's four Legal Services programs and pro bono lawyers and promoting awareness in the legal community of the need for volunteers to assist poor Kentuckians in civil matters.

Senate Bill 192 as enacted by the General Assembly in the 2015 Regular Session provided up to \$10 million for Substance Abuse Initiatives during Fiscal Year 2016. Additionally, funding in the amount of \$15.7 million for Fiscal Year 2017 and \$16.3 million for Fiscal Year 2018 was enacted during the 2016 Regular Session in House Bill 303. The Substance Abuse Initiatives funding is housed within Justice Administration and falls under the administrative oversight of the Office of Drug Control Policy.

KRS 15A.350 requires that the Justice and Public Safety Cabinet establish a motorcycle safety education program which provides instructor training courses, instructor approval, and rider training courses for novice riders that are held at locations throughout the state. The program provides the following: rider training courses for experienced riders; activities to increase the awareness of a motorcyclist's knowledge of the effects of alcohol and drug use; driver improvement efforts; licensing improvement efforts; program promotion activities; enhancement of the public's awareness of motorcycles; and enhancement of motorcycle safety through education.

## **Policy**

The Budget of the Commonwealth includes General Fund resources in the amount of \$500,000 in each fiscal year, funded from the Local Government Economic Development Fund and Restricted Fund appropriation in the amount of \$1,500,000 each year from settlement funds resulting from the suit against Purdue Pharma for the Operation UNITE program.

The Budget of the Commonwealth includes General Fund resources in the amount of \$1,406,300 in each fiscal year for the Court Appointed Special Advocate (CASA) program.

The Budget of the Commonwealth includes additional Phase I Tobacco Settlement Funds in the amount of \$7,831,000 in fiscal year 2018-2019 and \$7,362,800 in fiscal year 2019-2020 for the Office of Drug Control Policy to support opioid prevention, treatment, and recovery initiatives.

Heroin legislation was enacted during the 2015 Regular Session in an effort to reduce the trafficking and abuse of heroin and other opiates. It invests 50 percent of the savings realized as a result of the passage of HB 463 in the 2011 Regular Session in an array of substance abuse and criminal justice programs. In fiscal year 2015-2016, it appropriated \$10,000,000 as a necessary government expense. The Secretary of the Justice and Public Safety has authority to determine distribution of these funds among the several substance abuse treatment and prevention efforts. The Budget of the Commonwealth provides \$16,327,600 in fiscal year 2018-2019 and \$16,330,100 in fiscal year 2019-2020. The amounts will be held in reserve until allocated by the Secretary of the Justice and Public Safety Cabinet.

The Budget of the Commonwealth provides General Fund in the amount of \$639,800 each fiscal year for the Access to Justice Program.

The Budget of the Commonwealth provides no funding for the Kentucky Legal Education Opportunity Fund.

**Justice and Public Safety  
Criminal Justice Training**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
<b>Restricted Funds</b>					
Balance Forward	5,462,414	10,645,520	9,189,700	14,130,900	7,387,200
Current Receipts	1,402,424	964,873	513,300	559,900	564,000
Non-Revenue Receipts	65,244,153	70,172,136	73,577,500	83,027,000	86,145,300
Fund Transfers	-11,000,000	-137,900			
<b>Total Restricted Funds</b>	<b>61,108,990</b>	<b>81,644,628</b>	<b>83,280,500</b>	<b>97,717,800</b>	<b>94,096,500</b>
<b>Federal Fund</b>					
Balance Forward	2,170	13,817	10,000		
Current Receipts	87,977	95,400	130,200	120,200	120,200
<b>Total Federal Fund</b>	<b>90,148</b>	<b>109,216</b>	<b>140,200</b>	<b>120,200</b>	<b>120,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>61,199,138</b>	<b>81,753,845</b>	<b>83,420,700</b>	<b>97,838,000</b>	<b>94,216,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	19,558,189	22,093,041	25,066,000	37,534,600	31,033,100
Operating Expenses	2,932,382	3,134,555	4,895,500	5,905,700	5,480,900
Grants Loans Benefits	25,656,789	37,503,064	39,101,300	39,650,400	39,650,400
Debt Service	2,140,450	4,278,038		2,131,600	2,120,800
Capital Outlay	251,991	5,545,345	227,000	5,228,500	4,669,500
<b>TOTAL EXPENDITURES</b>	<b>50,539,801</b>	<b>72,554,043</b>	<b>69,289,800</b>	<b>90,450,800</b>	<b>82,954,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
<b>General Fund</b>					
Restricted Funds	50,463,470	72,454,848	69,149,600	90,330,600	82,834,500
Federal Fund	76,331	99,196	140,200	120,200	120,200
<b>TOTAL EXPENDITURES</b>	<b>50,539,801</b>	<b>72,554,043</b>	<b>69,289,800</b>	<b>90,450,800</b>	<b>82,954,700</b>
<b>EXPENDITURES BY UNIT</b>					
Kentucky Law Enforcement Program Fund	49,291,688	71,477,287	67,900,900	88,943,300	81,434,800
Peace Officer Professional Standards	555,034	570,167	735,400	827,400	835,700
Special Training Programs	693,079	506,589	653,500	680,100	684,200
<b>TOTAL EXPENDITURES</b>	<b>50,539,801</b>	<b>72,554,043</b>	<b>69,289,800</b>	<b>90,450,800</b>	<b>82,954,700</b>

The Department of Criminal Justice Training (DOCJT) is responsible for the training of law enforcement professionals as provided under Kentucky Revised Statutes, Chapters 15, 15A, 16, 70, 71, 72, 95, and KRS 403.785(2), along with 500 KAR 8:010. Basic and specialized training courses are offered to police officers, dispatchers, sheriffs, deputies, coroners, certified court-security officers, school resource officers, and certain other agencies upon request. Course curriculum includes training in basic law enforcement, telecommunications, de-escalation techniques, coroner training, AIDS, post-traumatic stress disorder (PTSD), pediatric-abuse head trauma, child sexual abuse, juvenile crime, domestic violence, sexual assault response, bias-related crimes, penal code and constitutional law, tactical training in rapid response, crisis intervention, response to persons with special needs, professional development, executive and staff training, leadership development, internet crime, and breath testing. Training is conducted at the Training Center on the Eastern Kentucky University campus and at regional sites.

The DOCJT operates two training programs: the Kentucky Law Enforcement Foundation Program Fund (KLEFPF), and the Special Training programs, in addition to the Peace Officers Professional Standards (POPS) program. The KLEFPF agency resources are derived from property and casualty insurance premium surcharge proceeds, which accrue pursuant to KRS 136.392, and are allocated by KRS 42.190 between the KLEFPF and the Kentucky Firefighters Foundation Program Fund. The Department provides entry-level and in-service training for approximately 12,500 seats each year, totaling approximately 600,000 hours of training.



## Policy

Notwithstanding KRS 15.470, the Budget of the Commonwealth includes Restricted Funds for a \$4,000 training incentive stipend and associated fringe benefit costs for state troopers, arson investigators, hazardous devices investigators, legislative security specialists, and Vehicle Enforcement officers within the Kentucky State Police; Horse Park mounted patrol officers; State Park rangers; Agriculture investigators, Charitable Gaming investigators; Alcoholic Beverage Control investigators; Insurance fraud investigators; and Attorney General investigators.

Notwithstanding KRS 15.470, the Budget of the Commonwealth includes Restricted Funds for a \$4,000 training incentive stipend and an amount equal to the required employer's contribution of the supplement to the defined benefit plan to which the officer belongs for School Security Officers. Each eligible peace officer must meet the requirements of Peace Officer Professional Standards Act training. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF) to approximately 7,570 certified peace officers in the amount of \$49,327,300 in fiscal year 2018-2019 and \$49,327,300 in fiscal year 2019-2020.

Notwithstanding any statute to the contrary, the Budget of the Commonwealth includes language for employers of eligible local units of government shall receive an administrative expense reimbursement in an amount equal to 7.65 percent of the total annual supplement received greater than \$3,100 for each qualified local officer.

The Budget of the Commonwealth includes \$88,943,300 in fiscal year 2018-2019 and \$81,434,800 in fiscal year 2019-2020 for the Kentucky Law Enforcement Program Fund.

Notwithstanding KRS 15.470, \$1,442,500 in each fiscal year from the Kentucky Law Enforcement Foundation Program Fund is provided to the State Police for lab equipment capital project.

Notwithstanding KRS 15.470, \$3,305,800 in fiscal year 2018-2019 and \$872,800 in fiscal year 2019-2020 from the Kentucky Law Enforcement Foundation Program Fund is provided to the State Police for purchasing marked and unmarked vehicles.

Notwithstanding KRS 15.470, \$4,329,500 in fiscal year 2018-2019 from the Kentucky Law Enforcement Foundation Program Fund is to be transferred to Kentucky State Police for paying pension spiking costs and sick leave service credit.

**Justice and Public Safety**  
**Juvenile Justice**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	83,322,700	85,770,200	86,234,500	103,935,700	105,397,200
Current Year Appropriation			600,000		
Budget Reduction-General Fund		-500,000	-4,538,300		
<b>Total General Fund</b>	83,322,700	85,270,200	82,296,200	103,935,700	105,397,200
<b>Restricted Funds</b>					
Balance Forward	1,917,075	2,007,229	3,351,600	612,000	139,700
Current Receipts	473,535	387,325	387,700	387,700	387,700
Non-Revenue Receipts	11,573,019	13,491,637	10,269,600	9,500,000	9,500,000
Fund Transfers		-1,500,000	-1,500,000		
<b>Total Restricted Funds</b>	13,963,629	14,386,192	12,508,900	10,499,700	10,027,400
<b>Federal Fund</b>					
Balance Forward	281,418	149,643	58,200	58,200	58,200
Current Receipts	11,417,327	9,395,667	12,323,400	10,542,300	10,421,300
Non-Revenue Receipts	156,699	771,384			
<b>Total Federal Fund</b>	11,855,443	10,316,694	12,381,600	10,600,500	10,479,500
<b>TOTAL SOURCE OF FUNDS</b>	109,141,773	109,973,086	107,186,700	125,035,900	125,904,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	83,242,013	86,198,531	88,832,200	107,792,800	109,266,500
Operating Expenses	10,732,734	10,886,766	10,662,900	8,092,900	8,097,800
Grants Loans Benefits	11,552,998	8,885,330	6,802,900	8,733,800	8,263,100
Debt Service		218,459	218,500	218,500	218,500
Capital Outlay	308,654	368,273			
Construction		5,900			
<b>TOTAL EXPENDITURES</b>	105,836,400	106,563,259	106,516,500	124,838,000	125,845,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	82,174,200	85,270,200	82,296,200	103,935,700	105,397,200
Restricted Funds	11,956,400	11,034,556	11,896,900	10,360,000	10,027,400
Federal Fund	11,705,800	10,258,503	12,323,400	10,542,300	10,421,300
<b>TOTAL EXPENDITURES</b>	105,836,400	106,563,259	106,516,500	124,838,000	125,845,900
<b>EXPENDITURES BY UNIT</b>					
Program Management	1,829,900	1,874,500	1,711,500	1,898,000	1,924,400
Program Operations	95,847,400	96,152,766	96,474,800	113,793,300	114,656,800
Support Services	8,159,100	8,535,993	8,330,200	9,146,700	9,264,700
<b>TOTAL EXPENDITURES</b>	105,836,400	106,563,259	106,516,500	124,838,000	125,845,900

The Department of Juvenile Justice operates programs for juvenile crime prevention, detention, and community services, as well as residential facilities for post-adjudicated offenders. All programs are designed primarily for “public” and “youthful” offenders. The Department consists of three programmatic areas: Program Management, Program Operations, and Support Services.

Program Management is comprised of the Commissioner’s Office which provides management and policy direction for the Department: There are three Offices reporting to the Commissioner’s Office: Office of Program Operations, Office of Community and Mental Health Services, and Office of Support Services. The Office of the Commissioner provides staff support for the Commissioner, which includes public information services.

Program Operations consists of the direct services provided to both public and youthful offenders, through Day Treatment Services, Group Homes, Residential Facilities, Community Supervision, Private Child Care Facilities, Detention Facilities, and Alternatives to Detention. The programs are administered on a regional basis, divided into two separate regions.

Day Treatment Services is comprised of five state-owned and 19 contract programs. These programs are the least restrictive, since the youths remain in a home setting during the evening and attend a day treatment program during the day. A court or school system usually refers a youth to serve in these programs. Day Treatment provides educational alternatives, treatment, and counseling for youths between the ages of 12 and 17. The total capacity of the 24 centers is 826 youths.

<b>Group Home Facilities</b>	<b>County</b>	<b>Beds</b>
Ashland	Boyd	8
Bowling Green	Warren	8
Burnside	Pulaski	8
Frenchburg	Menifee	8
Hopkinsville	Christian	8
London	Laurel	8
Middlesboro	Bell	8
Frankfort	Franklin	8
Westport	Jefferson	8

Group Home Beds = 72

Group Homes are community-based residential treatment facilities that generally serve eight youths per home. These programs accept youths between 12-18 years of age who have been committed to the Department as “public” or “youthful” offenders. Group home care serves as an alternative to institutionalization and aims to transition a youth from institutional placement to the community. The total capacity of 9 group homes is 72 youths.

<b>Residential Facilities</b>	<b>City</b>	<b>County</b>	<b>Beds</b>
Northern Kentucky Youth Development Center	Crittenden	Grant	44
Morehead Youth Development Center	Morehead	Rowan	40
Green River Youth Development Center	Cromwell	Butler	40
Mayfield Youth Development Center	Mayfield	Graves	30
Lake Cumberland Youth Development Center	Monticello	Wayne	40
Woodsbend Youth Development Center	West Liberty	Morgan	40
Cadet Leadership Education Program	Jackson	Breathitt	40
Adair Youth Development Center	Columbia	Adair	30

Residential Beds = 304

The 8 state-operated Residential Facilities provide 24-hour care and custody of juveniles who have been committed to the Department as public offenders or sentenced as youthful offenders. These facilities serve youths who are in need of treatment that cannot be provided in their community, or who require placement in a secure setting because they represent a threat to the community. The current capacity of the residential care program is 304 youths.

<b>State-operated Detention Centers</b>	<b>County</b>	<b>Beds</b>
Breathitt Regional Juvenile Detention Center	Breathitt	48
McCracken Regional Juvenile Detention Center	McCracken	48
Campbell Regional Juvenile Detention Center	Campbell	52
Adair Youth Development Center/Regional Juvenile Detention Center	Adair	20
Warren Regional Juvenile Detention Center	Warren	48
Boyd Regional Juvenile Detention Center	Boyd	36
Fayette Regional Juvenile Detention Center	Fayette	60

Detention Beds = 312

Seven state-operated detention centers are currently in operation in Breathitt, McCracken, Campbell, Warren, , Fayette, and Boyd Counties, and twenty beds are available for detention at the youth development center in Adair County. Currently, the state provides detention services to 119 counties. Jefferson County continues to operate a local detention program, and it is approved to use these facilities and receive a subsidy payment from the state of \$94 per day for all public and youthful offenders.

Placements less restrictive than detention facilities are provided through contracts with emergency shelters and foster care providers, electronic monitoring, and tracking services. Departmental staff members are responsible for the assessment of juveniles in the facilities, and the determination of whether an alternative to detention is appropriate.

Private child care facilities and therapeutic foster care programs are utilized to alleviate facility capacity problems and to provide specialized treatment for youths. Approximately 10-30 juveniles are in these programs on any given day.

Community Services provide services to juvenile offenders. Workers in the community offices develop service objectives and comprehensive service plans for juvenile offenders and their families. These workers supervise over 2,525 juvenile offenders and recommend any necessary out-of-home placements.

The Division of Placement Services, included in the Program Operations area, determines appropriate out-of-home placements for youths committed to the Department of Juvenile Justice.

Support Services, which provides administrative support to all organizational units of the Department, includes: Division of Administrative Services, Division of Program Services, Division of Professional Development, and the Division of Medical Services. The Division of Administrative Services consists of five branches: Personnel, Fiscal, Capital Construction and Real Properties, and Information Systems. The Division of Program Services consists of the Quality Assurance Branch, Education Branch, and the Juvenile Detention Alternatives Branch that report directly to the Division Director. The Division of Professional Development consists of the Academy Training Branch and the In-service Training Branch. The Medical Division oversees the medical delivery system throughout the Department.

## **Policy**

The Budget of the Commonwealth includes current year General Fund appropriation in the amount of \$600,000 for fiscal year 2017-2018 and General Fund appropriation in the amount of \$1,700,000 in 2018-2019 and \$1,700,000 in 2019-2020 to support Day Treatment Center contracted programs.

The Budget of the Commonwealth includes General Fund resources in the amount of \$4,800,000 each fiscal year to meet staffing to youth ratios mandated by the Prison Rape Elimination Act.

**Justice and Public Safety**

**State Police**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	75,788,600	95,577,600	98,429,600	125,210,700	121,147,800
<b>Total General Fund</b>	<b>75,788,600</b>	<b>95,577,600</b>	<b>98,429,600</b>	<b>125,210,700</b>	<b>121,147,800</b>
<b>Restricted Funds</b>					
Balance Forward	3,750,114	9,440,858	8,386,600	7,054,100	6,906,600
Current Receipts	21,483,503	16,590,109	18,021,200	18,625,900	18,841,100
Non-Revenue Receipts	7,030,217	11,336,900	9,314,900	19,685,000	12,922,500
<b>Total Restricted Funds</b>	<b>32,263,833</b>	<b>37,367,866</b>	<b>35,722,700</b>	<b>45,365,000</b>	<b>38,670,200</b>
<b>Federal Fund</b>					
Current Receipts	11,503,162	11,136,366	12,544,100	11,097,100	11,097,100
Non-Revenue Receipts	459,217	317,392	-743,100		
<b>Total Federal Fund</b>	<b>11,962,379</b>	<b>11,453,758</b>	<b>11,801,000</b>	<b>11,097,100</b>	<b>11,097,100</b>
<b>Road Fund</b>					
Regular Appropriation	96,845,800	87,676,700	88,596,700	105,278,800	106,762,100
<b>Total Road Fund</b>	<b>96,845,800</b>	<b>87,676,700</b>	<b>88,596,700</b>	<b>105,278,800</b>	<b>106,762,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>216,860,612</b>	<b>232,075,924</b>	<b>234,550,000</b>	<b>286,951,600</b>	<b>277,677,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	157,513,071	173,864,487	175,894,300	220,951,100	215,986,200
Operating Expenses	41,131,711	44,175,830	44,514,500	45,460,000	44,472,100
Grants Loans Benefits	440,778	447,650	517,100	731,300	786,100
Debt Service	516,000				1,125,300
Capital Outlay	6,430,666	5,201,363	6,570,000	12,902,600	7,995,100
Construction	2,729				
<b>TOTAL EXPENDITURES</b>	<b>206,034,954</b>	<b>223,689,329</b>	<b>227,495,900</b>	<b>280,045,000</b>	<b>270,364,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	74,403,800	95,577,600	98,429,600	125,210,700	121,147,800
Restricted Funds	22,822,975	28,981,271	28,668,600	38,458,400	31,357,800
Federal Fund	11,962,379	11,453,758	11,801,000	11,097,100	11,097,100
Road Fund	96,845,800	87,676,700	88,596,700	105,278,800	106,762,100
<b>TOTAL EXPENDITURES</b>	<b>206,034,954</b>	<b>223,689,329</b>	<b>227,495,900</b>	<b>280,045,000</b>	<b>270,364,800</b>
<b>EXPENDITURES BY UNIT</b>					
Administration	29,678,445	30,471,661	29,553,400	34,950,700	35,169,300
Technical Services	38,998,529	44,690,416	44,982,400	50,474,600	50,867,200
Operations	119,837,490	137,449,224	141,043,700	180,998,300	170,629,300
Commercial Vehicle Enforcement	17,520,490	11,078,029	11,916,400	13,621,400	13,699,000
<b>TOTAL EXPENDITURES</b>	<b>206,034,954</b>	<b>223,689,329</b>	<b>227,495,900</b>	<b>280,045,000</b>	<b>270,364,800</b>

The Kentucky State Police is the statewide law enforcement agency of the Commonwealth. The State Police was established in 1948. State Troopers are assigned to 16 regional posts and Commercial Vehicle Enforcement officers are assigned to 6 regions. The Department is responsible for the enforcement of criminal and traffic laws, along with white-collar crime, organized crime, electronic crime, racketeering, and drug-related crime. The State Police also provide protection for the Governor, Lieutenant Governor, their families, and property. The Kentucky State Police is comprised of four divisions: Administrative, Operations, Technical Services, and Commercial Vehicle Enforcement.

The Administrative Division, which includes the Office of the Commissioner, provides professional support services for the Department. These services include organizational policy, personnel, properties management and supplies, payroll, employee assistance, fiscal, internal investigations, and inspections. Media relations, training, analysis, research, strategic planning, and information coordination are other functions performed in this division. The State Police Drivers Testing Stations, Facilities Security, and Legislative Detail are also part of this division and provide external support to citizens and other public officials of Kentucky.

The Operations Division includes the regional posts and the personnel assigned to each post. State Police posts are maintained in Mayfield, Madisonville, Henderson, Elizabethtown, Bowling Green, Dry Ridge, Frankfort, Campbellsburg, Richmond, Columbia, Morehead, Ashland, Pikeville, Hazard, Harlan, and London. Other functions in this division include Highway Safety, Drug Enforcement Special Investigations, Vehicle Investigation, Critical Incident Response Team, and Special Operations (Hazardous Devices, Special Response Team, and Canine).

The Technical Services Division is responsible for providing technical assistance to all departmental areas, along with outside agencies, concerning electronic crimes examination/analysis, records, communications (including headquarters dispatch), criminal history information, intelligence information, automated fingerprint information, and computer technology needs. The Division also has the responsibility of providing forensic analysis for all law enforcement agencies throughout the Commonwealth. The forensic analysis function is provided through the Central Laboratory in Frankfort as well as Regional Laboratories in Ashland, Louisville, Cold Springs, London, and Madisonville.

The Commercial Vehicle Enforcement Division is responsible for encouraging and promoting a safe driving environment through education and safety awareness while enforcing state and federal laws and regulations, placing special emphasis on commercial vehicles. This Division is staffed with sworn law enforcement officers, regulatory weight and safety inspectors, and civilian staff.

In July 2017, KSP entered into a Memorandum of Agreement (MOA) with the Department of Juvenile Justice (DJJ) to transfer the use of Lincoln Village Juvenile Detention Center, located in Elizabethtown, KY, to KSP for agency use. The mid to long-term plan is to relocate Post 4 Elizabethtown from its current location to Lincoln Village. Additionally, the facility will become multi-use with the KSP Commercial Vehicle Division and a satellite of the KSP Academy using the facility. The potential exists for other KSP/Law Enforcement tenants to occupy the facility. Renovations are currently underway to facilitate the transition of Post 4, and eventually the campus will be re-named to reflect KSP's usages.

## **Policy**

The Budget of the Commonwealth includes Restricted Funds for a \$4,000 training incentive stipend for state troopers, arson investigators, hazardous devices investigators, legislative security specialist, and Vehicle Enforcement officers within the Kentucky State Police. The stipend payments are provided from the Kentucky Law Enforcement Foundation Fund.

The Budget of the Commonwealth includes additional General Fund in the amount of \$3,305,800 in fiscal year 2018-2019 and \$872,800 in fiscal year 2019-2020 for vehicles. Notwithstanding KRS 15.470, \$3,305,800 in fiscal year 2018-2019 and \$872,800 in fiscal year 2019-2020 from the Kentucky Law Enforcement Foundation Program Fund is provided to the State Police for vehicles.

The Budget of the Commonwealth includes Restricted Funds appropriation in the amount of \$4,329,500 in fiscal year 2018-2019 for purposes of paying pension spiking costs and sick leave service, payment is provided from the Kentucky Law Enforcement Foundation Program Fund.

The Budget of the Commonwealth includes additional General Fund in the amount of \$4,329,500 in fiscal year 2018-2019 for purposes of paying pension spiking costs and sick leave service.

The Budget of the Commonwealth includes General Fund debt service in the amount of \$1,125,300 in fiscal year 2019-2020 to support new bonds for capital projects.

The Budget of the Commonwealth includes additional General Fund in the amount of \$1,000,000 each fiscal year for salary increases for forensic laboratory technicians.

**Justice and Public Safety**

**Corrections**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	474,544,700	498,829,600	501,650,200	584,518,700	598,768,900
Current Year Appropriation	15,800,000		4,501,800		
Continuing Approp-General Fund		22,568			
Budget Reduction-General Fund		-500,000	-1,449,800		
Mandated Allotments	25,936,600	42,782,300			
Other					
<b>Total General Fund</b>	<b>516,281,300</b>	<b>541,134,468</b>	<b>504,702,200</b>	<b>584,518,700</b>	<b>598,768,900</b>
<b>Restricted Funds</b>					
Balance Forward	6,232,913	7,012,375	5,917,200	3,876,100	1,876,100
Current Receipts	22,703,791	26,929,473	23,718,600	26,209,200	26,247,200
Non-Revenue Receipts	-48,215	754,269			
<b>Total Restricted Funds</b>	<b>28,888,489</b>	<b>34,696,116</b>	<b>29,635,800</b>	<b>30,085,300</b>	<b>28,123,300</b>
<b>Federal Fund</b>					
Balance Forward	93,147	73,881	68,100		
Current Receipts	1,065,501	289,172	1,223,900	1,043,000	1,043,000
Non-Revenue Receipts	-227,768	360,404			
<b>Total Federal Fund</b>	<b>930,879</b>	<b>723,456</b>	<b>1,292,000</b>	<b>1,043,000</b>	<b>1,043,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>546,100,668</b>	<b>576,554,041</b>	<b>535,630,000</b>	<b>615,647,000</b>	<b>627,935,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	237,522,736	251,523,381	247,009,200	271,791,400	273,635,100
Operating Expenses	62,865,888	66,395,068	52,251,300	59,465,200	61,361,100
Grants Loans Benefits	233,677,347	251,405,188	232,151,000	282,022,900	292,052,600
Debt Service	346,500	252,500		149,000	544,000
Capital Outlay	602,154	992,064	342,400	342,400	342,400
Construction	67	375			
<b>TOTAL EXPENDITURES</b>	<b>535,014,691</b>	<b>570,568,576</b>	<b>531,753,900</b>	<b>613,770,900</b>	<b>627,935,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	512,281,579	541,134,271	504,702,200	584,518,700	598,768,900
Restricted Funds	21,876,114	28,778,975	25,759,700	28,209,200	28,123,300
Federal Fund	856,998	655,330	1,292,000	1,043,000	1,043,000
<b>TOTAL EXPENDITURES</b>	<b>535,014,691</b>	<b>570,568,576</b>	<b>531,753,900</b>	<b>613,770,900</b>	<b>627,935,200</b>
<b>EXPENDITURES BY UNIT</b>					
Corrections Management	10,025,818	10,519,174	10,326,200	12,119,800	12,265,700
Adult Correctional Institutions	297,740,278	310,297,212	293,352,800	329,645,700	342,938,600
Community Services and Local Facilities	209,306,064	231,811,700	211,152,300	255,351,800	256,077,300
Local Jail Support	17,942,532	17,940,490	16,922,600	16,653,600	16,653,600
<b>TOTAL EXPENDITURES</b>	<b>535,014,691</b>	<b>570,568,576</b>	<b>531,753,900</b>	<b>613,770,900</b>	<b>627,935,200</b>

The Department of Corrections, pursuant to KRS 196 - 197, is responsible for the broad range of activities associated with adult criminal incarceration, public safety, inmate rehabilitation, probation and parole, and criminal recidivism. As the largest department in the Justice and Public Safety Cabinet, Corrections has four separate appropriation units: Corrections Management, Community Services and Local Facilities, Adult Institutions, and Local Jail Support. The Department of Corrections utilizes resources from each of these units to provide the necessary balance between public safety and fiscal responsibility. In order to accomplish this, the Department is charged with accommodating a growing inmate population through a balance of community and institutional based solutions.

The Department's core cost driver is the felon population. In the 2011 Regular Session, HB 463 was passed with the intent to decrease the state's prison population; reduce incarceration costs; and implement programs that will reduce crime and increase overall public safety. KRS 196.111 mandates the use of evidence-based practices in the sentencing process for convicted felons and in the decision making process for the supervision and treatment of felons in prison or

on probation or parole. HB 463 modified KRS Chapter 218A controlled substance statutes and placed emphasis on probation, diversion, and treatment and diverts savings from the drug law changes to drug treatment programs. Other provisions in KRS 439.335, KRS 439.340, KRS 439.320, and KRS 197.045 emphasize the use of parole to effectuate accelerated parole hearings; to order mandatory reentry supervision release; and to allow for good time credit that reduces the sentence while on parole.

**Policy**

The Budget of the Commonwealth incorporates the following array of institutional and community beds to accommodate the projected prison and community felon population under the custody of the Department of Corrections.

**2018 - 2020 Felon and Community Beds Forecast**

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Felons*	24,467	25,670	26,300
Other**	<u>2,114</u>	<u>2,120</u>	<u>2,120</u>
<b>Total</b>	<b>26,581</b>	<b>27,790</b>	<b>28,420</b>

\* The incarcerated felon forecast is a consensus estimating process involving a nationally-known Corrections consulting firm, the Department of Corrections, Kentucky Criminal Justice Policy Assessment Council Justice Reinvestment Work Group and the Office of the State Budget Director.

\*\*The Other category is the remaining population under the custody of the Department of Corrections located in Halfway House and Recovery Kentucky beds for parolees and probationers, as well as others serving time in jails under an alternative sentence arrangement with the Courts.

The Budget of Commonwealth includes additional General Fund in the amount of \$63,062,900 in fiscal year 2018-2019 and \$75,075,200 in fiscal year 2019-2020 for accommodating a higher inmate population forecast for costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).



**Justice and Public Safety  
Corrections Management**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	9,634,800	9,335,300	9,404,900	11,744,800	11,890,700
Budget Reduction-General Fund			-593,700		
Other		920,000	1,140,000		
<b>Total General Fund</b>	9,634,800	10,255,300	9,951,200	11,744,800	11,890,700
<b>Restricted Funds</b>					
Balance Forward	741	63,979	32,300		
Current Receipts	354,257	166,599	267,700	300,000	300,000
<b>Total Restricted Funds</b>	354,998	230,579	300,000	300,000	300,000
<b>Federal Fund</b>					
Balance Forward	93,147	73,881	68,100		
Current Receipts	80,734	59,803	6,900	75,000	75,000
<b>Total Federal Fund</b>	173,881	133,684	75,000	75,000	75,000
<b>TOTAL SOURCE OF FUNDS</b>	10,163,679	10,619,563	10,326,200	12,119,800	12,265,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,827,517	9,467,008	9,341,400	11,053,200	11,197,900
Operating Expenses	1,198,302	1,052,166	984,800	1,066,600	1,067,800
<b>TOTAL EXPENDITURES</b>	10,025,818	10,519,174	10,326,200	12,119,800	12,265,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	9,634,800	10,255,300	9,951,200	11,744,800	11,890,700
Restricted Funds	291,018	198,317	300,000	300,000	300,000
Federal Fund	100,000	65,558	75,000	75,000	75,000
<b>TOTAL EXPENDITURES</b>	10,025,818	10,519,174	10,326,200	12,119,800	12,265,700
<b>EXPENDITURES BY UNIT</b>					
Commissioner	5,633,831	6,299,652	6,267,500	7,613,000	7,713,300
Corrections Training	1,885,419	1,600,910	1,693,200	1,812,400	1,824,600
Administrative Services	1,761,963	1,732,202	1,369,100	1,583,700	1,601,700
Division of Personnel	744,605	886,410	996,400	1,110,700	1,126,100
<b>TOTAL EXPENDITURES</b>	10,025,818	10,519,174	10,326,200	12,119,800	12,265,700

Corrections Management provides the administrative and management functions for the Department of Corrections. These functions are achieved through six program areas: Office of the Commissioner, Division of Personnel, Division of Corrections Training, and Division of Administrative Services.

The Office of the Commissioner provides departmental management and administrative support necessary for the Commissioner of Corrections to conduct statutorily assigned duties pursuant to KRS 196 and 197. The Office conducts centralized personnel and budgeting functions. The Commission on Corrections/Community Services is administratively attached to the Office. Also attached to the Office of the Commissioner is the Office of the Deputy Commissioner for Support Services, responsible for the Division of Corrections Training and Division of Administrative Services. The Division of Population Management, Information Technology and Offender Records Branch, as well as, the Parole Board/Victims Services Branch are also under the Office of the Deputy Commissioner of Support Services.

The Division of Corrections Training, referenced in KRS 12.020, 16.090, 441.055, and 441.115, is responsible for developing curriculum and providing job training to corrections employees including staff in the county jails. Instruction is provided through the Basic Academy program, the Common Core/Officer In-service program, Jail Training programs, and various specialized programs.

The Division of Administrative Services, referenced in KRS 12.020, is comprised of two branches that provide support services to the entire Department in accounting and purchasing, property inventory, and budgeting.

**Justice and Public Safety  
Adult Correctional Institutions**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	247,866,500	270,456,700	270,169,800	311,464,000	324,718,900
Current Year Appropriation	15,800,000		4,501,800		
Other	16,070,000	22,418,200	700,000		
<b>Total General Fund</b>	<b>279,736,500</b>	<b>292,874,900</b>	<b>275,371,600</b>	<b>311,464,000</b>	<b>324,718,900</b>
<b>Restricted Funds</b>					
Balance Forward	3,451,876	1,233,573	1,605,500		
Current Receipts	15,746,710	16,802,873	15,854,200	17,909,200	17,947,200
Non-Revenue Receipts	-48,215	754,269			
<b>Total Restricted Funds</b>	<b>19,150,371</b>	<b>18,790,714</b>	<b>17,459,700</b>	<b>17,909,200</b>	<b>17,947,200</b>
<b>Federal Fund</b>					
Balance Forward					
Current Receipts	401,178	178,775	521,500	272,500	272,500
Non-Revenue Receipts	-210,598	58,341			
<b>Total Federal Fund</b>	<b>190,579</b>	<b>237,116</b>	<b>521,500</b>	<b>272,500</b>	<b>272,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>299,077,450</b>	<b>311,902,730</b>	<b>293,352,800</b>	<b>329,645,700</b>	<b>342,938,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	179,771,500	190,073,280	182,986,600	200,512,800	201,718,900
Operating Expenses	53,688,122	56,380,645	43,711,600	50,741,000	52,638,200
Grants Loans Benefits	63,369,126	62,598,348	66,312,200	77,900,500	87,695,100
Debt Service	346,500	252,500		149,000	544,000
Capital Outlay	564,963	992,064	342,400	342,400	342,400
Construction	67	375			
<b>TOTAL EXPENDITURES</b>	<b>297,740,278</b>	<b>310,297,212</b>	<b>293,352,800</b>	<b>329,645,700</b>	<b>342,938,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	279,632,900	292,874,900	275,371,600	311,464,000	324,718,900
Restricted Funds	17,916,798	17,185,195	17,459,700	17,909,200	17,947,200
Federal Fund	190,579	237,116	521,500	272,500	272,500
<b>TOTAL EXPENDITURES</b>	<b>297,740,278</b>	<b>310,297,212</b>	<b>293,352,800</b>	<b>329,645,700</b>	<b>342,938,600</b>
<b>EXPENDITURES BY UNIT</b>					
Institutions Operations	3,121,354	4,454,762	4,629,800	5,091,500	5,132,900
Medical Services	60,074,221	61,505,560	57,085,600	65,728,200	69,407,500
Education	5,932,430	5,159,953	5,742,000	6,077,900	6,107,600
Correctional Industries	10,867,672	11,237,536	12,673,700	13,123,200	13,161,200
Correctional Facilities	209,268,975	219,210,704	199,695,900	216,390,300	218,603,700
Mental Health	8,475,626	8,728,697	9,024,000	9,423,200	9,481,400
Private Prisons			4,501,800	13,811,400	21,044,300
<b>TOTAL EXPENDITURES</b>	<b>297,740,278</b>	<b>310,297,212</b>	<b>293,352,800</b>	<b>329,645,700</b>	<b>342,938,600</b>

Adult Correctional Institutions is comprised of 12 state correctional facilities for adult felon offenders. Seven additional programmatic areas serve all institutions and their incarcerated populations: the Division of Operations, the Division of Mental Health, the Division of Substance Abuse, Education programs, Inmate Medical Services, the Division of Adult Institutions and the Division of Correctional Industries.

The Division of Operations, pursuant to KRS 197.505, 197.065, 196.240, and 197.110, supervises and directs the following activities: classification and placement of inmates, coordination of academic and technical programs, coordination of dietary and health programs for state owned facilities, and coordination of security threat group information.

The Division of Mental Health is responsible for providing mental health treatment services to Kentucky's incarcerated, paroled, and probated populations. The Division is comprised of three units: sex offender treatment programs, the Sex Offender Risk Assessment Unit, and psychiatric and psychological out-patient services.

The Division of Substance Abuse is responsible for providing and overseeing alcohol and other substance abuse treatment programs in the state correctional facilities.

Inmate Medical Services, pursuant to KRS 197.020, provides necessary health services to inmates committed to the Department. Services are performed at each institutional location through institutional medical staff, personal service contracts, and outside referrals to local specialists and hospitals. The provision of medical services is monitored, authorized, and reviewed by a system-wide Medical Director. Beneficiaries of the Division of Inmate Medical Services also include the state inmates housed in local jails who are able to participate in the healthcare network administered through the Division. County jail inmates are now beneficiaries of the healthcare network in accordance with KRS 441.560.

Kentucky Correctional Industries (KCI), as authorized by KRS 197.200, produces goods and services employing inmate labor. Kentucky Correctional Industries is a self-supporting operation, receiving only restricted funds for operations in nine of the Department's state-operated institutions. Twenty-one separate plants produce products and provide services such as office furniture, recycling, license tags, janitorial products, printing, mattresses, ergonomic chairs, signage, furniture refurbishing, and office panel systems. Data entry, coupon sorting, Braille printing services, and mail services are also offered by KCI.

Also administered by the Division of Correctional Industries is the Institutional Farm program. Farm programs are currently operated at Blackburn Correctional Complex, Northpoint Training Center, Roederer Correctional Complex, and Western Kentucky Correctional Complex. Current farm operations consist of cattle (including commercial cattle and a prime Registered Angus herd), grain, hay, orchards, vegetables, and freshwater shrimp. The farm program also has a working agreement with the Thoroughbred Retirement Foundation, and operates a refuge for retired thoroughbred horses at the Blackburn Correctional Complex.

## **Correctional Institutions**

**Kentucky State Reformatory (KSR)** is a medium security institution with current operational capacity of 1,883 inmates located near LaGrange in Oldham County. The inmate population is divided into four segments: general population, special management unit, nursing care facility, and mental health unit. Since 1980, KSR has converted designated living areas into single cell facilities and opened a new 150-bed mental health unit during 1998. In 1995 KSR opened the Nursing Care Facility which houses inmates in need of medical care due to their medical condition.

**Kentucky State Penitentiary (KSP)** is a maximum security institution with an operational capacity of 849 inmates, located near Eddyville in Lyon County. The inmate population is separated into three major groups: general population, protective custody, and disciplinary/administrative segregation. KSP also houses the state's capital punishment unit.

**Blackburn Correctional Complex (BCC)** is a minimum security institution with an operational capacity of 594 inmates located near Lexington in Fayette County. The institution programmatically directs inmates to halfway houses or returns the inmate to the community by parole, based upon the individual's demonstrated conduct, program performance, and need.

**Bell County Forestry Camp (BCFC)** is a minimum security institution with an operational capacity of 300 inmates located near Pineville in Bell County. The institution provides manpower to the Division of Forestry for fire suppression in Bell and seven surrounding counties during fire season along with road, highway garage, and community service details.

**Kentucky Correctional Institution for Women (KCIW)**, the only state institutional facility for women in the Commonwealth, is located in PeeWee Valley in Shelby County, and has an operational capacity of 691 inmates. All levels of security and all levels of medical services must be provided since virtually all female prisoners are housed at KCIW.

**Eastern Kentucky Correctional Complex (EKCC)** is a medium security institution with an operational capacity of 1,874 inmates located near West Liberty in Morgan County. The facility is the second largest correctional institution in the state, providing inmates with employment opportunities, academic resources, and vocational programs.

**Western Kentucky Correctional Complex (WKCC)** is a medium security institution with an operational capacity of 470 inmates located near Caldwell County. The institution operates a full farm operation on 2,500 acres, a community work program for surrounding parks and cities, and the Correctional Industries recycling program serving

the surrounding counties. **Ross-Cash Center (R-CC)** is located on the grounds of Western Kentucky Correctional Complex in Lyon County and has an operational capacity of 200 female inmates. The facility, which opened in October 2015, is named for two correctional employees killed in the line of duty during the 1980s.

**Roederer Correctional Complex (RCC)** is a medium security institution with an operational capacity of 1,238 inmates located near LaGrange in Oldham County. The institution operates the Department's Assessment and Classification Center, serving all incoming male inmates with the exception of inmates sentenced to capital punishment. The institution also operates a full farm operation on approximately 2,800 acres.

**Luther Lockett Correctional Complex (LLCC)** is a medium security institution with an operational capacity of 1,180 inmates, also located near LaGrange in Oldham County. The facility houses two separate institutions: the Department of Correction's prison facility and the Cabinet for Health and Family Services' Kentucky Correctional Psychiatric Center (KCPC). Due to KCPC, the inmate population has a variety of psychological, pharmaceutical, recreational, academic, vocational, and substance abuse programs available.

**Green River Correctional Complex (GRCC)** is a medium security institution with an operational capacity of 947 inmates located near Central City in Muhlenberg County.

**Northpoint Training Center (NTC)** is a medium security institution with an operational capacity of 1,226 inmates located near Danville in Boyle County. The institution operates a prison farm, along with counseling, academic, and vocational programs.

**Little Sandy Correctional Complex (LSCC)** is located near Sandy Hook in Elliott County and has an operational capacity of 987 inmates. Programming at the new institution consists of basic educational and vocational training classes, as well as psychological services. Correctional industries programs are planned in the near future.

## **Policy**

The Budget of the Commonwealth includes General Fund debt service in the amount of \$149,900 in fiscal year 2018-2019 and \$544,000 in fiscal year 2019-2020 to support new bonds for capital projects.

The Budget of the Commonwealth includes General Fund current year appropriation in the amount of \$4,501,800 in fiscal year 2017-2018 for Private Prisons.

The Budget of the Commonwealth includes General Fund resources in the amount of \$13,811,400 in fiscal year 2018-2019 and \$21,044,300 in fiscal year 2019-2020 for Private Prisons.

The Budget of the Commonwealth includes additional General Fund in the amount of \$12,858,400 in fiscal year 2018-2019 and \$17,278,800 in fiscal year 2019-2020 for accommodating a higher inmate population forecast for costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

**Justice and Public Safety**  
**Community Services and Local Facilities**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	198,678,300	202,325,300	205,363,200	244,656,300	245,505,700
Budget Reduction-General Fund		-353,000			
Mandated Allotments	25,936,600	42,782,300			
Other	-16,070,000	-24,691,000	-2,906,400		
<b>Total General Fund</b>	<b>208,544,900</b>	<b>220,063,600</b>	<b>202,456,800</b>	<b>244,656,300</b>	<b>245,505,700</b>
<b>Restricted Funds</b>					
Balance Forward	2,780,297	5,714,823	4,279,400	3,876,100	1,876,100
Current Receipts	6,602,823	9,960,000	7,596,700	8,000,000	8,000,000
<b>Total Restricted Funds</b>	<b>9,383,120</b>	<b>15,674,823</b>	<b>11,876,100</b>	<b>11,876,100</b>	<b>9,876,100</b>
<b>Federal Fund</b>					
Balance Forward					
Current Receipts	583,589	50,594	695,500	695,500	695,500
Non-Revenue Receipts	-17,170	302,063			
<b>Total Federal Fund</b>	<b>566,419</b>	<b>352,656</b>	<b>695,500</b>	<b>695,500</b>	<b>695,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>218,494,439</b>	<b>236,091,079</b>	<b>215,028,400</b>	<b>257,227,900</b>	<b>256,077,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	48,882,019	51,941,392	54,639,500	60,225,400	60,718,300
Operating Expenses	7,539,465	8,522,257	7,114,900	7,347,600	7,345,100
Grants Loans Benefits	152,847,389	171,348,050	149,397,900	187,778,800	188,013,900
Capital Outlay	37,191				
<b>TOTAL EXPENDITURES</b>	<b>209,306,064</b>	<b>231,811,700</b>	<b>211,152,300</b>	<b>255,351,800</b>	<b>256,077,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	205,071,348	220,063,580	202,456,800	244,656,300	245,505,700
Restricted Funds	3,668,297	11,395,463	8,000,000	10,000,000	9,876,100
Federal Fund	566,419	352,656	695,500	695,500	695,500
<b>TOTAL EXPENDITURES</b>	<b>209,306,064</b>	<b>231,811,700</b>	<b>211,152,300</b>	<b>255,351,800</b>	<b>256,077,300</b>
<b>EXPENDITURES BY UNIT</b>					
Probation and Parole Program	51,894,541	55,975,465	55,579,100	60,477,600	60,886,600
Local Facilities Operations	1,173,168	1,024,000	1,174,300	1,282,200	1,291,600
Local Facilities - Jail Program	120,320,454	137,988,400	114,149,600	150,562,600	150,923,400
Community Corrections Commission	943,913	694,400	750,500	750,500	750,500
Halfway Houses	25,840,900	26,638,640	26,778,000	26,778,000	26,778,000
Substance Abuse Programs	8,128,778	8,982,395	11,475,100	14,128,500	14,063,500
Reentry Division	1,004,309	508,400	1,245,700	1,372,400	1,383,700
<b>TOTAL EXPENDITURES</b>	<b>209,306,064</b>	<b>231,811,700</b>	<b>211,152,300</b>	<b>255,351,800</b>	<b>256,077,300</b>

The Community Corrections area is comprised of the Halfway House program, Kentucky Corrections Commission, the Division of Re-entry, Probation and Parole, and Community Substance Abuse. Pursuant to KRS Chapter 439, the Halfway House program provides rehabilitation in community residential correctional centers throughout the Commonwealth where inmates are transitioned prior to their release. Pursuant to KRS Chapter 196, the Kentucky Corrections Commission grants funds for the purpose of assisting judges, throughout the Commonwealth, develop alternatives to incarceration. In accordance with KRS 532.260, the Department of Corrections has initiated the Home Incarceration program (HIP). The current average daily population of HIP participants is 323.

**Policy**

The Department of Corrections estimates a less than one percent growth in the number of probationers and parolees compared to fiscal year 2017. Much of this increase is due to accelerated parole hearings and mandatory reentry supervision release.

<b>Fiscal Year</b>	<b>Probation and Parole Population</b>
2017 Actual	46,046
2018 Estimated	46,100
2019 Estimated	46,200
2020 Estimated	46,300

The Budget of the Commonwealth includes additional General Fund in the amount of \$36,393,100 in fiscal year 2018-2019 and \$36,752,100 in fiscal year 2019-2020 for accommodating a higher inmate population forecast for costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

**Justice and Public Safety**

**Local Jail Support**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	18,365,100	16,712,300	16,712,300	16,653,600	16,653,600
Continuing Approp-General Fund		22,568			
Budget Reduction-General Fund		-147,000	-856,100		
Other		1,352,800	1,066,400		
<b>Total General Fund</b>	<b>18,365,100</b>	<b>17,940,668</b>	<b>16,922,600</b>	<b>16,653,600</b>	<b>16,653,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>18,365,100</b>	<b>17,940,668</b>	<b>16,922,600</b>	<b>16,653,600</b>	<b>16,653,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	41,700	41,700	41,700		
Operating Expenses	440,000	440,000	440,000	310,000	310,000
Grants Loans Benefits	17,460,832	17,458,790	16,440,900	16,343,600	16,343,600
<b>TOTAL EXPENDITURES</b>	<b>17,942,532</b>	<b>17,940,490</b>	<b>16,922,600</b>	<b>16,653,600</b>	<b>16,653,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	17,942,532	17,940,490	16,922,600	16,653,600	16,653,600
<b>TOTAL EXPENDITURES</b>	<b>17,942,532</b>	<b>17,940,490</b>	<b>16,922,600</b>	<b>16,653,600</b>	<b>16,653,600</b>
<b>EXPENDITURES BY UNIT</b>					
Local Jail Allotment	11,074,700	11,074,700	11,074,700	10,068,800	10,068,800
Restricted Medical	931,100	931,100	931,100	792,800	792,800
Jailers' Allowance	481,700	481,700	481,700	310,000	310,000
Catastrophic Medical	537,432	535,390	373,600	851,800	851,800
Local Corrections Assistance Fund	4,917,600	4,917,600	4,061,500	4,630,200	4,630,200
<b>TOTAL EXPENDITURES</b>	<b>17,942,532</b>	<b>17,940,490</b>	<b>16,922,600</b>	<b>16,653,600</b>	<b>16,653,600</b>

The Local Jail Support program consists of four funds used to assist counties in local jail operations: Local Jail Allotment, Restricted Medical Allotment, Jailer's Allowance, and Catastrophic Medical. These programs were part of the Jail Reform package passed in the 1982 and 1984 Regular Sessions of the General Assembly.

The Local Jail Allotment, pursuant to KRS 441.206, was established for the care and maintenance of prisoners charged with or convicted of violations of state law. Funds appropriated for the Jail Allotment and Restricted Medical programs are distributed to each county based upon the formula in KRS 441.206.

The Jailer's Allowance program, pursuant to KRS 441.115, trains jailers and jail personnel. No fee is charged for this training. Three hundred dollars (\$300) per month is paid to jailers to help defray the costs of participation in this training program. Expense allowance payments are discontinued if the jailer fails to satisfactorily complete annual continuing training.

The Catastrophic Medical program, pursuant to KRS 441.045, provides funds that assist counties with costs of providing necessary medical, dental, or psychological care beyond routine care and diagnostic services. When the cost of providing such services exceeds \$1,000, the county is reimbursed. Initial reimbursements are limited by the maximum payments allowed for services under the Kentucky Medical Assistance Program.

The Local Corrections Assistance Fund, pursuant to KRS 196.288 provides funding to counties based upon 25% of the estimated savings resulting from changes in HB463.

**Policy**

Notwithstanding KRS 441.115(2), the Budget of the Commonwealth provides each jailer shall receive an expense allowance of \$2,400 annually, at the rate of \$200 per month for participation in the Jail Staff Training Program.

The Budget of the Commonwealth includes General Fund appropriation of \$880,000 each fiscal year to provide a monthly payment of an annual amount of \$20,000 to each county with a Life Safety or Closed Jails Program. The payment shall be in addition to the payment required by KRS 441.206(2).

Notwithstanding KRS 196.288, \$4,630,200 in each year of the biennium is allocated to the Local Corrections Assistance Fund.

The Budget of the Commonwealth includes General Fund appropriation in the amount of \$792,800 in each fiscal year for medical care contracts to be distributed, upon approval of the Department of Corrections, to counties by the formula codified in KRS 441.206, and \$851,800 in each fiscal year, on a partial reimbursement basis, for medical claims in excess of the statutory threshold pursuant to KRS 441.045.



**Justice and Public Safety**

**Public Advocacy**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	47,472,900	49,987,800	50,399,300	65,412,600	66,170,800
Current Year Appropriation	377,500		3,800,000		
<b>Total General Fund</b>	<b>47,850,400</b>	<b>49,987,800</b>	<b>54,199,300</b>	<b>65,412,600</b>	<b>66,170,800</b>
<b>Restricted Funds</b>					
Balance Forward	96,533	35,364	7,900		
Current Receipts	4,359,730	4,871,730	4,708,200	4,608,100	4,504,300
<b>Total Restricted Funds</b>	<b>4,456,264</b>	<b>4,907,094</b>	<b>4,716,100</b>	<b>4,608,100</b>	<b>4,504,300</b>
<b>Federal Fund</b>					
Current Receipts	1,807,680	1,604,701	1,868,900	1,422,100	1,422,100
Non-Revenue Receipts	-202,509	3,621			
<b>Total Federal Fund</b>	<b>1,605,171</b>	<b>1,608,322</b>	<b>1,868,900</b>	<b>1,422,100</b>	<b>1,422,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>53,911,834</b>	<b>56,503,216</b>	<b>60,784,300</b>	<b>71,442,800</b>	<b>72,097,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	47,448,293	49,365,224	54,644,800	64,979,100	65,738,100
Operating Expenses	6,412,875	7,119,930	6,129,500	6,453,700	6,349,100
Grants Loans Benefits	15,303	4,620	10,000	10,000	10,000
Capital Outlay		5,548			
<b>TOTAL EXPENDITURES</b>	<b>53,876,471</b>	<b>56,495,322</b>	<b>60,784,300</b>	<b>71,442,800</b>	<b>72,097,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	47,850,400	49,987,800	54,199,300	65,412,600	66,170,800
Restricted Funds	4,420,900	4,899,200	4,716,100	4,608,100	4,504,300
Federal Fund	1,605,171	1,608,322	1,868,900	1,422,100	1,422,100
<b>TOTAL EXPENDITURES</b>	<b>53,876,471</b>	<b>56,495,322</b>	<b>60,784,300</b>	<b>71,442,800</b>	<b>72,097,200</b>
<b>EXPENDITURES BY UNIT</b>					
Office of the Public Advocate	1,513,304	1,508,300	1,518,800	1,889,700	1,908,900
Defense Services	48,167,000	50,617,900	54,853,000	65,254,000	65,859,300
Law Operations	2,164,461	2,328,249	2,316,100	2,185,800	2,209,500
Protection and Advocacy	2,031,706	2,040,873	2,096,400	2,113,300	2,119,500
<b>TOTAL EXPENDITURES</b>	<b>53,876,471</b>	<b>56,495,322</b>	<b>60,784,300</b>	<b>71,442,800</b>	<b>72,097,200</b>

The United States and Kentucky Constitutions provide to all Americans the right to the assistance of counsel when they are charged with a crime. Those same constitutional provisions mandate that all persons who cannot afford an attorney and are charged with a crime that carries a potential loss of liberty be provided with an attorney by the state. The Kentucky Department for Public Advocacy (DPA) was established in KRS Chapter 31 to provide representation for indigent persons accused of crimes (or mental states) which may result in their incarceration. Kentucky's mandated public defender services are delivered by a system consisting of full-time employed public defenders and private attorneys contracting with the Department to provide services primarily in situations involving conflicts of interest. The Department, under the direction of the Public Advocate, is attached to the Justice and Public Safety Cabinet for administrative purposes.

The Public Advocacy Commission is a 12 person governing board consisting of the Dean or designee from each of the three Kentucky law schools, three members appointed by the Governor from recommendations of the Kentucky Bar Association, one member from recommendations by the Protection and Advocacy Advisory Boards, three members at-large. Two members are appointed by the Kentucky Supreme Court. The Commission insures the Department's ability to provide independent professional representation of individual clients according to the American Bar Association Ten Principles of a Public Defense Delivery System (2002).

The Office of the Public Advocate is responsible for the oversight of the agency and includes the Public Advocate, Deputy Public Advocate, General Counsel and all strategic planning and litigation education functions.

The Law Operations Division provides budget, personnel, administrative, technology, facility oversight, library services, research, archive services and management support for the Department and its offices across the state.

The Trial Division represents all needy persons accused of crimes punishable by loss of liberty, persons accused of juvenile delinquency and status offenses, and all needy persons faced with involuntary commitments due to mental state or condition in all of Kentucky's 120 counties. This includes district, circuit, drug, juvenile, mental health, veterans and family court venues.

The Post-Trial Division provides mandated defender services for indigent persons after conviction. These services include providing counsel to indigent persons on appeal to the KY Supreme Court and Court of Appeals, to incarcerated persons on post-conviction actions in state and federal court, and to all juveniles in treatment facilities.

Kentucky Protection & Advocacy (P&A), a division within the Department of Public Advocacy attached to the Department for administrative purposes only, was established pursuant to Public Law 99-319 (42 USC 10805 *et seq.*), Public Law 106-402 (42 USC § 15042 *et seq.*), and KRS 31.010 (2). P&A seeks legal, administrative, and other appropriate remedies to protect and promote the rights of Kentuckians with disabilities. The majority of funds in this division's budget are federal funds that have strict non-supplanting requirements.

## **Policy**

The Budget of the Commonwealth includes a current year General Fund appropriation of \$3,800,000 in fiscal year 2017-2018 to cover a cumulative shortfall that has accrued since fiscal year 2016 resulting from declining revenues, rising fixed costs and to support rising caseloads.

The Budget of the Commonwealth includes General Fund resources in the amount of \$6,178,400 in fiscal year 2018-2019 and \$6,221,200 in fiscal year 2019-2020 to support rising caseloads.

The Budget of the Commonwealth includes General Fund resources in the amount \$791,100 in fiscal year 2018-2019 and \$798,500 in fiscal year 2019-2020 to expand Alternative Sentencing Worker Program.

# Labor

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**Labor**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,183,400	5,201,000	5,244,300	5,932,500	6,008,200
Budget Reduction-General Fund		-52,000	-268,700		
<b>Total General Fund</b>	<b>5,183,400</b>	<b>5,149,000</b>	<b>4,975,600</b>	<b>5,932,500</b>	<b>6,008,200</b>
<b>Restricted Funds</b>					
Balance Forward	9,941,120	19,224,591	23,785,900	11,433,600	7,825,700
Current Receipts	110,171,124	100,572,777	99,704,500	112,230,500	111,724,500
Non-Revenue Receipts	93,364,538	89,446,310	84,492,800	96,111,800	96,235,000
<b>Total Restricted Funds</b>	<b>213,476,783</b>	<b>209,243,678</b>	<b>207,983,200</b>	<b>219,775,900</b>	<b>215,785,200</b>
<b>Federal Fund</b>					
Balance Forward		1,813	127,900	1,500	
Current Receipts	3,681,156	3,884,939	3,545,900	3,907,300	3,907,300
Non-Revenue Receipts	-24,444	-30,731	-22,800	-22,800	-22,800
<b>Total Federal Fund</b>	<b>3,656,712</b>	<b>3,856,021</b>	<b>3,651,000</b>	<b>3,886,000</b>	<b>3,884,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>222,316,895</b>	<b>218,248,700</b>	<b>216,609,800</b>	<b>229,594,400</b>	<b>225,677,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	133,051,328	126,650,954	142,658,600	158,481,500	158,555,100
Operating Expenses	6,174,240	6,264,845	7,796,300	6,842,200	6,803,300
Grants Loans Benefits	62,271,956	61,196,010	54,352,800	54,349,800	54,349,800
Capital Outlay	1,359,584	18,423	367,000	2,095,200	1,719,200
Construction		402			
<b>TOTAL EXPENDITURES</b>	<b>202,857,107</b>	<b>194,130,634</b>	<b>205,174,700</b>	<b>221,768,700</b>	<b>221,427,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,950,017	4,944,676	4,975,600	5,932,500	6,008,200
Restricted Funds	194,252,191	185,457,921	196,549,600	211,950,200	211,534,700
Federal Fund	3,654,898	3,728,037	3,649,500	3,886,000	3,884,500
<b>TOTAL EXPENDITURES</b>	<b>202,857,107</b>	<b>194,130,634</b>	<b>205,174,700</b>	<b>221,768,700</b>	<b>221,427,400</b>
<b>EXPENDITURES BY UNIT</b>					
Secretary	4,601,461	4,625,395	4,780,500	6,932,700	6,624,000
General Administration and Program Support	5,821,827	6,079,545	6,110,500	6,969,400	7,017,000
Workplace Standards	11,018,712	11,029,579	13,221,200	14,808,600	14,979,200
Workers' Claims	79,904,466	76,246,125	72,464,600	75,004,600	75,227,500
Occupational Safety and Health Review Commission	720,927	566,795	813,100	745,700	752,600
Workers' Compensation Funding Commission	100,789,715	95,583,195	107,783,700	117,306,600	116,826,000
Workers' Compensation Nominating Committee			1,100	1,100	1,100
<b>TOTAL EXPENDITURES</b>	<b>202,857,107</b>	<b>194,130,634</b>	<b>205,174,700</b>	<b>221,768,700</b>	<b>221,427,400</b>

The Labor Cabinet is created pursuant to KRS 336. The Cabinet consists of the Office of the Secretary, the Department of Workers' Claims, and the Department of Workplace Standards. The Office of the Secretary manages and administers the Cabinet. The Department of Workers' Claims administers workers' compensation claims and ensures that employers comply with the insurance, self-insurance and rehabilitation provisions in KRS Chapter 342. The Department of Workplace Standards regulates state and federal laws regarding prevailing wage, employment standards, occupational safety and health and child labor law. Workplace Standards also administers the payment of workers' compensation injury claims by the Special Fund. During the 2017 General Assembly, HB 377 directed the transfer of assets and liabilities of the Coal Workers Pneumoconiosis Fund were transferred to the Kentucky Employers' Mutual Insurance (KEMI) and the program was closed to new claims after July 1, 2017. The assessments are received by the Workers Compensation Funding Commission and are to be transferred annually to KEMI.

Attached to the Labor Cabinet for administrative purposes are the Kentucky Labor Management Advisory Council, the State Labor Relations Board, the Workers' Compensation Funding Commission, the Workers' Compensation Advisory Council, the Kentucky Occupational Safety and Health Review Commission, the Occupational Safety and Health Standards Board, the Prevailing Wage Review Board, the Apprenticeship and Training Council, the Employers' Mutual Insurance Authority, the Workers' Compensation Nominating Commission, and the Workers' Compensation Board.

In addition, the Office of General Administration and Program Support for Shared Services and the Office of Inspector General are attached to the Labor Cabinet for administrative purposes. These offices provide principal administrative, human resources, budget, auditing, and internal investigation activities for the Labor Cabinet, Energy and Environment Cabinet, and Public Protection Cabinet.

	<b>Labor Secretary</b>				
	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	283,939	392,080	336,200		
Current Receipts	2,921	3,715			
Non-Revenue Receipts	4,588,761	4,404,149	4,304,500	6,792,900	6,484,200
<b>Total Restricted Funds</b>	<b>4,875,621</b>	<b>4,799,944</b>	<b>4,640,700</b>	<b>6,792,900</b>	<b>6,484,200</b>
<b>Federal Fund</b>					
Current Receipts	117,921	159,949	139,800	139,800	139,800
Non-Revenue Receipts		1,630			
<b>Total Federal Fund</b>	<b>117,921</b>	<b>161,579</b>	<b>139,800</b>	<b>139,800</b>	<b>139,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,993,541</b>	<b>4,961,524</b>	<b>4,780,500</b>	<b>6,932,700</b>	<b>6,624,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,079,973	4,088,584	4,119,400	4,864,800	4,931,900
Operating Expenses	521,488	536,810	661,100	649,900	650,100
Capital Outlay				1,418,000	1,042,000
<b>TOTAL EXPENDITURES</b>	<b>4,601,461</b>	<b>4,625,395</b>	<b>4,780,500</b>	<b>6,932,700</b>	<b>6,624,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	4,483,540	4,463,815	4,640,700	6,792,900	6,484,200
Federal Fund	117,921	161,579	139,800	139,800	139,800
<b>TOTAL EXPENDITURES</b>	<b>4,601,461</b>	<b>4,625,395</b>	<b>4,780,500</b>	<b>6,932,700</b>	<b>6,624,000</b>
<b>EXPENDITURES BY UNIT</b>					
Secretary	4,601,461	4,625,395	4,780,500	6,932,700	6,624,000
<b>TOTAL EXPENDITURES</b>	<b>4,601,461</b>	<b>4,625,395</b>	<b>4,780,500</b>	<b>6,932,700</b>	<b>6,624,000</b>

The Secretary of Labor manages and administers the duties of the Cabinet. The primary responsibility of the Office of the Secretary is to ensure all areas within the Cabinet work to fulfill the mission to advance a well trained workforce, providing protections for the worker, compensating the injured, promoting employer excellence and work to ensure Kentucky as a workplace of innovation and distinction.

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

<b>Labor</b>					
<b>General Administration and Program Support</b>					
<b>SOURCE OF FUNDS</b>	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>General Fund</b>					
Regular Appropriation	3,358,900	3,193,600	3,219,000	3,528,000	3,573,600
Budget Reduction-General Fund		-31,900	-164,900		
<b>Total General Fund</b>	<b>3,358,900</b>	<b>3,161,700</b>	<b>3,054,100</b>	<b>3,528,000</b>	<b>3,573,600</b>
<b>Restricted Funds</b>					
Balance Forward	1,263,711	1,288,470	772,700	467,100	217,200
Current Receipts	2,861	447			
Non-Revenue Receipts	2,579,084	2,337,716	2,677,400	3,116,600	3,152,800
<b>Total Restricted Funds</b>	<b>3,845,656</b>	<b>3,626,632</b>	<b>3,450,100</b>	<b>3,583,700</b>	<b>3,370,000</b>
<b>Federal Fund</b>					
Balance Forward			1,500	1,500	
Current Receipts	58,408	66,786	75,200	75,200	75,200
Non-Revenue Receipts	-1,384	-1,216	-1,800	-1,800	-1,800
<b>Total Federal Fund</b>	<b>57,024</b>	<b>65,570</b>	<b>74,900</b>	<b>74,900</b>	<b>73,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,261,580</b>	<b>6,853,903</b>	<b>6,579,100</b>	<b>7,186,600</b>	<b>7,017,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,963,727	5,048,817	5,119,600	6,091,000	6,176,600
Operating Expenses	858,100	1,017,902	990,900	878,400	840,400
Capital Outlay		12,826			
<b>TOTAL EXPENDITURES</b>	<b>5,821,827</b>	<b>6,079,545</b>	<b>6,110,500</b>	<b>6,969,400</b>	<b>7,017,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,207,617	3,161,578	3,054,100	3,528,000	3,573,600
Restricted Funds	2,557,185	2,853,937	2,983,000	3,366,500	3,370,000
Federal Fund	57,024	64,030	73,400	74,900	73,400
<b>TOTAL EXPENDITURES</b>	<b>5,821,827</b>	<b>6,079,545</b>	<b>6,110,500</b>	<b>6,969,400</b>	<b>7,017,000</b>
<b>EXPENDITURES BY UNIT</b>					
Office of General Admin & Program Support Shared Services	5,403,010	5,617,295	5,565,200	6,274,400	6,314,600
Inspector General Shared Services	418,817	462,250	545,300	695,000	702,400
<b>TOTAL EXPENDITURES</b>	<b>5,821,827</b>	<b>6,079,545</b>	<b>6,110,500</b>	<b>6,969,400</b>	<b>7,017,000</b>

Attached to the Labor Cabinet for administrative purposes, General Administration and Program Support for Shared Services includes the Office of Administrative and Program Support for Shared Services and the Office of Inspector General for Shared Services. Both offices provide the Public Protection Cabinet, Labor Cabinet and Energy and Environment Cabinet agencies with the centralized administrative resources necessary to carry out their mission.

The Office of Administrative and Program Support for Shared Services serves as a central point of contact for fiscal, personnel, payroll, budget and operations for the three Cabinets. The Division of Information Services within the Office of Administrative and Program Support for Shared Services is a central point of contact for information technology services for the Public Protection Cabinet and Energy and Environment Cabinet.

The Office of Inspector General for Shared Services is the lead investigative agency for the three Cabinets.

**Labor  
Workplace Standards**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,824,500	2,007,400	2,025,300	2,404,500	2,434,600
Budget Reduction-General Fund		-20,100	-103,800		
<b>Total General Fund</b>	1,824,500	1,987,300	1,921,500	2,404,500	2,434,600
<b>Restricted Funds</b>					
Balance Forward	127,386	398,401	375,600		
Current Receipts		39			
Non-Revenue Receipts	6,067,374	5,721,145	7,487,800	8,732,800	8,873,300
<b>Total Restricted Funds</b>	6,194,760	6,119,586	7,863,400	8,732,800	8,873,300
<b>Federal Fund</b>					
Balance Forward		1,813	126,400		
Current Receipts	3,504,827	3,658,203	3,330,900	3,692,300	3,692,300
Non-Revenue Receipts	-23,060	-31,145	-21,000	-21,000	-21,000
<b>Total Federal Fund</b>	3,481,767	3,628,872	3,436,300	3,671,300	3,671,300
<b>TOTAL SOURCE OF FUNDS</b>	11,501,027	11,735,757	13,221,200	14,808,600	14,979,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,997,823	9,128,567	10,557,000	12,531,900	12,703,600
Operating Expenses	1,743,746	1,686,513	2,422,400	2,034,900	2,033,800
Grants Loans Benefits	277,143	214,097	241,800	241,800	241,800
Construction		402			
<b>TOTAL EXPENDITURES</b>	11,018,712	11,029,579	13,221,200	14,808,600	14,979,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,742,400	1,783,098	1,921,500	2,404,500	2,434,600
Restricted Funds	5,796,358	5,744,054	7,863,400	8,732,800	8,873,300
Federal Fund	3,479,954	3,502,428	3,436,300	3,671,300	3,671,300
<b>TOTAL EXPENDITURES</b>	11,018,712	11,029,579	13,221,200	14,808,600	14,979,200
<b>EXPENDITURES BY UNIT</b>					
Employment Standards					
Wages & Hours	1,742,400	1,630,774	1,428,700	1,831,300	1,856,400
Apprenticeship		256,301	581,900	897,300	902,300
Occupational Safety and Health	8,880,754	8,675,791	10,606,600	11,499,500	11,632,400
Commissioner's Office	395,558	466,713	604,000	580,500	588,100
<b>TOTAL EXPENDITURES</b>	11,018,712	11,029,579	13,221,200	14,808,600	14,979,200

The Department of Workplace Standards operates under the authority of KRS Chapters 336, 337, 338, 339, 342, 343, and 388.

The Department is comprised of the Division of Apprenticeship, Division of Wages and Hours, Division of Occupational Safety and Health Compliance, and the Division of Occupational Safety and Health Education and Training.

The Division of Apprenticeship administers the Commonwealth of Kentucky's Registered Apprenticeship program that encourages employers and employees to enter into voluntary agreements of apprenticeships while monitoring programs to ensure they provide quality training and instruction.

The Division of Occupational Safety and Health Compliance ensures that employers are preventing hazards to the safety and health of all employees arising from exposure to harmful conditions and practices in the work environment. Penalties collected by the Division are returned to the General Fund.

The Division of Occupational Safety and Health Education and Training promotes voluntary compliance with the Kentucky Occupational Safety and Health rules and regulations by providing training, on-site consultations, technical data, and technical and informational materials. The Division also gathers and monitors statistical data concerning job injuries and illnesses, and acts as a liaison between the Cabinet and the Kentucky Occupational Safety and Health Standards Board.



The Division of Wages and Hours is responsible for enforcing areas of Kentucky labor laws including Kentucky Right-to-Work Act, minimum wage, overtime, prevailing wage, child labor, wage discrimination based on sex.

The Department of Workplace Standards is funded with restricted agency receipts garnered through the Workers' Compensation Funding Commission under the authority of KRS 342; federal funding received from the U.S. Department of Labor, Occupational Safety and Health Administration; and General Fund dollars that support only the Division of Apprenticeship and Division on Wages and Hours.

**Policy**

The Budget of the Commonwealth provides \$171,500 General Fund appropriation in each fiscal year for the Apprenticeship program.

**Labor  
Workers' Claims**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	5,084,357	5,023,820	4,402,600		
Current Receipts	1,579,329	778,927	204,000	204,000	204,000
Non-Revenue Receipts	78,264,600	74,846,000	67,858,000	74,800,600	75,023,500
<b>Total Restricted Funds</b>	<b>84,928,285</b>	<b>80,648,747</b>	<b>72,464,600</b>	<b>75,004,600</b>	<b>75,227,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>84,928,285</b>	<b>80,648,747</b>	<b>72,464,600</b>	<b>75,004,600</b>	<b>75,227,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	13,743,008	12,489,633	14,792,100	17,244,300	17,467,200
Operating Expenses	2,812,247	2,768,982	3,194,500	2,975,100	2,975,100
Grants Loans Benefits	61,994,813	60,981,913	54,111,000	54,108,000	54,108,000
Capital Outlay	1,354,398	5,597	367,000	677,200	677,200
<b>TOTAL EXPENDITURES</b>	<b>79,904,466</b>	<b>76,246,125</b>	<b>72,464,600</b>	<b>75,004,600</b>	<b>75,227,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	79,904,466	76,246,125	72,464,600	75,004,600	75,227,500
<b>TOTAL EXPENDITURES</b>	<b>79,904,466</b>	<b>76,246,125</b>	<b>72,464,600</b>	<b>75,004,600</b>	<b>75,227,500</b>
<b>EXPENDITURES BY UNIT</b>					
Workers' Claims	79,904,466	76,246,125	72,464,600	75,004,600	75,227,500
<b>TOTAL EXPENDITURES</b>	<b>79,904,466</b>	<b>76,246,125</b>	<b>72,464,600</b>	<b>75,004,600</b>	<b>75,227,500</b>

The Department of Workers' Claims operates under the authority of KRS Chapters 11, 336, and 342. The Department enforces statutes with regard to workers' compensation coverage for Kentucky's 2.1 million employees, administers workers' compensation claims and ensures that employers comply with the insurance, self-insurance, and rehabilitation provisions in KRS Chapter 342.

The Department of Workers' Claims is managed by the Commissioner's office. The Department is comprised of five divisions: Division of Information Services, the Division of Ombudsman and Workers' Compensation Specialist Services, the Division of Claims Processing, the Division of Security and Compliance and the Division of Workers' Compensation Funds. Office of Administrative Law Judges and the Workers' Compensation Board are also attached to the Department.

The Division of Information Services has the responsibility of collecting, filing, analyzing and disseminating all of the data for the department. Division of Claims processes all work-related injury claims filed under the workers compensation system and follows the statutory framework for how to handle and process injury claims, occupational disease claims, and hearing loss claims. The claims once processed are assigned to the Administrative Law Judges.

Division of Security and Compliance regulates individual entities that are approved to self-insure and ensure that sufficient coverage or assets are maintained to pay claims. The Division of Ombudsman and Workers Compensation Specialist is focused on constituent services providing services to employees, employers, insurance carriers, and medical provider to assist in claim filing.

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

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

The Office of Administrative Law Judges conducts hearings; supervises the presentation of evidence and renders final decisions, orders or awards regarding workers' compensation claims.

The Workers' Compensation Advisory Council and the Workers' Compensation Nominating Commission established by KRS Chapter 342 are attached to the Department for administrative purposes.

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

**Labor**  
**Occupational Safety and Health Review Commission**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	77,145	46,273	52,000		
Current Receipts	55				
Non-Revenue Receipts	690,000	572,500	761,100	745,700	752,600
<b>Total Restricted Funds</b>	<b>767,200</b>	<b>618,773</b>	<b>813,100</b>	<b>745,700</b>	<b>752,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>767,200</b>	<b>618,773</b>	<b>813,100</b>	<b>745,700</b>	<b>752,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	670,400	522,834	733,800	666,400	673,300
Operating Expenses	45,341	43,960	79,300	79,300	79,300
Capital Outlay	5,186				
<b>TOTAL EXPENDITURES</b>	<b>720,927</b>	<b>566,795</b>	<b>813,100</b>	<b>745,700</b>	<b>752,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	720,927	566,795	813,100	745,700	752,600
<b>TOTAL EXPENDITURES</b>	<b>720,927</b>	<b>566,795</b>	<b>813,100</b>	<b>745,700</b>	<b>752,600</b>
<b>EXPENDITURES BY UNIT</b>					
Occupational Safety and Health Review Commission	720,927	566,795	813,100	745,700	752,600
<b>TOTAL EXPENDITURES</b>	<b>720,927</b>	<b>566,795</b>	<b>813,100</b>	<b>745,700</b>	<b>752,600</b>

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

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

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

<b>Labor</b>					
<b>Workers' Compensation Funding Commission</b>					
	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	3,104,583	12,075,547	17,846,800	10,966,500	7,608,500
Current Receipts	108,585,959	99,789,649	99,500,500	112,026,500	111,520,500
Non-Revenue Receipts	1,174,720	1,564,800	1,402,900	1,922,100	1,947,500
<b>Total Restricted Funds</b>	<b>112,865,262</b>	<b>113,429,996</b>	<b>118,750,200</b>	<b>124,915,100</b>	<b>121,076,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>112,865,262</b>	<b>113,429,996</b>	<b>118,750,200</b>	<b>124,915,100</b>	<b>121,076,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	100,596,397	95,372,519	107,336,300	117,082,700	116,602,100
Operating Expenses	193,318	210,676	447,400	223,900	223,900
<b>TOTAL EXPENDITURES</b>	<b>100,789,715</b>	<b>95,583,195</b>	<b>107,783,700</b>	<b>117,306,600</b>	<b>116,826,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	100,789,715	95,583,195	107,783,700	117,306,600	116,826,000
<b>TOTAL EXPENDITURES</b>	<b>100,789,715</b>	<b>95,583,195</b>	<b>107,783,700</b>	<b>117,306,600</b>	<b>116,826,000</b>
<b>EXPENDITURES BY UNIT</b>					
Workers' Compensation Funding Commission	1,727,415	1,663,895	2,100,400	2,252,100	2,277,500
Benefit Reserve	91,227,300	84,398,300	96,123,300	100,054,500	99,548,500
KCWP Fund	7,835,000	9,521,000	9,560,000	15,000,000	15,000,000
<b>TOTAL EXPENDITURES</b>	<b>100,789,715</b>	<b>95,583,195</b>	<b>107,783,700</b>	<b>117,306,600</b>	<b>116,826,000</b>

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

The Commission is governed by a seven-member Board of Directors. Board members include the Secretaries of Labor, Economic Development, and Finance and Administration Cabinets. In addition, the Governor appoints four members who represent labor, insurance companies writing workers' compensation insurance, employers, and self-insured employers and groups.

The Commission collects two separate assessments as required by KRS Chapter 342. One assessment is imposed on Kentucky Workers' Compensation premiums received by all insurance carriers and group self-insurers, and on a calculation-based premium equivalent for employers carrying their own risk. A second assessment is imposed on such premiums received from employers engaged in the severance or processing of coal. Assessments received are to fund and pre-fund the liabilities of the Special Fund and the Coal Workers' Pneumoconiosis Fund; finance the administration and operations of the Special Fund and the Coal Workers' Pneumoconiosis Fund; finance the administration and operations of the Funding Commission; finance all programs in the Labor Cabinet except the Division of Apprenticeship and Division of Wages and Hours; and pay the liabilities and fund the operating budget for the Uninsured Employers' Fund in the Office of the Attorney General.

These assessments are credited to the Commission's Benefit Reserve Fund, and the excess of collections over Special Fund liabilities, the Coal Workers' Pneumoconiosis Fund liabilities, and budgeted expenditures are invested according to the Commission's policies and in compliance with KRS Chapter 386. The agency may perform or contract for audits of those entities subject to assessments, and may coordinate with other governmental agencies to ensure compliance with the statutes relating to Workers' Compensation funding. During the 2017 General Assembly, HB 377 directed the transfer of assets and liabilities of the Coal Workers' Pneumoconiosis Fund. The assets and liabilities of the Coal Workers' Pneumoconiosis Fund were transferred to the Kentucky Employers' Mutual Insurance (KEMI) and the program was closed to new claims after July 1, 2017. The assessments are received by the Workers' Compensation Funding Commission and are to be transferred annually to KEMI.

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

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

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

		<b>Labor</b>				
		<b>Workers' Compensation Nominating Committee</b>				
		<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>						
<b>Restricted Funds</b>						
	Non-Revenue Receipts			1,100	1,100	1,100
	<b>Total Restricted Funds</b>			1,100	1,100	1,100
<b>TOTAL SOURCE OF FUNDS</b>				1,100	1,100	1,100
<b>EXPENDITURES BY CLASS</b>						
	Personnel Costs			400	400	400
	Operating Expenses			700	700	700
<b>TOTAL EXPENDITURES</b>				1,100	1,100	1,100
<b>EXPENDITURES BY FUND SOURCE</b>						
	Restricted Funds			1,100	1,100	1,100
<b>TOTAL EXPENDITURES</b>				1,100	1,100	1,100
<b>EXPENDITURES BY UNIT</b>						
	Workers' Compensation Nominating Committee			1,100	1,100	1,100
<b>TOTAL EXPENDITURES</b>				1,100	1,100	1,100

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

# Personnel

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**Personnel**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	959,600	873,200	873,200		
Budget Reduction-General Fund		-1,500	-44,700		
<b>Total General Fund</b>	<b>959,600</b>	<b>871,700</b>	<b>828,500</b>		
<b>Restricted Funds</b>					
Balance Forward	18,332,148	19,459,384	21,054,700	18,161,700	12,388,600
Current Receipts	49,532,082	51,468,550	54,218,400	52,075,200	51,760,000
Non-Revenue Receipts	10,566,180	10,702,499	8,683,800	11,015,300	11,085,500
Fund Transfers	-2,456,880	-4,692,600	-2,692,600	-2,689,000	-2,693,800
<b>Total Restricted Funds</b>	<b>75,973,529</b>	<b>76,937,833</b>	<b>81,264,300</b>	<b>78,563,200</b>	<b>72,540,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>76,933,129</b>	<b>77,809,533</b>	<b>82,092,800</b>	<b>78,563,200</b>	<b>72,540,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	50,939,609	49,118,512	55,220,400	58,645,300	58,957,400
Operating Expenses	5,389,592	6,687,964	7,866,600	7,529,300	7,529,400
Grants Loans Benefits	895,885	871,644	828,500		
Capital Outlay	184,644	76,722	15,600		
<b>TOTAL EXPENDITURES</b>	<b>57,409,730</b>	<b>56,754,842</b>	<b>63,931,100</b>	<b>66,174,600</b>	<b>66,486,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	895,585	871,644	828,500		
Restricted Funds	56,514,145	55,883,198	63,102,600	66,174,600	66,486,800
<b>TOTAL EXPENDITURES</b>	<b>57,409,730</b>	<b>56,754,842</b>	<b>63,931,100</b>	<b>66,174,600</b>	<b>66,486,800</b>
<b>EXPENDITURES BY UNIT</b>					
General Operations	26,721,541	26,966,049	28,936,500	31,449,800	31,707,400
Public Employees Deferred Compensation Authority	7,841,841	8,015,601	8,756,300	9,227,800	9,269,300
Workers' Compensation Benefits and Reserve	21,950,763	20,901,547	25,409,800	25,497,000	25,510,100
State Group Health Insurance Fund	895,585	871,644	828,500		
<b>TOTAL EXPENDITURES</b>	<b>57,409,730</b>	<b>56,754,842</b>	<b>63,931,100</b>	<b>66,174,600</b>	<b>66,486,800</b>

The Personnel Cabinet provides human resources management for Kentucky state government agencies. The Cabinet coordinates the personnel and payroll functions for most of state government. It coordinates state employee benefit packages, such as health and life insurance, workers' compensation, and deferred compensation programs. The Cabinet coordinates state government's employee application process, as well as recruiting and retention functions.

Currently, the Personnel Cabinet is comprised of five appropriation units: General Operations, Public Employees Deferred Compensation Authority, Workers' Compensation Benefits and Reserve, the State Group Health Insurance Fund, and the State Salary and Compensation Fund.

The Department of Personnel was created in 1960 under KRS 18.160. At the time of its inception, it was headed by a personnel board consisting of five members appointed by the Governor. The Board had the responsibility to forward to the Governor a list of qualified applicants for the position of Commissioner of Personnel. In 1972, the legislature made the Commissioner of Personnel a direct appointee of the Governor without nominations from the Personnel Board.

In 1982, KRS 18.160 was repealed and re-enacted under KRS chapter 18A.015. Legislation enacted that year also authorized the Department to charge other state agencies their pro rata share of costs associated with the administration of the Executive Branch's personnel-related functions. In 1998, the General Assembly elevated the Department to Cabinet status.



**Personnel  
General Operations**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,081,648	2,647,801	3,340,300	2,824,800	2,106,500
Current Receipts	20,033,395	19,248,571	22,274,800	22,245,200	22,250,000
Non-Revenue Receipts	10,711,180	11,102,499	8,838,800	11,175,300	11,250,500
Fund Transfers	-2,456,880	-2,692,600	-2,692,600	-2,689,000	-2,693,800
<b>Total Restricted Funds</b>	<b>29,369,342</b>	<b>30,306,271</b>	<b>31,761,300</b>	<b>33,556,300</b>	<b>32,913,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>29,369,342</b>	<b>30,306,271</b>	<b>31,761,300</b>	<b>33,556,300</b>	<b>32,913,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	21,636,564	20,665,781	21,532,500	24,405,300	24,662,900
Operating Expenses	4,900,033	6,231,586	7,388,400	7,044,500	7,044,500
Grants Loans Benefits	300				
Capital Outlay	184,644	68,682	15,600		
<b>TOTAL EXPENDITURES</b>	<b>26,721,541</b>	<b>26,966,049</b>	<b>28,936,500</b>	<b>31,449,800</b>	<b>31,707,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	26,721,541	26,966,049	28,936,500	31,449,800	31,707,400
<b>TOTAL EXPENDITURES</b>	<b>26,721,541</b>	<b>26,966,049</b>	<b>28,936,500</b>	<b>31,449,800</b>	<b>31,707,400</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration	10,670,148	10,448,297	11,934,300	12,934,800	13,040,700
Governmental Service Center	829,362	1,111,670	1,534,100	1,491,900	1,503,200
Employee Relations	825,390	717,778	835,100	963,100	974,200
Employee Insurance	10,115,490	9,492,818	10,187,200	10,991,500	11,065,500
Personnel Administration	4,281,151	5,195,488	4,445,800	5,068,500	5,123,800
<b>TOTAL EXPENDITURES</b>	<b>26,721,541</b>	<b>26,966,049</b>	<b>28,936,500</b>	<b>31,449,800</b>	<b>31,707,400</b>

The General Operations unit includes the Office of the Secretary, the Department of Human Resources Administration and the Department of Employee Insurance.

The Secretary of the Personnel Cabinet is the executive and administrative head of the cabinet and supervises all activities of the cabinet. The Office of the Secretary includes: the Office of Administrative Services, the Office of Legal Services, the Office for Employee Relations, the Office of Diversity and Equality, and Training, and the Office of Public Affairs.

The Office of Administrative Services' responsibilities include overseeing the internal operations of the Cabinet, including personnel related matters, budgeting, accounting, property management, coordinating information technology for the Cabinet and procurement functions.

The Office of Legal Services provides legal services relating to the enforcement and application of state and federal laws and regulations governing employment with both the Cabinet and other Executive Branch agencies.

The Office of Employee Relations administers the Kentucky Employee Assistance Program which provides assistance to troubled employees; the employee suggestion system; a mediation program to help resolve employment problems; the state safety program; and the self-insured Workers' Compensation program. The Workers' Compensation program provides benefits to workers injured on the job and manages a return-to-work program. The program provides coverage for state employees, Murray State University, the Kentucky Community Technical College System, volunteer firefighters, volunteer ambulance personnel, and various local government entities.

The Office of Diversity and Equality and Training is responsible for administering the Equal Employment Opportunity and Diversity Programs, the Minority Management Trainee Program, and the Commonwealth's affirmative action plan established in 18A.138. The Office is also responsible for government-wide training, consultation, and organizational development, including the coordination of the Commonwealth's strategic planning, performance measurement processes and is responsible for maintaining the employee performance management system.

The Office of Public Affairs is responsible for setting the strategic direction for the Cabinet, improving processes, developing services, and planning future service offerings.

The Department of Human Resources Administration consists of two divisions: the Division of Employee Management and the Division of Career Opportunities. The responsibilities of this department include recruiting, counseling, and certifying persons for employment with the Commonwealth; maintaining the classification and compensation system; auditing and certifying state payrolls; preparing and maintaining the official personnel and payroll records;. In addition, the development and implementation of the replacement personnel and payroll system is coordinated through the Department of Human Resources Administration.

The Department of Employee Insurance manages state government's self-insured health insurance program, the Kentucky Employees' Health Plan and the life insurance benefits for state employees. The Health Plan provides health insurance coverage for state employees, state and teacher retirees that are not yet Medicare eligible, local boards of education, local health departments, and other public and quasi-public agencies. The Department also provides administrative support to the Group Health Insurance Board under KRS 18A.226 and 18A.227.

### **Policy**

Included in the above Restricted Fund appropriation is \$2,869,000 in fiscal year 2018-2019 and \$2,693,800 in fiscal year 2019-2020 for debt service on bonds previously issued for the Kentucky Human Resources Information System (KHRIS). The Cabinet is authorized to collect a pro rata assessment from all state agencies and other organizations that will use the new personnel and payroll system. The Cabinet shall retain the funds in a Special Project Account, the balance of which will be transferred to the General Fund to cover the debt service payment.

**Personnel**  
**Public Employees Deferred Compensation Authority**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	10,637,536	11,089,904	9,007,300	8,248,500	6,720,700
Current Receipts	8,366,709	6,007,972	8,075,000	7,780,000	7,460,000
Non-Revenue Receipts	-72,500	-75,000	-77,500	-80,000	-82,500
<b>Total Restricted Funds</b>	<b>18,931,745</b>	<b>17,022,876</b>	<b>17,004,800</b>	<b>15,948,500</b>	<b>14,098,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>18,931,745</b>	<b>17,022,876</b>	<b>17,004,800</b>	<b>15,948,500</b>	<b>14,098,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	7,417,475	7,617,277	8,353,600	8,818,700	8,860,200
Operating Expenses	424,366	391,684	402,700	409,100	409,100
Capital Outlay		6,640			
<b>TOTAL EXPENDITURES</b>	<b>7,841,841</b>	<b>8,015,601</b>	<b>8,756,300</b>	<b>9,227,800</b>	<b>9,269,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	7,841,841	8,015,601	8,756,300	9,227,800	9,269,300
<b>TOTAL EXPENDITURES</b>	<b>7,841,841</b>	<b>8,015,601</b>	<b>8,756,300</b>	<b>9,227,800</b>	<b>9,269,300</b>
<b>EXPENDITURES BY UNIT</b>					
Public Employees Deferred Compensation Authority	7,841,841	8,015,601	8,756,300	9,227,800	9,269,300
<b>TOTAL EXPENDITURES</b>	<b>7,841,841</b>	<b>8,015,601</b>	<b>8,756,300</b>	<b>9,227,800</b>	<b>9,269,300</b>

The Kentucky Public Employees Deferred Compensation Authority administers tax sheltered, supplemental retirement savings programs as established in the U.S. Internal Revenue Code Sections 457, 401(k), Roth 401(k), and 403(b) and in accordance with KRS 18A.230-18A.350. These programs are an optional benefit for Kentucky's public employees

	<b>Personnel</b>				
	<b>Workers' Compensation Benefits and Reserve</b>				
	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	6,612,965	5,721,679	8,707,100	7,088,400	3,561,400
Current Receipts	21,131,977	26,212,007	23,868,600	22,050,000	22,050,000
Non-Revenue Receipts	-72,500	-325,000	-77,500	-80,000	-82,500
Fund Transfers		-2,000,000			
<b>Total Restricted Funds</b>	<b>27,672,442</b>	<b>29,608,686</b>	<b>32,498,200</b>	<b>29,058,400</b>	<b>25,528,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>27,672,442</b>	<b>29,608,686</b>	<b>32,498,200</b>	<b>29,058,400</b>	<b>25,528,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	21,885,569	20,835,453	25,334,300	25,421,300	25,434,300
Operating Expenses	65,194	64,694	75,500	75,700	75,800
Capital Outlay		1,400			
<b>TOTAL EXPENDITURES</b>	<b>21,950,763</b>	<b>20,901,547</b>	<b>25,409,800</b>	<b>25,497,000</b>	<b>25,510,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	21,950,763	20,901,547	25,409,800	25,497,000	25,510,100
<b>TOTAL EXPENDITURES</b>	<b>21,950,763</b>	<b>20,901,547</b>	<b>25,409,800</b>	<b>25,497,000</b>	<b>25,510,100</b>
<b>EXPENDITURES BY UNIT</b>					
Workers' Compensation Benefits and Reserve	21,950,763	20,901,547	25,409,800	25,497,000	25,510,100
<b>TOTAL EXPENDITURES</b>	<b>21,950,763</b>	<b>20,901,547</b>	<b>25,409,800</b>	<b>25,497,000</b>	<b>25,510,100</b>

Created in 1990, the Workers' Compensation Benefits and Reserve is state government's self-insured Workers' Compensation program. The program provides coverage to the executive, legislative, and judicial branches of government, but excludes the Transportation Cabinet and all state universities except Murray State University. The program also covers the Kentucky Community and Technical College System, volunteer firefighters, volunteer ambulance personnel, and employees of some county clerk's or sheriff's offices when the county's population is 70,000 or more. Workers' Compensation includes a return-to-work program for injured employees, managed care, and a statewide safety program.

The revenue accruing to the program is derived from participating agencies based upon the claims history of the agency and the number of covered employees. Claims history is calculated based upon a three year running average.

**Personnel**

**State Group Health Insurance Fund**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	959,600	873,200	873,200		
Budget Reduction-General Fund		-1,500	-44,700		
<b>Total General Fund</b>	959,600	871,700	828,500		
<b>TOTAL SOURCE OF FUNDS</b>	959,600	871,700	828,500		
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	895,585	871,644	828,500		
<b>TOTAL EXPENDITURES</b>	895,585	871,644	828,500		
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	895,585	871,644	828,500		
<b>TOTAL EXPENDITURES</b>	895,585	871,644	828,500		
<b>EXPENDITURES BY UNIT</b>					
State Group Health Insurance Fund	895,585	871,644	828,500		
<b>TOTAL EXPENDITURES</b>	895,585	871,644	828,500		

The State Group Health Insurance Fund provides funding to support a dependent subsidy for quasi-governmental employers participating in the Kentucky Employees' Health Plan.

**Policy**

The Budget of the Commonwealth provides no funding for the State Group Health Insurance Fund.

# Postsecondary Education

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**Postsecondary Education**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,195,384,200	1,164,186,855	1,173,458,600	1,129,941,300	1,137,704,500
Special Appropriation			298,000		
Current Year Appropriation	1,400,000				
Continuing Approp-General Fund	9,725,028	5,037,060	18,158,500		
Budget Reduction-General Fund		-2,721,300	-10,983,600		
Other		5,627,129	2,000,000		
<b>Total General Fund</b>	<b>1,206,509,228</b>	<b>1,172,129,744</b>	<b>1,182,931,500</b>	<b>1,129,941,300</b>	<b>1,137,704,500</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	4,707,500	5,806,100	6,276,100	7,000,000	6,686,500
Special Appropriation	1,365,000				
Continuing Approp-Tob Settlement	536,958	733,674	862,100		
<b>Total Tobacco Fund</b>	<b>6,609,458</b>	<b>6,539,774</b>	<b>7,138,200</b>	<b>7,000,000</b>	<b>6,686,500</b>
<b>Restricted Funds</b>					
Balance Forward	6,519,483	5,936,696	7,323,800	5,043,200	1,431,800
Current Receipts	4,326,269,910	4,792,234,314	5,516,796,600	5,839,990,500	6,161,859,700
Non-Revenue Receipts	11,276,009	11,937,927	12,497,500	16,081,300	17,266,200
<b>Total Restricted Funds</b>	<b>4,344,065,401</b>	<b>4,810,108,937</b>	<b>5,536,617,900</b>	<b>5,861,115,000</b>	<b>6,180,557,700</b>
<b>Federal Fund</b>					
Balance Forward	199,683			28,400	28,400
Current Receipts	731,721,971	731,806,852	834,876,800	870,820,700	896,449,300
Non-Revenue Receipts	-130,061	-13,688	28,400		
<b>Total Federal Fund</b>	<b>731,791,593</b>	<b>731,793,164</b>	<b>834,905,200</b>	<b>870,849,100</b>	<b>896,477,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,288,975,680</b>	<b>6,720,571,619</b>	<b>7,561,592,800</b>	<b>7,868,905,400</b>	<b>8,221,426,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,546,081,558	3,798,672,537	3,771,338,500	3,945,705,500	4,110,186,400
Operating Expenses	1,502,252,545	1,755,712,123	2,253,211,100	2,417,623,200	2,568,551,700
Grants Loans Benefits	699,439,289	740,466,824	1,199,576,600	1,183,087,300	1,202,755,700
Debt Service	166,322,859	143,822,752	156,514,600	152,548,200	156,109,500
Capital Outlay	212,359,698	162,362,291	175,880,400	168,481,000	183,524,000
<b>TOTAL EXPENDITURES</b>	<b>6,126,455,949</b>	<b>6,601,036,526</b>	<b>7,556,521,200</b>	<b>7,867,445,200</b>	<b>8,221,127,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,201,469,168	1,144,571,176	1,182,931,500	1,129,941,300	1,137,704,500
Tobacco Fund	5,875,784	5,677,653	7,138,200	7,000,000	6,686,500
Restricted Funds	4,187,365,405	4,718,986,633	5,531,574,700	5,859,683,200	6,180,287,000
Federal Fund	731,745,593	731,800,964	834,876,800	870,820,700	896,449,300
<b>TOTAL EXPENDITURES</b>	<b>6,126,455,949</b>	<b>6,601,036,426</b>	<b>7,556,521,200</b>	<b>7,867,445,200</b>	<b>8,221,127,300</b>
<b>EXPENDITURES BY UNIT</b>					
Council on Postsecondary Education	92,608,778	62,652,008	70,079,400	60,777,500	59,985,500
Kentucky Higher Education Assistance Authority	239,100,475	251,546,048	296,867,400	265,625,900	273,890,300
Postsecondary Education Institutions	5,794,746,696	6,286,838,370	7,189,574,400	7,541,041,800	7,887,251,500
<b>TOTAL EXPENDITURES</b>	<b>6,126,455,949</b>	<b>6,601,036,426</b>	<b>7,556,521,200</b>	<b>7,867,445,200</b>	<b>8,221,127,300</b>

**Postsecondary Education**  
**Council on Postsecondary Education**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	71,405,000	41,226,200	41,268,000	35,637,500	35,703,700
Special Appropriation			298,000		
Continuing Approp-General Fund	1,196,515	2,945,685	2,403,400		
Budget Reduction-General Fund		-412,300	-2,114,100		
<b>Total General Fund</b>	<b>72,601,515</b>	<b>43,759,585</b>	<b>41,855,300</b>	<b>35,637,500</b>	<b>35,703,700</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	3,607,500	4,706,100	5,176,100	7,000,000	6,686,500
Special Appropriation	1,365,000				
<b>Total Tobacco Fund</b>	<b>4,972,500</b>	<b>4,706,100</b>	<b>5,176,100</b>	<b>7,000,000</b>	<b>6,686,500</b>
<b>Restricted Funds</b>					
Balance Forward	1,381,598	1,665,633	1,895,800	1,791,300	873,300
Current Receipts	1,074,665	660,647	732,000	341,000	291,000
Non-Revenue Receipts	3,850,166	3,813,588	4,109,000	4,109,000	4,109,000
<b>Total Restricted Funds</b>	<b>6,306,429</b>	<b>6,139,868</b>	<b>6,736,800</b>	<b>6,241,300</b>	<b>5,273,300</b>
<b>Federal Fund</b>					
Balance Forward	27,114				
Current Receipts	13,297,650	12,360,539	18,102,500	12,772,000	12,322,000
<b>Total Federal Fund</b>	<b>13,324,765</b>	<b>12,360,539</b>	<b>18,102,500</b>	<b>12,772,000</b>	<b>12,322,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>97,220,096</b>	<b>66,951,206</b>	<b>71,870,700</b>	<b>61,650,800</b>	<b>59,985,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	16,465,760	16,514,533	17,170,200	16,092,300	15,752,900
Operating Expenses	2,713,052	2,403,637	3,111,000	2,473,000	2,469,800
Grants Loans Benefits	44,938,467	43,733,837	49,798,200	42,212,200	41,762,800
Debt Service	28,491,500				
<b>TOTAL EXPENDITURES</b>	<b>92,608,778</b>	<b>62,652,008</b>	<b>70,079,400</b>	<b>60,777,500</b>	<b>59,985,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	69,655,830	41,356,202	41,855,300	35,637,500	35,703,700
Tobacco Fund	4,972,500	4,706,100	5,176,100	7,000,000	6,686,500
Restricted Funds	4,640,797	4,244,054	4,945,500	5,368,000	5,273,300
Federal Fund	13,339,652	12,345,652	18,102,500	12,772,000	12,322,000
<b>TOTAL EXPENDITURES</b>	<b>92,608,778</b>	<b>62,652,008</b>	<b>70,079,400</b>	<b>60,777,500</b>	<b>59,985,500</b>
<b>EXPENDITURES BY UNIT</b>					
Agency Operations	7,492,805	7,072,221	7,468,300	8,572,400	8,535,800
Licensure	309,641	251,050	285,500	312,000	314,400
Pass Through Programs	10,200,050	10,130,183	10,301,000	10,091,400	10,092,000
Federal Programs	4,200,521	4,998,039	5,780,500	450,000	
Strategic Investment and Incentive Funding Program	70,405,760	40,200,514	46,244,100	41,351,700	41,043,300
<b>TOTAL EXPENDITURES</b>	<b>92,608,778</b>	<b>62,652,008</b>	<b>70,079,400</b>	<b>60,777,500</b>	<b>59,985,500</b>

The Council on Postsecondary Education coordinates public postsecondary education, bringing a statewide perspective to budget and policy issues and planning. The Council both guides the system and serves as an advocate for the postsecondary education sector of the state's education enterprise. The Council licenses private non-profit and proprietary bachelor's degree-granting institutions and operates Kentucky's adult education system, bringing all of Kentucky's postsecondary and adult education providers under one agency.

The Council's statutory responsibilities include:

- development of a strategic plan for an efficient and effective system of postsecondary education that provides statewide access without unnecessary competition and duplication, recognizing both public and independent institutions;



- implementation of the strategic plan through public accountability, including reporting and evaluation of institutional performance; approval of the creation, modification, and elimination of programs and degrees and transferability of credits earned;
- approval of tuition rates and admission requirements;
- approval of capital projects and real property acquisitions by institutions;
- training and orientation of new members of institutional governing boards;
- liaison between postsecondary education institutions and the Kentucky Department of Education, the Education Professional Standards Board, the Education and Workforce Development Cabinet, and the Cabinet for Economic Development;
- operation of the Kentucky Virtual High School and the Kentucky Virtual Library;
- coordination and acquisition of technology resources for broadest access and cost efficiency;
- collection of data and research and analysis concerning the overall needs of postsecondary and adult education;
- administration of the statewide adult education and literacy program; and
- assistance in the development of the postsecondary institutions' biennial budget requests and recommendations concerning operating and capital appropriations to the Governor and the General Assembly.

## **Policy**

House Bill 471 from the 2017 Regular Session of the General Assembly appropriated an additional \$298,000 from the General Fund to the Council on Postsecondary Education in the current fiscal year.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,012,000	6,893,400	6,935,200	7,626,400	7,686,900
Special Appropriation			197,100		
Budget Reduction-General Fund			-214,000		
<b>Total General Fund</b>	<b>7,012,000</b>	<b>6,893,400</b>	<b>6,918,300</b>	<b>7,626,400</b>	<b>7,686,900</b>
<b>Restricted Funds</b>					
Balance Forward	194,068	336,744	462,000	452,000	202,400
Current Receipts	623,471	305,052	540,000	190,000	140,000
Non-Revenue Receipts	10			506,400	506,500
<b>Total Restricted Funds</b>	<b>817,549</b>	<b>641,796</b>	<b>1,002,000</b>	<b>1,148,400</b>	<b>848,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,829,549</b>	<b>7,535,196</b>	<b>7,920,300</b>	<b>8,774,800</b>	<b>8,535,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,762,976	6,077,850	5,940,300	6,739,700	6,703,100
Operating Expenses	1,729,829	994,371	1,528,000	1,832,700	1,832,700
<b>TOTAL EXPENDITURES</b>	<b>7,492,805</b>	<b>7,072,221</b>	<b>7,468,300</b>	<b>8,572,400</b>	<b>8,535,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	7,012,000	6,893,400	6,918,300	7,626,400	7,686,900
Restricted Funds	480,805	178,821	550,000	946,000	848,900
<b>TOTAL EXPENDITURES</b>	<b>7,492,805</b>	<b>7,072,221</b>	<b>7,468,300</b>	<b>8,572,400</b>	<b>8,535,800</b>

The Agency Operations program includes all of the staff and operating expenses necessary to manage the agency and programs of the Council except those funded with Federal grants. Activities of the professional staff include review of academic programs, admission standards, tuition rates, credit transfer procedures, adult education, technology resources and on-line learning; funding for science and technology initiatives; minority outreach; research and data analysis; and licensing of private postsecondary educational institutions. Also included in this budget are the business functions of the agency such as human resources, communications, budget, accounting, and purchasing, as well as board relations.

**Postsecondary Education  
Council on Postsecondary Education**

**Licensure**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,187,530	1,328,889	1,433,800	1,339,300	670,900
Current Receipts			191,000	150,000	150,000
Non-Revenue Receipts				-506,400	-506,500
<b>Total Restricted Funds</b>	<b>1,187,530</b>	<b>1,328,889</b>	<b>1,624,800</b>	<b>982,900</b>	<b>314,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,187,530</b>	<b>1,328,889</b>	<b>1,624,800</b>	<b>982,900</b>	<b>314,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs			261,500	288,000	290,400
Operating Expenses			24,000	24,000	24,000
<b>TOTAL EXPENDITURES</b>			<b>285,500</b>	<b>312,000</b>	<b>314,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds			285,500	312,000	314,400
<b>TOTAL EXPENDITURES</b>			<b>285,500</b>	<b>312,000</b>	<b>314,400</b>

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

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,349,700	6,316,000	6,316,000	5,981,400	5,982,000
Special Appropriation			100,900		
Budget Reduction-General Fund			-225,900		
<b>Total General Fund</b>	<b>6,349,700</b>	<b>6,316,000</b>	<b>6,191,000</b>	<b>5,981,400</b>	<b>5,982,000</b>
<b>Restricted Funds</b>					
Balance Forward					
Current Receipts	194	595	1,000	1,000	1,000
Non-Revenue Receipts	3,850,156	3,813,588	4,109,000	4,109,000	4,109,000
<b>Total Restricted Funds</b>	<b>3,850,350</b>	<b>3,814,183</b>	<b>4,110,000</b>	<b>4,110,000</b>	<b>4,110,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>10,200,050</b>	<b>10,130,183</b>	<b>10,301,000</b>	<b>10,091,400</b>	<b>10,092,000</b>
<b>EXPENDITURES BY CLASS</b>					
Operating Expenses	2,860				
Grants Loans Benefits	10,197,190	10,130,183	10,301,000	10,091,400	10,092,000
<b>TOTAL EXPENDITURES</b>	<b>10,200,050</b>	<b>10,130,183</b>	<b>10,301,000</b>	<b>10,091,400</b>	<b>10,092,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,349,700	6,316,000	6,191,000	5,981,400	5,982,000
Restricted Funds	3,850,350	3,814,183	4,110,000	4,110,000	4,110,000
<b>TOTAL EXPENDITURES</b>	<b>10,200,050</b>	<b>10,130,183</b>	<b>10,301,000</b>	<b>10,091,400</b>	<b>10,092,000</b>
<b>EXPENDITURES BY UNIT</b>					
Contract Spaces	5,680,100	5,680,100	5,781,000	5,981,400	5,982,000
Professional Education Preparation Program	251,900	239,200	119,600		
Minority Student College Prep Program	176,000	167,100	83,600		
State Autism Training Center	125,800	119,500	119,500		
SREB Doctoral Scholars Program	67,900	64,500	64,500		
Pass Through - Other	48,000	45,600	22,800		
Cancer Research Instns Mtchg Fd	3,850,350	3,814,183	4,110,000	4,110,000	4,110,000
<b>TOTAL EXPENDITURES</b>	<b>10,200,050</b>	<b>10,130,183</b>	<b>10,301,000</b>	<b>10,091,400</b>	<b>10,092,000</b>

Funds are appropriated to the Council on Postsecondary Education and subsequently "passed through" to other agencies or entities. The Council monitors the implementation of the programs but is not responsible for actual day to day operations.

The **Contract Spaces Program** provides Kentucky students with access to professional programs in veterinary medicine and optometry through contracts administered by the Southern Regional Education Board and Indiana University. In veterinary medicine, Kentucky contracts for spaces at Auburn University and Tuskegee Institute. For optometry students spaces are available at the Southern College of Optometry, University of Alabama, Indiana University, and the Kentucky College of Optometry. Contract fees guarantee a fixed number of spaces in the out-of-state academic programs for qualified Kentucky residents. Enrolled students are required to pay only the equivalent of the in-state tuition at the host institution. Students are supported for four years. To reserve these spaces and to help defray cost, the Commonwealth pays a contract fee per space to each participating institution.

The **Cancer Research Institutions Matching Fund** is administered by the Council on Postsecondary Education to support cancer-related research that will ultimately reduce the morbidity and mortality from these diseases. The program is funded by a one cent per pack cigarette surtax, and the two research institutions – UK and U of L - provide a dollar for dollar match from external sources.

The **Professional Education Preparation Program (PEPP)** was established in 1980 pursuant to KRS 164.028 through 164.0282. The program assists students and prospective students from rural and inner-city areas experiencing medical and dental workforce shortages to gain admission to and graduate from medical and dental school. All funds appropriated to the Council for the PEPP program are allocated to the University of Kentucky, the University of

Louisville, and the University of Pikeville to conduct pre-freshman workshops, undergraduate workshops, student assessment conferences, and MCAT/DAT test assistance with tutoring and summer job placement.

The **Governor's Minority Student College Preparation Program** was established in 1988 to provide academic enrichment activities for middle school students, encourage them to stay in school and to enter college, to make young African-American students aware of the benefits and value of college and make them more likely to consider college as an achievable option, and to prepare these students to be successful in college-level work. The program places emphasis on early intervention in an attempt to overcome problems at the high school level that tend to reduce the pool of minorities interested in attending and prepared to do well in college. Approximately 550 middle and junior high school students will be enrolled in this program each year.

The **Kentucky State Autism Training Center** contracts with the University of Louisville to provide coordinated services for training individuals to deliver services to children diagnosed with autism spectrum disorders.

The **Southern Regional Education Board Doctoral Scholars Program** supports and encourages minority students to pursue doctoral degrees. The program seeks to increase the number of minority faculty members employed as college faculty and executives by increasing the available pool of minority candidates. Students are provided scholarships and other financial support to attend institutions throughout the southern region and in some Midwest states. Kentucky has 35 students currently in the program, including 8 at U of L and 9 at UK. Of the 81 students who have already graduated, 22 are currently employed in Kentucky.

The **Washington Internship Program** provides scholarships for students who spend a semester in Washington, DC in work-study programs in international relations, journalism, law, medicine, public relations, business, the arts, science and technology, education or counseling.

## **Policy**

Funding for the State Autism Training Center is appropriated directly to the University of Louisville in the 2018-2020 biennium.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Federal Fund</b>					
Balance Forward	4,288	4,288			
Current Receipts	4,200,521	4,998,039	5,780,500	450,000	
Non-Revenue Receipts		-14,887			
<b>Total Federal Fund</b>	4,204,810	4,987,441	5,780,500	450,000	
<b>TOTAL SOURCE OF FUNDS</b>	4,204,810	4,987,441	5,780,500	450,000	
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,639,797	2,739,936	2,974,100		
Operating Expenses	565,707	811,149	906,400		
Grants Loans Benefits	995,017	1,446,955	1,900,000	450,000	
<b>TOTAL EXPENDITURES</b>	4,200,521	4,998,039	5,780,500	450,000	
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Fund	4,200,521	4,998,039	5,780,500	450,000	
<b>TOTAL EXPENDITURES</b>	4,200,521	4,998,039	5,780,500	450,000	

The Council on Postsecondary Education administers two federal programs in addition to the Adult Education related grants: Improving Educator Quality State Grant Program and Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) Kentucky.

The Improving Educator Quality State Grant program focuses on preparing, training, and recruiting high-quality teachers. The Council on Postsecondary Education provides competitive grants to partnerships comprised of schools of education and arts and sciences, along with one or more high-need local school districts.

The Gaining Early Awareness and Readiness program is a federal initiative that encourages young people to stay in school, study hard and take courses that prepare them to succeed in college. The program provides a range of services to low-income students by supporting new or expanded activities that strengthen schools. GEAR UP grants are awarded to states as well as partnerships comprising schools, postsecondary institutions and non-school partners. GEAR UP state grants stress early intervention and provide scholarships. Each grant dollar must be matched through a combination of state, local, and private funds.

**Postsecondary Education  
Council on Postsecondary Education  
Strategic Investment and Incentive Funding Program**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	58,043,300	28,016,800	28,016,800	22,029,700	22,034,800
Continuing Approp-General Fund	1,196,515	2,945,685	2,403,400		
Budget Reduction-General Fund		-412,300	-1,674,200		
<b>Total General Fund</b>	<b>59,239,815</b>	<b>30,550,185</b>	<b>28,746,000</b>	<b>22,029,700</b>	<b>22,034,800</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	3,607,500	4,706,100	5,176,100	7,000,000	6,686,500
Special Appropriation	1,365,000				
<b>Total Tobacco Fund</b>	<b>4,972,500</b>	<b>4,706,100</b>	<b>5,176,100</b>	<b>7,000,000</b>	<b>6,686,500</b>
<b>Federal Fund</b>					
Balance Forward	22,826	-4,288			
Current Receipts	9,097,129	7,362,500	12,322,000	12,322,000	12,322,000
Non-Revenue Receipts	14,887				
<b>Total Federal Fund</b>	<b>9,134,842</b>	<b>7,358,211</b>	<b>12,322,000</b>	<b>12,322,000</b>	<b>12,322,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>73,347,157</b>	<b>42,614,496</b>	<b>46,244,100</b>	<b>41,351,700</b>	<b>41,043,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	7,755,851	7,447,420	7,994,300	9,064,600	8,759,400
Operating Expenses	412,150	596,395	652,600	616,300	613,100
Grants Loans Benefits	33,746,259	32,156,699	37,597,200	31,670,800	31,670,800
Debt Service	28,491,500				
<b>TOTAL EXPENDITURES</b>	<b>70,405,760</b>	<b>40,200,514</b>	<b>46,244,100</b>	<b>41,351,700</b>	<b>41,043,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	56,294,130	28,146,802	28,746,000	22,029,700	22,034,800
Tobacco Fund	4,972,500	4,706,100	5,176,100	7,000,000	6,686,500
Federal Fund	9,139,130	7,347,613	12,322,000	12,322,000	12,322,000
<b>TOTAL EXPENDITURES</b>	<b>70,405,760</b>	<b>40,200,514</b>	<b>46,244,100</b>	<b>41,351,700</b>	<b>41,043,300</b>
<b>EXPENDITURES BY UNIT</b>					
Research Challenge Trust Fund	4,972,500	4,706,100	5,176,100	7,500,000	7,186,500
Technology Initiative Trust Fund	4,075,300	3,870,200	3,638,000	3,628,300	3,628,300
Physical Facilities Trust Fund	28,491,500				
Adult Education and Literacy Funding Program	26,110,460	25,255,814	31,356,300	28,872,100	28,873,200
Science and Technology Funding Program	5,288,300	4,974,600	4,721,700		
Special Initiatives Funding Program	1,467,700	1,393,800	1,352,000	1,351,300	1,355,300
<b>TOTAL EXPENDITURES</b>	<b>70,405,760</b>	<b>40,200,514</b>	<b>46,244,100</b>	<b>41,351,700</b>	<b>41,043,300</b>

The **Strategic Investment and Incentive Funding Program** was created in the Kentucky Postsecondary Education Improvement Act of 1997, codified as KRS 164.7911. This program consists of appropriations for the Research Challenge Trust Fund and the Technology Initiative Trust Fund, as well as three programs established by the Council through the budget process: the Adult Education and Literacy Funding Program, the Science and Technology Funding Program, and the Special Initiatives Funding Program. These appropriations are made to the Council, which is responsible for establishing criteria and distributing these funds to postsecondary institutions in a manner that will allow the Commonwealth to accomplish the goals established in KRS 164.003(2).

**Adult Education and Literacy Funding Program**

Adult Education and Literacy aims to improve the educational status of adult Kentuckians who do not have a high school diploma, who function at low levels of literacy or who want to learn the English language. Kentucky Adult Education contracts with local boards of education, community and technical colleges, community-based organizations, education consortia, public and private non-profit organizations, and correctional institutions to provide adult education and literacy services in a variety of settings and locations. Every Kentucky county has a comprehensive adult education provider that

offers all levels of adult education instruction, family literacy, and employability and life skills instruction. Many providers also offer English as a Second Language classes and workplace education. By statute, funds are allocated using a formula based on the number of adults in each county functioning at low literacy levels.

### **Research Challenge Trust Fund**

Tobacco Settlement – Phase I funds support competitive grants to researchers at the Brown Cancer Center at U of L and the Markey Cancer Center at UK. Funds are granted by the lung cancer research governance board established in KRS 164.476 to fund research into the causes, detection, and treatment of lung cancer.

### **Science and Technology Funding Program**

The Science and Technology Funding program supports the initiatives established by the Kentucky Innovation Act in KRS 164.6011 through 164.6043. The **Experimental Program to Stimulate Competitive Research (EPSCoR)** program, a highly collaborative and successful federal research and development program initiated by the National Science Foundation in 1978, leverages state matching funds to bring additional federal research dollars to Kentucky. The Science and Technology Funding Program also provides funding for the **Science and Engineering Foundation**. The Science and Engineering Foundation, modeled on the National Science Foundation, makes investments in peer-reviewed science and engineering research. The **Knowledge-Based Economy Academic Program** supports postsecondary education programs in engineering and information technology. The Council on Postsecondary Education directed the public universities and colleges to work together to design a statewide strategy to educate more engineers, to integrate engineering education more closely into the technology-driven New Economy, and to recruit more women and minorities into engineering. Students at Western Kentucky University, Murray State University, the University of Louisville, and the University of Kentucky are enrolled in joint engineering classes.

### **Special Initiatives Funding Program**

The Council on Postsecondary Education allocates funds to institutions for activities that support the goals of Senate Bill 1 from the 2009 session of the General Assembly. These include professional development of faculty and revision of the pedagogic curriculum and assessment standards of colleges of education.

### **Technology Initiative Trust Fund**

This program includes funding for the Kentucky Postsecondary Education Network (KPEN), the Kentucky Virtual Campus and Virtual Library, the College Level Learning Assessment, the College Access Initiative, and faculty development activities that improve teaching and develop best practices, particularly for distance learning situations.

### **Policy**

Included in the above General Fund appropriation is an additional \$500,000 in each fiscal year for the Ovarian Cancer Screening Outreach Program at the University of Kentucky.

Tobacco Funds in the amount of \$7,000,000 in fiscal year 2019 and \$6,686,500 in fiscal year 2020 are provided for the Cancer Research and Screening program, with the funds being equally shared between the University of Kentucky and the University of Louisville.

Funding for the Science and Technology Funding program is transferred to the Cabinet for Economic Development in fiscal years 2019 and 2020.



**Postsecondary Education**  
**Kentucky Higher Education Assistance Authority**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	205,302,000	240,244,000	245,244,000	232,100,000	239,100,000
Current Year Appropriation	1,400,000				
Continuing Approp-General Fund	8,528,513	2,091,375	15,755,100		
Budget Reduction-General Fund		-2,309,000			
Other		5,627,129	2,000,000		
<b>Total General Fund</b>	<b>215,230,513</b>	<b>245,653,504</b>	<b>262,999,100</b>	<b>232,100,000</b>	<b>239,100,000</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	1,100,000	1,100,000	1,100,000		
Continuing Approp-Tob Settlement	536,958	733,674	862,100		
<b>Total Tobacco Fund</b>	<b>1,636,958</b>	<b>1,833,674</b>	<b>1,962,100</b>		
<b>Restricted Funds</b>					
Balance Forward	5,137,884	4,271,063	5,428,000	3,251,900	558,500
Current Receipts	16,706,145	23,074,843	21,307,800	18,826,400	21,311,500
Non-Revenue Receipts	7,425,843	8,124,339	8,388,500	11,972,300	13,157,200
<b>Total Restricted Funds</b>	<b>29,269,872</b>	<b>35,470,246</b>	<b>35,124,300</b>	<b>34,050,600</b>	<b>35,027,200</b>
<b>Federal Fund</b>					
Balance Forward	172,568			28,400	28,400
Current Receipts	31,624	32,521	33,800	33,800	33,800
Non-Revenue Receipts	-144,948	1,199	28,400		
<b>Total Federal Fund</b>	<b>59,245</b>	<b>33,720</b>	<b>62,200</b>	<b>62,200</b>	<b>62,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>246,196,588</b>	<b>282,991,144</b>	<b>300,147,700</b>	<b>266,212,800</b>	<b>274,189,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	13,751,737	18,744,161	17,433,700	17,729,200	17,758,400
Operating Expenses	1,931,691	1,910,930	1,855,500	1,858,600	1,855,800
Grants Loans Benefits	222,250,332	229,939,582	276,609,500	245,071,100	253,303,800
Debt Service	744,593	745,268	743,700	742,000	747,300
Capital Outlay	422,122	206,109	225,000	225,000	225,000
<b>TOTAL EXPENDITURES</b>	<b>239,100,475</b>	<b>251,546,048</b>	<b>296,867,400</b>	<b>265,625,900</b>	<b>273,890,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	213,139,138	220,498,419	262,999,100	232,100,000	239,100,000
Tobacco Fund	903,284	971,553	1,962,100		
Restricted Funds	24,998,808	30,042,356	31,872,400	33,492,100	34,756,500
Federal Fund	59,245	33,720	33,800	33,800	33,800
<b>TOTAL EXPENDITURES</b>	<b>239,100,475</b>	<b>251,546,048</b>	<b>296,867,400</b>	<b>265,625,900</b>	<b>273,890,300</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	16,466,385	21,221,110	19,807,900	20,154,800	20,186,500
College Access Program	69,951,308	70,341,078	77,266,700	72,342,800	76,514,500
Kentucky Coal County College Completion Program	1,640,619	3,018,025	5,463,000		
Work Study Program	337,037	362,445	400,000		
Kentucky Tuition Grant	28,942,566	28,266,022	36,722,900	39,074,400	40,864,400
Teacher Scholarships	1,709,306	1,922,623	2,119,800		
Ky National Guard Tuition	6,031,167	5,957,141	8,782,100	7,448,100	7,448,100
Osteopathic Medicine Scholarship	600,000	300,000	898,400		
Ky Educational Excellence Scholarships	110,698,977	113,286,602	113,652,900	118,052,000	120,323,000
Early Childhood Development Scholarships	956,684	971,553	2,984,100		

**EXPENDITURES BY UNIT**

Kentucky's Affordable Prepaid Tuition (KAPT)	383,758	385,357	450,000	400,000	400,000
Coal County Scholarship for Pharmacy Students	533,600	562,030	725,000	45,000	45,000
Early Graduation Scholarship Certificate	159,200	189,640	575,000	575,000	575,000
Work Ready Scholarship			15,900,000	2,500,000	2,500,000
Dual Credit Scholarship		4,535,746	10,464,300	5,000,000	5,000,000
Other Programs	689,868	226,677	655,300	33,800	33,800
<b>TOTAL EXPENDITURES</b>	<b>239,100,475</b>	<b>251,546,048</b>	<b>296,867,400</b>	<b>265,625,900</b>	<b>273,890,300</b>

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

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

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

The Kentucky Tuition Grant program provides need-based grants to qualified Kentucky students who choose to attend one of the Commonwealth's 26 participating independent colleges and is designed to assist full-time students with tuition charges at these schools.

The Kentucky Educational Excellence Scholarships (KEES) program provides merit-based scholarships to eligible high school students based on their yearly grade point average and supplemental awards based on their highest ACT (or equivalent SAT) score attained by their high school graduation date. The scholarships can be used to pay the expenses of each year of college or technical training.

The Teacher Scholarship program is designed to assist financially needy Kentucky students with the costs incurred while seeking initial teacher certification. Recipients must agree to render qualified teaching service in the Commonwealth.

The Kentucky National Guard Tuition Award program provides tuition assistance to active members of the Kentucky National Guard to attend Kentucky's state-supported postsecondary educational institutions. The Department of Military Affairs selects the recipients and KHEAA forwards funds to the schools to be disbursed to the students.

The Osteopathic Medicine Scholarship program provides tuition equalization awards to eligible students who attend the University of Pikeville College of Osteopathic Medicine. Recipients must agree to provide medical services in Kentucky one year for each year they receive a scholarship, or repay their tuition grants.

The Coal County Pharmacy Scholarship Program provides tuition awards to eligible students at Kentucky colleges who agree to provide pharmacy services in a coal-producing county of Kentucky for one year for each year they receive the scholarship, or repay their tuition grants.

The Early Childhood Development Scholarship program provides tuition assistance to Kentucky residents pursuing a credential, certificate, or degree in early childhood education. It was established to upgrade the professional development of child-care workers and trainers who do not have access to state or federal professional development funds.

The Go Higher Grant program provides a financial incentive for non-traditional students who are enrolled on a less than full time basis and are therefore ineligible for most aid programs.

The John R. Justice program, supported by a Federal grant, provides student loan repayment assistance for public defenders and prosecutors who commit to continued employment for at least three years after graduation from law school.

The Kentucky Coal County College Completion Scholarship is awarded to coal county residents who have earned at least 60 credit hours toward a bachelor's degree and are enrolled at least half-time at a postsecondary institution located in a coal-producing county.

The Early Graduation Scholarship is awarded to students who graduate high school in three years. It can be used at any public or non-profit, independent institution the academic year immediately following graduation and is equal to one-half

of the state portion of the average statewide per pupil guaranteed base funding level (SEEK allowance).

The Dual Credit Scholarship is awarded to Kentucky high school juniors and seniors who enroll in an approved dual credit course at a participating institution.

The Work Ready Scholarship is awarded to Kentuckians with a high school credential but who have not earned an associate's degree and are enrolled in an industry-recognized certificate or diploma program in high-demand workforce sector.

### **Policy**

The Budget of the Commonwealth suspends the provisions of KRS 154A.130(4) and provides General Fund in the amount of \$106,684,700 in fiscal year 2018-2019 and \$107,723,000 in fiscal year 2019-2020 for the Kentucky Educational Excellence Scholarships (KEES). Included in the restricted funds appropriation is \$11,367,300 in fiscal year 2018-2019 and \$12,600,000 in fiscal year 2019-2020 for KEES.

The Budget of the Commonwealth provides that lottery receipts received by the Commonwealth in any fiscal year in excess of the official estimate of the Consensus Forecasting Group, other than unclaimed prizes, will be transferred to the Kentucky Higher Education Assistance Authority and appropriated for the College Access Program and the Kentucky Tuition Grant Program.

**Postsecondary Education**  
**Postsecondary Education Institutions**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	918,677,200	882,716,655	886,946,600	862,203,800	862,900,800
Budget Reduction-General Fund			-8,869,500		
<b>Total General Fund</b>	918,677,200	882,716,655	878,077,100	862,203,800	862,900,800
<b>Restricted Funds</b>					
Current Receipts	4,308,489,100	4,768,498,823	5,494,756,800	5,820,823,100	6,140,257,200
<b>Total Restricted Funds</b>	4,308,489,100	4,768,498,823	5,494,756,800	5,820,823,100	6,140,257,200
<b>Federal Fund</b>					
Current Receipts	718,392,696	719,413,792	816,740,500	858,014,900	884,093,500
<b>Total Federal Fund</b>	718,392,696	719,413,792	816,740,500	858,014,900	884,093,500
<b>TOTAL SOURCE OF FUNDS</b>	5,945,558,996	6,370,629,270	7,189,574,400	7,541,041,800	7,887,251,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,515,864,062	3,763,413,843	3,736,734,600	3,911,884,000	4,076,675,100
Operating Expenses	1,497,607,802	1,751,397,556	2,248,244,600	2,413,291,600	2,564,226,100
Grants Loans Benefits	432,250,490	466,793,405	873,168,900	895,804,000	907,689,100
Debt Service	137,086,766	143,077,484	155,770,900	151,806,200	155,362,200
Capital Outlay	211,937,576	162,156,182	175,655,400	168,256,000	183,299,000
<b>TOTAL EXPENDITURES</b>	5,794,746,696	6,286,838,470	7,189,574,400	7,541,041,800	7,887,251,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	918,674,200	882,716,555	878,077,100	862,203,800	862,900,800
Restricted Funds	4,157,725,800	4,684,700,223	5,494,756,800	5,820,823,100	6,140,257,200
Federal Fund	718,346,696	719,421,592	816,740,500	858,014,900	884,093,500
<b>TOTAL EXPENDITURES</b>	5,794,746,696	6,286,838,370	7,189,574,400	7,541,041,800	7,887,251,500
<b>EXPENDITURES BY UNIT</b>					
Eastern Kentucky University	310,184,219	335,201,899	352,469,600	395,302,900	402,990,200
Kentucky State University	61,324,877	70,034,471	64,682,300	63,679,000	63,479,100
Morehead State University	189,182,200	179,184,600	198,500,400	202,269,500	204,957,200
Murray State University	190,375,800	201,860,700	194,022,500	193,903,100	193,903,100
Northern Kentucky University	231,068,300	230,244,000	240,235,700	244,015,300	250,431,800
University of Kentucky	2,914,404,200	3,106,503,400	3,658,056,500	3,916,585,100	4,217,996,800
University of Louisville	961,805,300	1,133,018,800	1,229,507,500	1,241,245,800	1,258,988,000
Western Kentucky University	335,645,400	364,257,900	401,063,900	414,065,000	418,558,400
Kentucky Community and Technical College System	600,756,400	666,532,600	851,036,000	838,976,100	837,281,100
Postsecondary Education Performance Fund				31,000,000	38,665,800
<b>TOTAL EXPENDITURES</b>	5,794,746,696	6,286,838,370	7,189,574,400	7,541,041,800	7,887,251,500

**Postsecondary Education  
Eastern Kentucky University**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	68,033,800	64,972,279	61,723,700	60,801,700	60,175,200
Postsecondary Ed Performance			3,321,500		
Budget Reduction-General Fund			-650,500		
<b>Total General Fund</b>	68,033,800	64,972,279	64,394,700	60,801,700	60,175,200
<b>Restricted Funds</b>					
Current Receipts	143,052,833	165,745,120	182,574,900	207,001,200	207,314,400
<b>Total Restricted Funds</b>	143,052,833	165,745,120	182,574,900	207,001,200	207,314,400
<b>Federal Fund</b>					
Current Receipts	99,100,586	104,484,500	105,500,000	127,500,000	135,500,600
<b>Total Federal Fund</b>	99,100,586	104,484,500	105,500,000	127,500,000	135,500,600
<b>TOTAL SOURCE OF FUNDS</b>	310,187,219	335,201,899	352,469,600	395,302,900	402,990,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	190,591,722	188,622,440	204,000,000	225,939,500	227,939,500
Operating Expenses	66,254,065	63,975,076	66,143,700	69,214,500	70,787,800
Grants Loans Benefits	45,620,544	74,617,932	72,472,900	90,052,900	94,052,900
Debt Service	7,717,888	7,986,451	9,853,000	10,096,000	10,210,000
<b>TOTAL EXPENDITURES</b>	310,184,219	335,201,899	352,469,600	395,302,900	402,990,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	68,030,800	64,972,279	64,394,700	60,801,700	60,175,200
Restricted Funds	143,052,833	165,745,120	182,574,900	207,001,200	207,314,400
Federal Fund	99,100,586	104,484,500	105,500,000	127,500,000	135,500,600
<b>TOTAL EXPENDITURES</b>	310,184,219	335,201,899	352,469,600	395,302,900	402,990,200
<b>EXPENDITURES BY UNIT</b>					
Instruction	101,890,432	113,874,706	126,845,200	132,069,100	131,442,000
Research	896,071	1,077,058	1,040,000	1,040,000	1,040,000
Public Service	46,469,176	50,277,980	49,300,000	56,300,000	59,000,000
Libraries	4,693,720	5,163,160	6,000,000	6,000,000	6,000,000
Academic Support	22,910,056	24,905,662	25,950,000	30,215,000	30,215,000
Student Services	22,168,794	24,827,466	25,450,000	24,800,400	25,114,200
Institutional Support	33,775,445	29,391,295	30,000,000	30,000,000	30,000,000
Operation and Maintenance of Plant	37,192,809	42,699,821	44,349,500	45,378,400	45,378,400
Scholarships and Fellowships	14,631,410	16,426,748	18,000,000	23,000,000	20,300,600
Non-Mandatory Transfers				20,000,000	28,000,000
Auxilliary Enterprises	25,556,306	26,558,003	25,534,900	26,500,000	26,500,000
<b>TOTAL EXPENDITURES</b>	310,184,219	335,201,899	352,469,600	395,302,900	402,990,200

Eastern Kentucky University, originally founded as a training school for teachers, has grown into a comprehensive postsecondary institution with approximately 17,000 students. In addition to the main campus in Richmond, ECU operates regional campuses at Corbin, Danville, Manchester and Somerset.

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

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

**Policy**

The Budget of the Commonwealth provides no funding for the Community Operations Board in fiscal years 2019 and 2020.

**Postsecondary Education  
Kentucky State University**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	23,429,600	26,732,876	26,729,600	25,459,000	25,259,100
Budget Reduction-General Fund			-267,300		
<b>Total General Fund</b>	23,429,600	26,732,876	26,462,300	25,459,000	25,259,100
<b>Restricted Funds</b>					
Current Receipts	18,849,867	22,519,203	19,220,000	19,220,000	19,220,000
<b>Total Restricted Funds</b>	18,849,867	22,519,203	19,220,000	19,220,000	19,220,000
<b>Federal Fund</b>					
Current Receipts	19,045,410	20,782,392	19,000,000	19,000,000	19,000,000
<b>Total Federal Fund</b>	19,045,410	20,782,392	19,000,000	19,000,000	19,000,000
<b>TOTAL SOURCE OF FUNDS</b>	61,324,877	70,034,471	64,682,300	63,679,000	63,479,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	33,015,440	35,555,103	39,542,700	39,431,200	40,937,100
Operating Expenses	18,219,837	27,240,880	16,988,200	15,602,600	16,195,900
Grants Loans Benefits	5,987,246	4,688,273	6,907,400	6,976,500	5,046,200
Debt Service	781,978	812,933	700,000	700,000	700,000
Capital Outlay	3,320,376	1,737,282	544,000	968,700	599,900
<b>TOTAL EXPENDITURES</b>	61,324,877	70,034,471	64,682,300	63,679,000	63,479,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	23,429,600	26,732,876	26,462,300	25,459,000	25,259,100
Restricted Funds	18,849,867	22,519,203	19,220,000	19,220,000	19,220,000
Federal Fund	19,045,410	20,782,392	19,000,000	19,000,000	19,000,000
<b>TOTAL EXPENDITURES</b>	61,324,877	70,034,471	64,682,300	63,679,000	63,479,100
<b>EXPENDITURES BY UNIT</b>					
Instruction	10,148,002	10,140,720	11,266,600	12,655,400	13,160,300
Research	6,930,245	10,401,316	10,105,300	10,048,900	10,686,400
Public Service	8,060,500	10,317,333	8,623,700	9,006,800	9,276,600
Academic Support	3,066,743	2,984,355	4,307,200	4,437,200	4,534,400
Student Services	5,703,842	6,157,314	6,195,200	6,151,300	6,688,300
Institutional Support	11,530,451	13,194,939	9,992,400	7,378,700	5,014,200
Operation and Maintenance of Plant	4,963,813	5,096,452	5,284,900	4,980,500	5,091,900
Scholarships and Fellowships	6,422,071	6,772,148	6,778,900	6,785,700	6,792,500
Auxilliary Enterprises	4,499,210	4,969,894	2,128,100	2,234,500	2,234,500
<b>TOTAL EXPENDITURES</b>	61,324,877	70,034,471	64,682,300	63,679,000	63,479,100

Like other comprehensive universities, Kentucky State University was founded as a training school for teachers. An historically black university, it is also a land grant institution charged with educating and improving the lives of Kentucky's rural residents. The Cooperative Extension Program complements the research activities of the divisions of agriculture and natural resources, aquaculture, environmental studies and sustainable systems, food and animal science and family and consumer science and provides an avenue for technology transfer of research findings that are relevant to Kentuckians, especially those with limited resources living in rural areas.

In addition to its teaching and agriculture departments, KSU offers traditional liberal arts courses, business, computer science, public administration, nursing and pre-professional education for medicine, dentistry, law, engineering and other fields. Kentucky State provides an opportunity for students, including non-traditional students, who otherwise would not have access to college education.

**Policy**

The Budget of the Commonwealth includes additional General Fund in the amount of \$400,000 in each year to fund the state match required for the federal land grant program.

**Postsecondary Education  
Morehead State University**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	43,339,500	41,969,200	39,899,700	38,852,400	38,466,800
Postsecondary Ed Performance			1,742,900		
Budget Reduction-General Fund			-416,400		
<b>Total General Fund</b>	43,339,500	41,969,200	41,226,200	38,852,400	38,466,800
<b>Restricted Funds</b>					
Current Receipts	100,528,100	98,464,700	110,592,400	113,211,900	114,991,300
<b>Total Restricted Funds</b>	100,528,100	98,464,700	110,592,400	113,211,900	114,991,300
<b>Federal Fund</b>					
Current Receipts	40,178,600	38,729,000	46,681,800	50,205,200	51,499,100
<b>Total Federal Fund</b>	40,178,600	38,729,000	46,681,800	50,205,200	51,499,100
<b>TOTAL SOURCE OF FUNDS</b>	184,046,200	179,162,900	198,500,400	202,269,500	204,957,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	91,316,300	87,958,600	94,280,800	96,472,400	97,400,800
Operating Expenses	32,165,100	31,955,800	35,939,800	35,252,400	35,052,100
Grants Loans Benefits	47,325,700	44,404,100	48,385,600	50,650,500	52,610,100
Debt Service	8,200,100	8,761,600	9,611,500	9,611,500	9,611,500
Capital Outlay	10,175,000	6,104,500	10,282,700	10,282,700	10,282,700
<b>TOTAL EXPENDITURES</b>	189,182,200	179,184,600	198,500,400	202,269,500	204,957,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	43,339,500	41,969,200	41,226,200	38,852,400	38,466,800
Restricted Funds	105,710,100	98,478,600	110,592,400	113,211,900	114,991,300
Federal Fund	40,132,600	38,736,800	46,681,800	50,205,200	51,499,100
<b>TOTAL EXPENDITURES</b>	189,182,200	179,184,600	198,500,400	202,269,500	204,957,200
<b>EXPENDITURES BY UNIT</b>					
Instruction	45,164,300	42,542,600	42,141,300	42,547,600	42,873,000
Research	2,045,000	3,386,200	5,192,700	7,534,200	7,534,200
Public Service	8,551,600	9,142,700	12,003,800	12,213,500	12,252,300
Libraries	3,420,400	3,297,100	3,072,600	3,058,800	3,085,000
Academic Support	10,301,400	9,003,600	11,119,800	10,580,000	10,642,100
Student Services	18,053,400	19,828,600	20,090,000	19,869,200	19,991,200
Institutional Support	16,774,500	16,221,300	17,384,600	17,400,500	17,146,800
Operation and Maintenance of Plant	11,498,900	12,095,900	10,354,300	10,631,500	10,962,900
Scholarships and Fellowships	47,325,700	42,464,200	46,575,100	47,995,800	49,955,400
Mandatory Transfers	3,279,100	3,750,000	4,216,700	4,127,600	4,127,600
Non-Mandatory Transfers	4,581,600	-935,600	6,175,000	6,044,500	6,044,500
Auxilliary Enterprises	18,186,300	18,388,000	20,174,500	20,266,300	20,342,200
<b>TOTAL EXPENDITURES</b>	189,182,200	179,184,600	198,500,400	202,269,500	204,957,200

Morehead State University has an enrollment of nearly 11,000 students, including its enrollment of high school juniors at the Craft Academy for Excellence in Science and Mathematics.

Morehead's in-state undergraduate tuition is low compared to state peer institutions, and it enrolls the largest percentage of Pell-eligible students. The University strives to provide high quality education while increasing efficiency and productivity. Morehead was the first Kentucky institution to offer a complete degree program on-line.

Morehead's program of distinction is space science. Morehead faculty and undergraduate students have collaborated with students and scientists from around the world to build and launch satellites to explore and carry on important investigations in space. A 21-meter tracking antenna is located on the campus.

## Policy

The Budget of the Commonwealth provides no funding for the Kentucky Folk Art Center in fiscal years 2019 and 2020.



**Postsecondary Education**  
**Murray State University**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	47,064,600	46,824,500	43,570,800	45,014,500	44,581,400
Postsecondary Ed Performance			2,231,300		
Budget Reduction-General Fund			-458,000		
<b>Total General Fund</b>	47,064,600	46,824,500	45,344,100	45,014,500	44,581,400
<b>Restricted Funds</b>					
Current Receipts	126,296,600	137,934,400	129,986,300	129,986,300	130,419,400
<b>Total Restricted Funds</b>	126,296,600	137,934,400	129,986,300	129,986,300	130,419,400
<b>Federal Fund</b>					
Current Receipts	17,014,600	17,101,800	18,692,100	18,902,300	18,902,300
<b>Total Federal Fund</b>	17,014,600	17,101,800	18,692,100	18,902,300	18,902,300
<b>TOTAL SOURCE OF FUNDS</b>	190,375,800	201,860,700	194,022,500	193,903,100	193,903,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	124,242,900	133,053,300	116,267,000	116,267,000	116,267,000
Operating Expenses	46,852,000	48,812,700	52,119,600	53,319,600	53,319,600
Grants Loans Benefits	13,000,400	12,219,500	17,310,600	15,991,200	15,991,200
Debt Service	4,970,500	6,287,200	6,657,500	6,657,500	6,657,500
Capital Outlay	1,310,000	1,488,000	1,667,800	1,667,800	1,667,800
<b>TOTAL EXPENDITURES</b>	190,375,800	201,860,700	194,022,500	193,903,100	193,903,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	47,064,600	46,824,500	45,344,100	45,014,500	44,581,400
Restricted Funds	126,296,600	137,934,400	129,986,300	129,986,300	130,419,400
Federal Fund	17,014,600	17,101,800	18,692,100	18,902,300	18,902,300
<b>TOTAL EXPENDITURES</b>	190,375,800	201,860,700	194,022,500	193,903,100	193,903,100
<b>EXPENDITURES BY UNIT</b>					
Instruction	68,688,800	74,414,900	62,840,000	64,335,700	64,335,700
Research	1,995,100	2,288,300	2,052,500	2,032,000	2,032,000
Public Service	7,738,000	8,601,400	6,302,800	6,086,200	6,086,200
Libraries	3,833,500	3,743,800	3,895,800	3,785,700	3,785,700
Academic Support	7,374,000	7,674,300	5,507,400	5,353,700	5,353,700
Student Services	16,678,300	16,336,100	15,952,300	15,505,000	15,505,000
Institutional Support	22,369,600	22,340,400	25,202,500	24,935,100	24,935,100
Operation and Maintenance of Plant	23,863,400	27,433,400	21,569,400	20,959,700	20,959,700
Scholarships and Fellowships	12,753,400	12,553,500	13,815,000	14,025,200	14,025,200
Mandatory Transfers	4,970,500	6,287,200	6,657,500	6,657,500	6,657,500
Non-Mandatory Transfers	2,992,600	2,930,900	1,280,800	1,280,800	1,280,800
Auxilliary Enterprises	17,118,600	17,256,500	28,946,500	28,946,500	28,946,500
<b>TOTAL EXPENDITURES</b>	190,375,800	201,860,700	194,022,500	193,903,100	193,903,100

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

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

## **Policy**

The Budget of the Commonwealth provides an additional \$2,000,000 in fiscal years 2019 and 2020 for the Breathitt Veterinary Center.

**Postsecondary Education  
Northern Kentucky University**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	48,537,600	46,353,400	48,875,200	48,477,500	47,974,500
Postsecondary Ed Performance			2,745,900		
Budget Reduction-General Fund			-516,200		
<b>Total General Fund</b>	48,537,600	46,353,400	51,104,900	48,477,500	47,974,500
<b>Restricted Funds</b>					
Current Receipts	169,026,100	170,815,100	176,055,200	182,462,200	189,381,700
<b>Total Restricted Funds</b>	169,026,100	170,815,100	176,055,200	182,462,200	189,381,700
<b>Federal Fund</b>					
Current Receipts	13,504,600	13,075,600	13,075,600	13,075,600	13,075,600
<b>Total Federal Fund</b>	13,504,600	13,075,600	13,075,600	13,075,600	13,075,600
<b>TOTAL SOURCE OF FUNDS</b>	231,068,300	230,244,100	240,235,700	244,015,300	250,431,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	155,120,000	166,223,200	150,375,300	153,744,900	156,139,200
Operating Expenses	37,551,300	29,850,300	38,918,600	38,563,400	39,365,000
Grants Loans Benefits	14,663,700	15,125,500	35,468,800	36,234,000	38,394,600
Debt Service	11,525,500	11,035,800	6,113,500	6,113,500	6,113,500
Capital Outlay	12,207,800	8,009,300	9,359,500	9,359,500	10,419,500
<b>TOTAL EXPENDITURES</b>	231,068,300	230,244,100	240,235,700	244,015,300	250,431,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	48,537,600	46,353,300	51,104,900	48,477,500	47,974,500
Restricted Funds	169,026,100	170,815,100	176,055,200	182,462,200	189,381,700
Federal Fund	13,504,600	13,075,600	13,075,600	13,075,600	13,075,600
<b>TOTAL EXPENDITURES</b>	231,068,300	230,244,000	240,235,700	244,015,300	250,431,800
<b>EXPENDITURES BY UNIT</b>					
Instruction	72,653,600	70,633,200	71,001,800	72,253,200	73,848,700
Research	1,573,900	1,393,300	1,169,800	1,166,700	1,286,400
Public Service	13,706,200	14,133,000	10,052,400	9,932,500	10,070,600
Libraries	6,005,500	6,101,500	6,123,100	6,203,900	6,447,400
Academic Support	18,143,100	19,353,700	21,092,600	21,268,600	21,523,100
Student Services	26,489,400	27,250,100	22,351,800	22,532,400	22,644,500
Institutional Support	29,003,200	31,448,900	28,819,100	29,027,500	29,269,600
Operation and Maintenance of Plant	18,648,800	19,905,300	19,805,700	20,678,900	21,708,400
Scholarships and Fellowships	14,064,200	14,543,700	35,045,700	35,577,200	37,737,800
Mandatory Transfers	6,157,900	6,031,500	6,113,500	6,113,500	6,113,500
Non-Mandatory Transfers	7,905,700	3,093,200	1,881,200	1,881,200	1,881,200
Auxilliary Enterprises	16,716,800	16,356,600	16,779,000	17,379,700	17,900,600
<b>TOTAL EXPENDITURES</b>	231,068,300	230,244,000	240,235,700	244,015,300	250,431,800

Northern Kentucky University is the only one of Kentucky's comprehensive universities that did not start as an institution for training teachers. NKU began as a community college under the University of Kentucky and became an autonomous institution by an act of the General Assembly in 1968. Upper division courses were offered beginning in 1971, the same year that Salmon P. Chase College of Law merged with what was then known as Northern Kentucky State College. Today there are over 14,000 students enrolled. Although about one-third are non-residents, the Kentuckians among them come from 106 of the state's 120 counties. Boone, Kenton and Campbell counties in northern Kentucky account for 7,107 students. Due to limited dormitory space, 86% of undergraduates commute.

Between 45% and 50% of NKU's first time, full-time students are first generation college-goers. The university seeks to provide support services that make it possible for all members of its diverse student body to succeed. Academic advisors use a web-based system to proactively identify students who are "off path" for timely degree completion and suggest changes to guide students to a degree. Another particular focus is on transfer students, reflecting NKU's continuing

connection with Gateway Community and Technical College. Gateway2NKU maintains 39 program pathways for seamless transfer between the institutions. Social work pathway participants, for example, graduate in three semesters after transfer to NKU.

**Postsecondary Education  
University of Kentucky**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	279,611,300	267,028,800	253,677,400	250,224,300	249,109,400
Postsecondary Ed Performance			13,411,800		
Budget Reduction-General Fund			-2,670,900		
<b>Total General Fund</b>	<b>279,611,300</b>	<b>267,028,800</b>	<b>264,418,300</b>	<b>250,224,300</b>	<b>249,109,400</b>
<b>Restricted Funds</b>					
Current Receipts	2,576,584,700	2,700,044,900	3,155,198,700	3,412,380,500	3,698,123,000
<b>Total Restricted Funds</b>	<b>2,576,584,700</b>	<b>2,700,044,900</b>	<b>3,155,198,700</b>	<b>3,412,380,500</b>	<b>3,698,123,000</b>
<b>Federal Fund</b>					
Current Receipts	214,153,500	223,242,200	238,439,500	253,980,300	270,764,400
<b>Total Federal Fund</b>	<b>214,153,500</b>	<b>223,242,200</b>	<b>238,439,500</b>	<b>253,980,300</b>	<b>270,764,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,070,349,500</b>	<b>3,190,315,900</b>	<b>3,658,056,500</b>	<b>3,916,585,100</b>	<b>4,217,996,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,736,611,500	1,854,412,000	1,776,161,100	1,909,535,500	2,054,072,700
Operating Expenses	926,754,400	1,032,088,300	1,453,478,100	1,583,938,500	1,718,542,800
Grants Loans Benefits	36,795,400	39,423,500	209,432,300	216,172,900	220,654,000
Debt Service	73,035,200	78,406,800	86,842,400	82,634,700	86,076,700
Capital Outlay	141,207,700	102,172,800	132,142,600	124,303,500	138,650,600
<b>TOTAL EXPENDITURES</b>	<b>2,914,404,200</b>	<b>3,106,503,400</b>	<b>3,658,056,500</b>	<b>3,916,585,100</b>	<b>4,217,996,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	279,611,300	267,028,800	264,418,300	250,224,300	249,109,400
Restricted Funds	2,420,639,400	2,616,232,400	3,155,198,700	3,412,380,500	3,698,123,000
Federal Fund	214,153,500	223,242,200	238,439,500	253,980,300	270,764,400
<b>TOTAL EXPENDITURES</b>	<b>2,914,404,200</b>	<b>3,106,503,400</b>	<b>3,658,056,500</b>	<b>3,916,585,100</b>	<b>4,217,996,800</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	301,999,700	315,394,000	424,170,600	417,396,200	425,884,400
Research	261,912,800	283,066,500	351,867,800	368,558,700	386,352,100
Public Service	465,210,700	572,208,400	428,885,500	451,248,500	474,928,100
Libraries	23,906,700	24,092,400	27,889,400	28,332,100	29,799,600
Academic Support	75,314,400	84,032,700	100,444,600	103,193,500	106,107,100
Student Services	44,410,300	39,772,400	46,564,300	47,424,100	48,326,300
Institutional Support	59,097,100	63,413,500	145,065,700	146,948,700	147,126,800
Operation and Maintenance of Plant	64,400,500	64,143,800	96,854,600	99,746,300	106,186,400
Scholarships and Fellowships	36,795,400	39,423,600	209,432,300	216,172,900	220,654,000
Mandatory Transfers	20,700,800	20,280,200	19,788,800	14,732,600	16,477,600
Non-Mandatory Transfers	16,928,100	-12,753,000			
Auxilliary Enterprises	250,502,400	240,377,600	227,066,700	248,355,300	267,642,800
Hospitals	1,293,225,300	1,373,051,300	1,580,026,200	1,774,476,200	1,988,511,600
<b>TOTAL EXPENDITURES</b>	<b>2,914,404,200</b>	<b>3,106,503,400</b>	<b>3,658,056,500</b>	<b>3,916,585,100</b>	<b>4,217,996,800</b>

The University of Kentucky is Commonwealth's flagship institution of higher education. It is one of the nation's top research universities and also has an important land grant mission for a state where agriculture is a major economic sector. UK is one of only seven universities in the United States with schools of agriculture, engineering, law, medicine and pharmacy on a single campus. It also maintains professional programs in dentistry, architecture, business, economics, education and social professions.

In fall 2017 UK enrolled 30,474 students, including 83.4% of last year's freshman class who returned as sophomores, the highest retention rate ever.

The University campus is undergoing dramatic physical change. In the past six years, UK has completed, initiated, or approved more than \$2.4 billion in capital investment focused on living, learning, health care, research, and dining spaces.

University researchers employ 8,114 Kentuckians who generate over \$21 million in state and local taxes annually. Currently on-going investigations include problems of aging, cancer, cardiovascular and neuro-generative diseases; renewable fuels and plant-based alternatives for industrial manufacturing; drug development and delivery system design; plant bio-tech; equine health; and materials for medical devices and implants.

## **Policy**

The Budget of the Commonwealth provides no funding in fiscal years 2019 and 2020 for the Hospital Direct Support program and the University Press.

The Budget of the Commonwealth includes General Fund in the amount of \$848,500 in fiscal year 2019 and \$2,545,500 in fiscal year 2020 for new debt service to support bonds included in the Capital Budget.

**Postsecondary Education**  
**University of Louisville**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	143,849,100	135,190,400	126,177,500	124,610,600	123,290,400
Postsecondary Ed Performance			6,580,500		
Budget Reduction-General Fund			-1,327,600		
<b>Total General Fund</b>	143,849,100	135,190,400	131,430,400	124,610,600	123,290,400
<b>Restricted Funds</b>					
Current Receipts	728,500,600	910,516,700	999,620,600	1,018,178,700	1,037,241,100
<b>Total Restricted Funds</b>	728,500,600	910,516,700	999,620,600	1,018,178,700	1,037,241,100
<b>Federal Fund</b>					
Current Receipts	89,455,600	87,311,700	98,456,500	98,456,500	98,456,500
<b>Total Federal Fund</b>	89,455,600	87,311,700	98,456,500	98,456,500	98,456,500
<b>TOTAL SOURCE OF FUNDS</b>	961,805,300	1,133,018,800	1,229,507,500	1,241,245,800	1,258,988,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	682,399,700	724,783,100	751,302,700	762,630,500	774,291,000
Operating Expenses	222,416,400	351,885,700	332,577,600	332,988,100	339,069,800
Grants Loans Benefits	32,875,300	34,505,300	114,035,900	114,035,900	114,035,900
Debt Service	14,690,000	13,687,400	19,308,500	19,308,500	19,308,500
Capital Outlay	9,423,900	8,157,300	12,282,800	12,282,800	12,282,800
<b>TOTAL EXPENDITURES</b>	961,805,300	1,133,018,800	1,229,507,500	1,241,245,800	1,258,988,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	143,849,100	135,190,400	131,430,400	124,610,600	123,290,400
Restricted Funds	728,500,600	910,516,700	999,620,600	1,018,178,700	1,037,241,100
Federal Fund	89,455,600	87,311,700	98,456,500	98,456,500	98,456,500
<b>TOTAL EXPENDITURES</b>	961,805,300	1,133,018,800	1,229,507,500	1,241,245,800	1,258,988,000
<b>EXPENDITURES BY UNIT</b>					
Instruction	319,648,600	318,256,000	531,205,700	528,943,300	528,372,100
Research	160,772,600	153,183,800	64,863,400	64,426,100	64,356,500
Public Service	135,712,100	152,148,200	56,848,400	56,615,200	56,554,200
Libraries	18,406,000	18,748,200	18,852,800	18,725,700	18,705,400
Academic Support	131,936,300	135,604,900	137,604,900	136,677,300	136,529,700
Student Services	34,144,900	34,658,700	33,014,000	32,791,400	32,756,000
Institutional Support	77,734,100	102,177,300	80,592,700	80,049,400	79,963,000
Operation and Maintenance of Plant	53,233,800	55,776,400	54,352,700	72,544,400	91,548,500
Scholarships and Fellowships	34,392,400	35,029,200	117,580,500	116,787,900	116,661,800
Mandatory Transfers	13,774,200	13,853,500	19,332,800	19,202,500	19,181,800
Non-Mandatory Transfers	-136,905,100	-4,982,000			
Auxilliary Enterprises	117,131,000	117,824,200	113,547,800	112,782,300	112,660,500
Hospitals	1,824,400	740,400	1,711,800	1,700,300	1,698,500
<b>TOTAL EXPENDITURES</b>	961,805,300	1,133,018,800	1,229,507,500	1,241,245,800	1,258,988,000

The University of Louisville is Kentucky's metropolitan research university, with missions of teaching, research and service. Located in the state's largest city, U of L operates on three campuses: the historic Belknap Campus, the Health Sciences Campus in downtown Louisville's medical complex, and the Shelby Campus in suburban Jefferson County. U of L enrolled 22,640 students in the fall of 2016, with 79.7 percent of the previous fall's freshman class returning. The six-year graduation rate is now 52.8 percent.

U of L researchers received almost \$135 million in grant funding in 2016. The University focuses on translational research, new knowledge and discoveries that can improve people's lives now. The Nucleus facility downtown was developed with innovative tax-increment financing to incubate and accelerate business entities that provide the bridges from the academy into the larger world. The FirstBuild micro-factory on the Belknap campus designs and builds the next generation of home appliances in collaboration with GE Appliances and Local Motors. Medical research focuses on

treatment of pediatric spinal cord injuries, biodefense and emerging infectious diseases, and cancer. Development continues at the Shelby Campus where a conference center and hotel are planned.

**Policy**

General Fund in the amount of \$150,000 in each year of the biennium is appropriated directly to the University of Louisville to support the State Autism Training Center. This program was previously funded via a pass-through in the Council on Postsecondary Education's budget.



**Postsecondary Education  
Western Kentucky University**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	74,649,400	72,040,200	70,823,600	70,034,800	69,344,200
Postsecondary Ed Performance			3,830,200		
Budget Reduction-General Fund			-746,500		
<b>Total General Fund</b>	74,649,400	72,040,200	73,907,300	70,034,800	69,344,200
<b>Restricted Funds</b>					
Current Receipts	226,421,600	258,828,600	294,816,600	311,690,200	316,874,200
<b>Total Restricted Funds</b>	226,421,600	258,828,600	294,816,600	311,690,200	316,874,200
<b>Federal Fund</b>					
Current Receipts	34,574,400	33,389,100	32,340,000	32,340,000	32,340,000
<b>Total Federal Fund</b>	34,574,400	33,389,100	32,340,000	32,340,000	32,340,000
<b>TOTAL SOURCE OF FUNDS</b>	335,645,400	364,257,900	401,063,900	414,065,000	418,558,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	213,498,500	241,230,900	190,983,000	194,041,000	196,971,200
Operating Expenses	53,015,200	56,308,800	113,036,800	114,370,300	114,502,500
Grants Loans Benefits	22,285,400	20,202,300	76,164,100	84,758,700	86,173,700
Debt Service	16,165,600	16,099,300	16,684,500	16,684,500	16,684,500
Capital Outlay	30,680,700	30,416,600	4,195,500	4,210,500	4,226,500
<b>TOTAL EXPENDITURES</b>	335,645,400	364,257,900	401,063,900	414,065,000	418,558,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	74,649,400	72,040,200	73,907,300	70,034,800	69,344,200
Restricted Funds	226,421,600	258,828,600	294,816,600	311,690,200	316,874,200
Federal Fund	34,574,400	33,389,100	32,340,000	32,340,000	32,340,000
<b>TOTAL EXPENDITURES</b>	335,645,400	364,257,900	401,063,900	414,065,000	418,558,400
<b>EXPENDITURES BY UNIT</b>					
Instruction	110,706,100	112,658,100	124,071,800	124,245,200	125,839,300
Research	7,299,200	8,113,700	5,940,800	5,913,200	5,931,300
Public Service	14,774,700	15,007,300	10,422,400	10,341,100	10,352,300
Libraries	5,894,100	6,216,300	8,693,200	8,711,800	8,923,200
Academic Support	19,024,600	20,265,200	24,275,200	24,344,500	24,731,200
Student Services	33,231,200	33,232,800	38,762,000	38,792,800	39,190,500
Institutional Support	43,041,500	69,195,200	54,772,200	55,205,100	55,533,400
Operation and Maintenance of Plant	26,808,500	27,550,600	35,491,500	35,170,600	35,485,800
Scholarships and Fellowships	22,722,000	20,469,900	64,076,300	76,782,200	78,012,900
Non-Mandatory Transfers	26,363,100	25,413,900	11,726,500	11,726,500	11,726,500
Auxilliary Enterprises	25,780,400	26,134,900	22,832,000	22,832,000	22,832,000
<b>TOTAL EXPENDITURES</b>	335,645,400	364,257,900	401,063,900	414,065,000	418,558,400

Western Kentucky University is the largest of Kentucky's six comprehensive postsecondary institutions with over 20,000 students on the main campus in Bowling Green and at regional campuses in Glasgow, Owensboro and Elizabethtown. In addition to its traditional mission to train teachers and education leaders for the schools in its service area, WKU provides academic programs in liberal arts and sciences, business, engineering, health sciences and agriculture.

WKU offers 1,700 courses on-line in 80 complete academic programs at the undergraduate and graduate level.

WKU is the home of the Gatton Academy of Mathematics and Science for exceptional Kentucky high school juniors and seniors. The Academy was named the number one high school in the United States in 2012 and 2013 by Newsweek.

Last year 1,460 WKU students participated in study abroad in 32 countries. WKU students also enjoy a global experience through the presence of faculty and fellow students recruited from around the world. The Confucius Institute expands knowledge and strengthens ties with China through language education and arts and cultural programming.

**Policy**

The Budget of the Commonwealth includes General Fund in the amount of \$750,000 in each fiscal year for the Kentucky Mesonet.

**Postsecondary Education**  
**Kentucky Community and Technical College System**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	190,162,300	181,605,000	172,524,700	167,729,000	166,034,000
Postsecondary Ed Performance			9,080,300		
Budget Reduction-General Fund			-1,816,100		
<b>Total General Fund</b>	190,162,300	181,605,000	179,788,900	167,729,000	166,034,000
<b>Restricted Funds</b>					
Current Receipts	219,228,700	303,630,100	426,692,100	426,692,100	426,692,100
<b>Total Restricted Funds</b>	219,228,700	303,630,100	426,692,100	426,692,100	426,692,100
<b>Federal Fund</b>					
Current Receipts	191,365,400	181,297,500	244,555,000	244,555,000	244,555,000
<b>Total Federal Fund</b>	191,365,400	181,297,500	244,555,000	244,555,000	244,555,000
<b>TOTAL SOURCE OF FUNDS</b>	600,756,400	666,532,600	851,036,000	838,976,100	837,281,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	289,068,000	331,575,200	413,822,000	413,822,000	412,656,600
Operating Expenses	94,379,500	109,280,000	139,042,200	139,042,200	138,724,800
Grants Loans Benefits	213,696,800	221,607,000	292,991,300	280,931,400	280,730,500
Capital Outlay	3,612,100	4,070,400	5,180,500	5,180,500	5,169,200
<b>TOTAL EXPENDITURES</b>	600,756,400	666,532,600	851,036,000	838,976,100	837,281,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	190,162,300	181,605,000	179,788,900	167,729,000	166,034,000
Restricted Funds	219,228,700	303,630,100	426,692,100	426,692,100	426,692,100
Federal Fund	191,365,400	181,297,500	244,555,000	244,555,000	244,555,000
<b>TOTAL EXPENDITURES</b>	600,756,400	666,532,600	851,036,000	838,976,100	837,281,100
<b>EXPENDITURES BY UNIT</b>					
Instruction	167,681,300	196,690,700	250,897,900	249,121,200	248,597,900
Public Service	38,023,600	44,710,900	56,077,200	54,724,700	54,570,600
Libraries	6,664,900	8,022,800	9,815,800	9,576,100	9,548,800
Academic Support	24,755,100	28,450,700	35,959,400	35,185,400	35,097,200
Student Services	52,868,200	58,952,800	75,141,700	73,747,500	73,588,600
Institutional Support	36,463,200	36,182,100	38,527,800	36,056,100	35,774,500
Operation and Maintenance of Plant	62,523,900	73,734,700	92,263,200	89,975,100	89,714,400
Scholarships and Fellowships	211,776,200	219,787,900	292,353,000	290,590,000	290,389,100
<b>TOTAL EXPENDITURES</b>	600,756,400	666,532,600	851,036,000	838,976,100	837,281,100

The Kentucky Community and Technical College System (KCTCS) was created in 1997 by the merger of the technical college system in the Cabinet for Workforce Development and the community college system then under the direction of the University of Kentucky. There are 16 community and technical colleges operating at more than 70 locations across the state, with more than 107,000 students enrolled.

The mission of KCTCS is to be a gateway to affordable, high quality postsecondary education. The system maintains an open admissions policy and a robust menu of developmental courses. In addition to industry-specific training leading to portable credentials, the colleges offer a two year academic curriculum designed to transfer to all of Kentucky's four-year institutions.

KCTCS operates more than 140 on-line programs leading to associate degrees and certificates. The system is Kentucky's largest provider of workforce training, reaching nearly 42,000 employees annually.

KCTCS administers the Kentucky Board of Emergency Medical Services and the Kentucky Fire Commission.

**Policy**

The Budget of the Commonwealth provides no funding in fiscal years 2019 and 2020 for the Kentucky Coal Academy.

**Postsecondary Education**  
**Postsecondary Education Performance Fund**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation			42,944,400	31,000,000	38,665,800
Postsecondary Ed Performance			-42,944,400		
<b>Total General Fund</b>				31,000,000	38,665,800
<b>TOTAL SOURCE OF FUNDS</b>				31,000,000	38,665,800
<b>EXPENDITURES BY CLASS</b>					
Operating Expenses				31,000,000	38,665,800
<b>TOTAL EXPENDITURES</b>				31,000,000	38,665,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund				31,000,000	38,665,800
<b>TOTAL EXPENDITURES</b>				31,000,000	38,665,800
<b>EXPENDITURES BY UNIT</b>					
Postsecondary Education Performance Fund				31,000,000	38,665,800
<b>TOTAL EXPENDITURES</b>				31,000,000	38,665,800

In the Kentucky Postsecondary Education Improvement Act of 1997, the General Assembly declared that the welfare and well-being of the citizens of the Commonwealth depend on the development of a well-educated and highly trained workforce, and that such education and training is necessary to allow the citizens to achieve a standard of living above the national average. The General Assembly went on describe an integrated system of postsecondary education that would provide that education and training by the year 2020.

Since then the public postsecondary institutions have improved in raising the level of educational attainment of Kentucky's citizens, although not yet to the level of the national average. Education outcomes are not sufficiently aligned with current and future employer needs. To achieve that stated goal, Kentucky must educate and train more of its people, including more of those from low-income families, more members of minority groups, more rural residents, and more working adults who left school prematurely.

The 2017 Regular Session of the General Assembly enacted Senate Bill 153, now codified in KRS 164.092. The bill established a comprehensive funding model for Kentucky's public postsecondary education system to distribute resources based on rational criteria, including student success, course completion, and operational support components. The first allocation from the Postsecondary Education Performance Fund was made in fiscal year 2018.

**Policy**

KRS 164.092(9)(a)1 includes a hold-harmless provision for fiscal year 2019, preventing a reduction in an institution's funding amount based solely on the performance formula calculation. Thus, none of the institutions' base funding is reallocated via the Postsecondary Education Performance Fund in fiscal year 2018-2019. KRS 164.092(9)(a)2 includes a stop-loss provision for fiscal year 2019-2020, limiting the performance-based reduction in funding to any institution to one percent (1%) of that institution's base amount. The Budget of the Commonwealth includes General Fund in the amount of \$7,665,800 in fiscal year 2019-2020 for the Postsecondary Education Performance Fund, which represents one percent (1%) of the institutions' base allocable resources that shall be allocated according to the comprehensive funding model established in KRS 164.092.

The Budget of the Commonwealth includes additional General Fund of \$31,000,000 in each year of the biennium to be distributed to public postsecondary institutions via the comprehensive performance funding model.

# Public Protection

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**Public Protection**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,322,000	7,102,700	7,172,300	7,074,100	7,178,100
Budget Reduction-General Fund		-142,100	-367,400		
<b>Total General Fund</b>	<b>7,322,000</b>	<b>6,960,600</b>	<b>6,804,900</b>	<b>7,074,100</b>	<b>7,178,100</b>
<b>Restricted Funds</b>					
Balance Forward	73,971,024	85,144,782	81,852,800	68,313,500	53,337,000
Current Receipts	100,497,388	100,776,529	99,441,300	99,616,800	100,536,000
Non-Revenue Receipts	22,210,604	26,277,114	22,228,500	24,195,300	24,384,600
Fund Transfers	-28,600,000	-45,518,649	-30,850,000	-23,000,000	-23,000,000
<b>Total Restricted Funds</b>	<b>168,079,016</b>	<b>166,679,776</b>	<b>172,672,600</b>	<b>169,125,600</b>	<b>155,257,600</b>
<b>Federal Fund</b>					
Balance Forward	1,285		3,500	3,500	
Current Receipts	668,723	341,790	1,295,700	857,200	157,200
<b>Total Federal Fund</b>	<b>670,008</b>	<b>341,790</b>	<b>1,299,200</b>	<b>860,700</b>	<b>157,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>176,071,024</b>	<b>173,982,165</b>	<b>180,776,700</b>	<b>177,060,400</b>	<b>162,592,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	57,382,446	58,248,648	71,787,800	81,799,100	82,015,000
Operating Expenses	10,861,340	10,398,807	12,771,100	12,680,300	12,680,300
Grants Loans Benefits	21,864,124	22,742,868	25,829,800	25,772,300	25,772,300
Capital Outlay	458,942	736,026	2,071,000	3,471,700	1,805,500
Construction	3,635				
<b>TOTAL EXPENDITURES</b>	<b>90,570,487</b>	<b>92,126,349</b>	<b>112,459,700</b>	<b>123,723,400</b>	<b>122,273,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,966,246	6,960,600	6,804,900	7,074,100	7,178,100
Restricted Funds	82,934,233	84,827,447	104,359,100	115,788,600	114,937,800
Federal Fund	670,008	338,302	1,295,700	860,700	157,200
<b>TOTAL EXPENDITURES</b>	<b>90,570,487</b>	<b>92,126,349</b>	<b>112,459,700</b>	<b>123,723,400</b>	<b>122,273,100</b>
<b>EXPENDITURES BY UNIT</b>					
Secretary	4,187,962	4,323,191	5,907,000	6,494,100	6,581,000
Professional Licensing	4,426,010	4,196,346	5,193,200	5,768,800	5,819,200
Kentucky Claims Commission	2,326,855	2,243,211	2,364,300	2,496,200	2,515,200
Boxing and Wrestling Commission	132,557	65,689	161,800	178,100	179,600
Alcoholic Beverage Control	6,098,844	6,201,450	7,678,500	8,198,500	8,257,500
Charitable Gaming	2,964,319	3,109,157	3,742,200	4,292,800	4,333,900
Financial Institutions	10,204,414	10,367,553	12,678,500	14,523,000	14,688,700
Horse Racing Commission	26,621,684	27,302,234	32,026,000	32,828,300	32,893,100
Housing, Buildings and Construction	19,095,000	19,790,584	23,197,500	28,094,200	26,704,100
Insurance	14,512,843	14,526,933	19,510,700	20,849,400	20,300,800
<b>TOTAL EXPENDITURES</b>	<b>90,570,487</b>	<b>92,126,349</b>	<b>112,459,700</b>	<b>123,723,400</b>	<b>122,273,100</b>

The Public Protection Cabinet is charged with the supervision and regulation of industries. The mission of the Cabinet is to provide for public safety, consumer protection and financial integrity through enforcement and administration of laws and regulations throughout the Commonwealth. The Cabinet has six departments: Alcoholic Beverage Control, Charitable Gaming, Financial Institutions, Housing, Buildings and Construction, Insurance and Professional Licensing. The Cabinet has commissions attached for administrative purposes only: Kentucky Horse Racing Commission, Boxing & Wrestling Commission and Kentucky Claims Commission. The Office of the Secretary also includes the Office of Communications and Public Outreach and the Office of Legal Services.

**Public Protection  
Secretary**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	283,100	276,400	279,700		
Budget Reduction-General Fund		-5,500	-32,100		
<b>Total General Fund</b>	<b>283,100</b>	<b>270,900</b>	<b>247,600</b>		
<b>Restricted Funds</b>					
Balance Forward	1,075,827	931,574	1,710,000	2,075,800	791,200
Current Receipts	10	333			
Non-Revenue Receipts	3,773,300	4,830,423	6,025,200	5,209,500	6,028,900
<b>Total Restricted Funds</b>	<b>4,849,136</b>	<b>5,762,331</b>	<b>7,735,200</b>	<b>7,285,300</b>	<b>6,820,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>5,132,236</b>	<b>6,033,231</b>	<b>7,982,800</b>	<b>7,285,300</b>	<b>6,820,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,944,604	4,121,329	5,664,200	6,184,100	6,271,000
Operating Expenses	243,358	198,245	242,800	310,000	310,000
Capital Outlay		3,618			
<b>TOTAL EXPENDITURES</b>	<b>4,187,962</b>	<b>4,323,191</b>	<b>5,907,000</b>	<b>6,494,100</b>	<b>6,581,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	270,400	270,900	247,600		
Restricted Funds	3,917,562	4,052,291	5,659,400	6,494,100	6,581,000
<b>TOTAL EXPENDITURES</b>	<b>4,187,962</b>	<b>4,323,191</b>	<b>5,907,000</b>	<b>6,494,100</b>	<b>6,581,000</b>
<b>EXPENDITURES BY UNIT</b>					
Office of the Secretary - Comm - Legal	4,187,962	4,323,191	5,907,000	6,494,100	6,581,000
<b>TOTAL EXPENDITURES</b>	<b>4,187,962</b>	<b>4,323,191</b>	<b>5,907,000</b>	<b>6,494,100</b>	<b>6,581,000</b>

A Secretary appointed by the Governor heads the Cabinet. The Secretary is responsible for guiding Departmental agencies in policy and program implementation and is responsible for operating each agency in the most efficient and cost effective manner possible while maintaining a high quality of service to the general public as well as the businesses, trades, and professionals it licenses and regulates.

**Public Protection**  
**Kentucky Claims Commission**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,180,700	1,223,400	1,239,200	1,371,000	1,390,000
Other		297,000			
<b>Total General Fund</b>	1,180,700	1,520,400	1,239,200	1,371,000	1,390,000
<b>Restricted Funds</b>					
Balance Forward	364,606	464,537	641,400	517,900	349,700
Current Receipts	1,023,421	848,905	844,400	799,800	771,100
Non-Revenue Receipts		17			
<b>Total Restricted Funds</b>	1,388,027	1,313,459	1,485,800	1,317,700	1,120,800
<b>Federal Fund</b>					
Current Receipts	302,119	50,763	157,200	157,200	157,200
<b>Total Federal Fund</b>	302,119	50,763	157,200	157,200	157,200
<b>TOTAL SOURCE OF FUNDS</b>	2,870,847	2,884,622	2,882,200	2,845,900	2,668,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,584,361	1,232,905	1,410,500	1,523,700	1,542,700
Operating Expenses	491,011	731,589	678,800	697,500	697,500
Grants Loans Benefits	251,482	278,717	275,000	275,000	275,000
<b>TOTAL EXPENDITURES</b>	2,326,855	2,243,211	2,364,300	2,496,200	2,515,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,101,246	1,520,400	1,239,200	1,371,000	1,390,000
Restricted Funds	923,490	672,047	967,900	968,000	968,000
Federal Fund	302,119	50,763	157,200	157,200	157,200
<b>TOTAL EXPENDITURES</b>	2,326,855	2,243,211	2,364,300	2,496,200	2,515,200
<b>EXPENDITURES BY UNIT</b>					
Kentucky Claims Commission	967,831	748,461	808,000	819,400	826,800
Kentucky Claims Commission Reparations	1,359,024	1,494,749	1,556,300	1,676,800	1,688,400
<b>TOTAL EXPENDITURES</b>	2,326,855	2,243,211	2,364,300	2,496,200	2,515,200

The Kentucky Claims Commission was created by Executive Order 2016-576 and codified in KRS 49 and combined the former Board of Claims, the Crime Victims Compensation Board and the Kentucky Board of Tax Appeals. The Claims-Administration Section (formerly Board of Claims), Tax Appeals and Crime Victims Compensation share the same Commission members appointed by the Governor.

The Claims Commission is the only forum through which a citizen may sue the state for alleged negligence. Payments to claimants of less than \$5,000 are from funds of the state agency determined to be at fault, awards over \$5,000 are paid from appropriations from the General Fund (ANOC), and awards against the Transportation Cabinet are paid from the Road Fund. The maximum award on a single claim is \$250,000 and there is a cap of \$400,000 on multiple claims arising from the same incident.

The Claims Commission as a payer of last resort is able to reimburse innocent crime victims up to \$25,000 for their medical expenses, lost wages that are not paid by any other source, and include funeral expenses up to \$5,000. The amount of time that a claimant has to submit a claim is five years. The Commission receives an allocation of 3.4 percent of the state court cost fees and pursuant to KRS 186.574 receives 5.7% of the \$30 fee from county attorney's traffic safety programs.

Pursuant to KRS 216B.400 and KRS 49, the Claims Commission is responsible for paying health care providers and facilities for sexual assault examinations. The Commission receives federal funding from the Victims of Crime Act (VOCA) matching grant at 60% based on prior year claims from General and Restricted Funds.

The Claims Commission has exclusive jurisdiction to hear and resolve appeals arising from final rulings, orders, and determinations of any agency of state or county government relating to revenue and taxation.



**Public Protection  
Professional Licensing**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	4,384,178	4,420,288	5,109,300	4,535,100	3,674,600
Current Receipts	4,630,510	4,808,185	4,745,700	5,017,100	5,024,100
Non-Revenue Receipts	-18,390	77,140	-126,700	-108,800	-138,100
Fund Transfers	-150,000				
<b>Total Restricted Funds</b>	<b>8,846,298</b>	<b>9,305,613</b>	<b>9,728,300</b>	<b>9,443,400</b>	<b>8,560,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>8,846,298</b>	<b>9,305,613</b>	<b>9,728,300</b>	<b>9,443,400</b>	<b>8,560,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,364,884	3,447,072	3,945,200	4,693,100	4,743,500
Operating Expenses	964,286	664,677	1,090,500	970,700	970,700
Grants Loans Benefits	73,445	84,598	142,500	105,000	105,000
Capital Outlay	19,760		15,000		
Construction	3,635				
<b>TOTAL EXPENDITURES</b>	<b>4,426,010</b>	<b>4,196,346</b>	<b>5,193,200</b>	<b>5,768,800</b>	<b>5,819,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	4,426,010	4,196,346	5,193,200	5,768,800	5,819,200
<b>TOTAL EXPENDITURES</b>	<b>4,426,010</b>	<b>4,196,346</b>	<b>5,193,200</b>	<b>5,768,800</b>	<b>5,819,200</b>
<b>EXPENDITURES BY UNIT</b>					
Occupations, Professions, and Licensing	1,192,843	1,250,630	1,479,700	1,704,600	1,724,100
Kentucky Real Estate Authority	3,233,167	2,945,716	3,713,500	4,064,200	4,095,100
<b>TOTAL EXPENDITURES</b>	<b>4,426,010</b>	<b>4,196,346</b>	<b>5,193,200</b>	<b>5,768,800</b>	<b>5,819,200</b>

The 2017 General Assembly codified Executive Order 2017-325 in HB443 to establish the Department of Professional Licensing that altered the Office of Occupations and Professions. The Department provides oversight, administrative and fiscal management, technical support and advice to the professional licensing boards.

Executive Order 2016-859 was codified in KRS 324B.020 to establish the Kentucky Real Estate Authority within the Department in order to provide oversight of the over four professional licensing boards that serve functions in the real estate industry. The four boards were abolished and the Board of Real Estate Professionals, Kentucky Board of Real Estate Appraisers, Board of Home Inspectors and Kentucky Board of Auctioneers were recreated under the Authority. Each board under the Authority has five voting members and an Executive Director. The Real Estate Authority utilizes the administrative support services provided by the Department of Professional Licensing.

**Public Protection**  
**Boxing and Wrestling Commission**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	239,783	194,437	258,500	214,700	171,900
Current Receipts	87,212	168,466	118,000	135,300	138,600
Non-Revenue Receipts		-38,723			
<b>Total Restricted Funds</b>	326,994	324,180	376,500	350,000	310,500
<b>TOTAL SOURCE OF FUNDS</b>	326,994	324,180	376,500	350,000	310,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	111,803	47,683	140,200	165,400	166,900
Operating Expenses	20,755	18,006	21,600	12,700	12,700
<b>TOTAL EXPENDITURES</b>	132,557	65,689	161,800	178,100	179,600
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	132,557	65,689	161,800	178,100	179,600
<b>TOTAL EXPENDITURES</b>	132,557	65,689	161,800	178,100	179,600
<b>EXPENDITURES BY UNIT</b>					
Boxing and Wrestling Commission	132,557	65,689	161,800	178,100	179,600
<b>TOTAL EXPENDITURES</b>	132,557	65,689	161,800	178,100	179,600

The Boxing and Wrestling Commission, pursuant to KRS Chapter 229, is the sole authority over professional boxing, wrestling, and amateur and professional mixed martial arts (MMA) shows or exhibitions in Kentucky. The five Commission board members are appointed by the Governor and recommend statutory and regulatory changes, review applications for licensure and review recommendations from the Kentucky Boxing and Wrestling Commission Medical Advisory Panel. The Commission is responsible for enforcement of KRS Chapter 229 and 201 KAR Chapter 27 including investigation of complaints and issuance of violations, processing licenses for all parties involved including: professional and amateur MMA contestants, professional boxers, professional wrestlers, managers, trainers, referees, judges, timekeepers, physicians, promoters, and event staff. Requested show dates and participants are subject to the Commission review and approval. All wrestling events undergo inspection on a random basis and a Commission Inspector supervises all boxing and MMA events.

**Public Protection  
Alcoholic Beverage Control**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	618,100	587,100	591,700		
Budget Reduction-General Fund		-5,800	-67,900		
Other		-297,000			
<b>Total General Fund</b>	618,100	284,300	523,800		
<b>Restricted Funds</b>					
Balance Forward	3,473,050	3,987,084	2,939,500	2,891,300	1,947,400
Current Receipts	7,104,858	7,668,264	7,888,100	7,924,100	7,949,100
Non-Revenue Receipts	-382,280	-498,682	-481,600	-669,500	-507,100
Fund Transfers	-700,000	-2,300,000	-300,000		
<b>Total Restricted Funds</b>	9,495,628	8,856,667	10,046,000	10,145,900	9,389,400
<b>TOTAL SOURCE OF FUNDS</b>	10,113,728	9,140,967	10,569,800	10,145,900	9,389,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,947,748	5,219,922	6,075,100	6,587,700	6,646,700
Operating Expenses	999,779	981,528	1,123,400	1,145,800	1,145,800
Capital Outlay	151,317		480,000	465,000	465,000
<b>TOTAL EXPENDITURES</b>	6,098,844	6,201,450	7,678,500	8,198,500	8,257,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	590,300	284,300	523,800		
Restricted Funds	5,508,544	5,917,150	7,154,700	8,198,500	8,257,500
<b>TOTAL EXPENDITURES</b>	6,098,844	6,201,450	7,678,500	8,198,500	8,257,500
<b>EXPENDITURES BY UNIT</b>					
Administration, Enforcement and License	5,737,944	5,826,953	7,290,900	7,922,200	7,979,700
Tobacco Enforcement	360,899	374,497	387,600	276,300	277,800
<b>TOTAL EXPENDITURES</b>	6,098,844	6,201,450	7,678,500	8,198,500	8,257,500

The Department of Alcoholic Beverage Control (ABC), pursuant to KRS Chapters 241-244, enforces laws relating to the manufacture, sale, transportation, storage, and advertising of alcoholic beverages.

The Commissioner of the Department serves as both the agency's administrative officer and the Chairman of the Alcoholic Beverage Control Board, which also includes the directors of the Malt Beverage and Distilled Spirits divisions. The Secretary of the Public Protection Cabinet, with the approval of the Governor, appoints all three board members.

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

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

The Department also implements laws, pursuant to KRS 438.300 – 438.330, relating to the use, display, sell or distribution of tobacco products with an emphasis on persons under the age of 18.

**Public Protection  
Charitable Gaming**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,391,853	1,988,705	2,955,800	2,972,100	2,453,000
Current Receipts	3,561,170	4,054,246	3,732,300	3,747,500	3,748,400
Non-Revenue Receipts		22,033	26,200	26,200	26,200
<b>Total Restricted Funds</b>	<b>4,953,023</b>	<b>6,064,984</b>	<b>6,714,300</b>	<b>6,745,800</b>	<b>6,227,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,953,023</b>	<b>6,064,984</b>	<b>6,714,300</b>	<b>6,745,800</b>	<b>6,227,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,519,212	2,698,146	3,096,400	3,574,600	3,615,700
Operating Expenses	417,626	366,619	521,700	615,700	615,700
Grants Loans Benefits	2,500	2,500	2,500	2,500	2,500
Capital Outlay	24,980	41,892	121,600	100,000	100,000
<b>TOTAL EXPENDITURES</b>	<b>2,964,319</b>	<b>3,109,157</b>	<b>3,742,200</b>	<b>4,292,800</b>	<b>4,333,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	2,964,319	3,109,157	3,742,200	4,292,800	4,333,900
<b>TOTAL EXPENDITURES</b>	<b>2,964,319</b>	<b>3,109,157</b>	<b>3,742,200</b>	<b>4,292,800</b>	<b>4,333,900</b>
<b>EXPENDITURES BY UNIT</b>					
Charitable Gaming	2,964,319	3,109,157	3,742,200	4,292,800	4,333,900
<b>TOTAL EXPENDITURES</b>	<b>2,964,319</b>	<b>3,109,157</b>	<b>3,742,200</b>	<b>4,292,800</b>	<b>4,333,900</b>

The Department of Charitable Gaming, pursuant to KRS Chapter 238, is responsible for the licensure and regulation of charitable organizations, facilities, distributors, and manufacturers involved with charitable gaming in the Commonwealth. The agency performs inspections, issues licenses, conducts audits and criminal investigations of charitable gaming establishments.

**Public Protection  
Financial Institutions**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	7,347,467	8,087,083	6,835,700	4,576,500	2,872,100
Current Receipts	18,110,130	17,535,770	17,598,000	17,351,000	17,376,000
Non-Revenue Receipts	-1,166,100	-1,419,700	-1,678,700	-1,532,400	-1,668,000
Fund Transfers	-6,000,000	-7,000,000	-5,500,000	-3,000,000	-3,000,000
<b>Total Restricted Funds</b>	<b>18,291,497</b>	<b>17,203,153</b>	<b>17,255,000</b>	<b>17,395,100</b>	<b>15,580,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>18,291,497</b>	<b>17,203,153</b>	<b>17,255,000</b>	<b>17,395,100</b>	<b>15,580,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,378,624	8,717,082	10,907,000	12,588,100	12,753,800
Operating Expenses	1,825,790	1,649,224	1,771,500	1,934,900	1,934,900
Grants Loans Benefits		1,247			
<b>TOTAL EXPENDITURES</b>	<b>10,204,414</b>	<b>10,367,553</b>	<b>12,678,500</b>	<b>14,523,000</b>	<b>14,688,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	10,204,414	10,367,553	12,678,500	14,523,000	14,688,700
<b>TOTAL EXPENDITURES</b>	<b>10,204,414</b>	<b>10,367,553</b>	<b>12,678,500</b>	<b>14,523,000</b>	<b>14,688,700</b>
<b>EXPENDITURES BY UNIT</b>					
Administrative Services	1,624,056	1,473,576	1,690,400	1,925,800	1,947,000
Securities	1,490,237	1,567,025	1,944,700	2,236,400	2,262,600
Depository Institutions	4,447,085	4,626,344	5,919,100	6,751,400	6,826,200
Non-Depository Institutions	2,643,036	2,700,608	3,124,300	3,609,400	3,652,900
<b>TOTAL EXPENDITURES</b>	<b>10,204,414</b>	<b>10,367,553</b>	<b>12,678,500</b>	<b>14,523,000</b>	<b>14,688,700</b>

The Department of Financial Institutions, pursuant to KRS Chapter 286, licenses and regulates banks, bank holding companies, trust companies, credit unions, savings and loan associations, consumer loan companies, industrial loan companies, mortgage loan companies, mortgage loan brokers, check cashing licensees, sale of check licensees, securities issuers, broker-dealers, agents, and investment advisors. A Commissioner appointed by the Governor heads the Department.

The Commissioner's Office is responsible for the overall management of the agency. The Public Information Officer is part of the Commissioner's office and is responsible for all communications with the media and handling the department's public relations efforts through coordination of educational seminars, brochures, and newsletters.

The Division of Securities carries out the registration of securities issuances in the state. The Division registers broker-dealers, their agents, investment advisers, and investment adviser representatives, and conducts on-site examinations of these regulated entities. The Division investigates allegations of securities fraud or other illegal conduct entities involved in the securities industry that is operating within Kentucky.

The Division of Depository Institutions licenses/charters, examines and regulates depository financial institutions within the Bank Branch and Credit Union Branch. The Bank Branch is responsible for the examination and supervision of commercial banks, bank holding companies, and independent trust companies. The Credit Union Branch is responsible for examination and supervision of all state chartered credit unions.

The Division of Non-Depository Institutions includes both the Compliance Branch and Consumer Protection Branch. The Compliance branch is responsible for the examination and supervision of consumer loan companies, industrial loan companies, mortgage loan companies, mortgage loan brokers, check cashing licensees, and money transmitters. The Consumer Protection Branch is responsible for the investigation of complaints and provides outreach and education to protect consumers from financial frauds.

**Public Protection  
Horse Racing Commission**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,738,600	2,623,000	2,647,200	3,092,300	3,147,700
Budget Reduction-General Fund		-52,500	-267,400		
<b>Total General Fund</b>	2,738,600	2,570,500	2,379,800	3,092,300	3,147,700
<b>Restricted Funds</b>					
Balance Forward	27,077,225	29,162,487	33,248,400	31,114,000	29,186,000
Current Receipts	4,070,523	4,863,476	4,094,400	4,586,500	4,884,200
Non-Revenue Receipts	22,021,024	25,954,015	23,417,400	23,221,500	23,310,700
Fund Transfers		-2,000,000			
<b>Total Restricted Funds</b>	53,168,772	57,979,978	60,760,200	58,922,000	57,380,900
<b>TOTAL SOURCE OF FUNDS</b>	55,907,372	60,550,478	63,140,000	62,014,300	60,528,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,129,135	3,930,306	5,337,800	6,219,700	6,284,500
Operating Expenses	940,655	912,440	1,200,400	1,140,800	1,140,800
Grants Loans Benefits	21,536,697	22,375,806	25,409,800	25,389,800	25,389,800
Capital Outlay	15,197	83,683	78,000	78,000	78,000
<b>TOTAL EXPENDITURES</b>	26,621,684	27,302,234	32,026,000	32,828,300	32,893,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,615,400	2,570,500	2,379,800	3,092,300	3,147,700
Restricted Funds	24,006,284	24,731,734	29,646,200	29,736,000	29,745,400
<b>TOTAL EXPENDITURES</b>	26,621,684	27,302,234	32,026,000	32,828,300	32,893,100
<b>EXPENDITURES BY UNIT</b>					
Administration and Regulation of Racing	4,000,954	4,108,002	4,948,500	5,706,900	5,765,900
Equine Drug Research Fund	386,533	320,673	1,000,000	1,000,000	1,000,000
Thoroughbred Development Fund	8,091,880	8,751,900	8,451,900	8,451,900	8,451,900
Standardbred Development Fund	213,093	96,110	1,550,000	1,550,000	1,550,000
Standardbred Horsemen Fees	400,000	180,000	395,000	395,000	395,000
Ky Quarter Horse, Appaloosa & Arabian Development Fund			20,000	20,000	20,000
County Fair Purse Fund	57,359	67,074	89,300	89,300	89,300
Thoroughbred Owners and Breeders	2,210				
Backside Improvement Commission	509,109	341,248	300,400	300,400	300,400
Ky Thoroughbred Breeder Incentive Fund	11,148,489	11,166,584	12,285,900	12,349,800	12,355,600
Ky Standardbred Breeder Incentive Fund	905,262	1,313,302	1,715,000	1,715,000	1,715,000
Ky Horse Breeders Incentive Fund	906,797	957,342	1,250,000	1,250,000	1,250,000
KY Quarter Horse, Appaloosa & Arabian Purse Fund			20,000		
<b>TOTAL EXPENDITURES</b>	26,621,684	27,302,234	32,026,000	32,828,300	32,893,100

The Kentucky Horse Racing Commission, pursuant to KRS 230.225, is responsible for the regulation of horse racing, pari-mutuel wagering on horse racing and related activities in the Commonwealth. The Commission is also charged with fostering and encouraging the equine breeding industry within the Commonwealth. The Commission prescribes the rules, regulations, and conditions under which all Thoroughbred, Standardbred, Quarter Horse, Appaloosa, and Arabian racing and pari-mutuel wagering thereon may be conducted in the Commonwealth.

The Commission's charge is to:

- Recommend tax incentives and other options to promote the strength and growth of the equine industry and to preserve the economic viability of Kentucky's horse farms;
- Design and implement programs that strengthen the ties between Kentucky's horse industry and the state's universities, with the goal of increasing the horse industry's impact on the state's economy;
- Developing and supporting programs which ensure that Kentucky remains a national leader in equine research;
- Develop programs and procedures which will aggressively fulfill its oversight on such matters as race day medications and other medication issues;
- Develop and implement programs designed to ensure the safety of all participants in horse racing including jockeys, drivers and horses; and
- Develop and implement programs and procedures that protect the integrity of pari-mutuel horse racing.

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

The Administration and Regulation of Racing program performs the administrative and oversight functions of the Commission. The Division of Veterinary Services oversees the state veterinarians and support staff. The Division of Racing & Security supervises drug testing and interdiction at racetracks. The Division of Licensing is responsible for licensing all individuals who participate in horse racing. The Division of Incentives and Development including the Kentucky Thoroughbred, Standardbred, and Horse Breeders' Incentive Funds provide rewards to breeders of horses bred and foaled in Kentucky. Incentive funds are derived from sales taxes paid on stud fees.

The Equine Drug Research Council, KRS 230.265, advises the Commission on research and on the regulation of therapeutic medications and prohibited substances. One-tenth of one percent of the thoroughbred pari-mutuel handle supports the Council. Funds are used to support drug research and testing, equine medical research, equine health research or any regulatory or administrative activity of the Commission that is related to such research.

The Thoroughbred Development Fund, KRS 230.400, was created in 1978 to encourage breeders from other states to send their breeding stock to Kentucky to improve the caliber of breeding and racing stock in the Commonwealth. The program is funded by three-fourth of one percent of the total pari-mutuel handle and the funds are distributed as purse supplements to the owner of the horse.

The Standardbred Development Fund, KRS 230.770, supports efforts to encourage breeders from other states to send their breeding stock to Kentucky, to increase the number of owners in Kentucky, and to increase the number of horses bred in Kentucky. It receives one percent of the pari-mutuel handle and the funds are distributed as purses for the Kentucky Sire Stakes.

The Kentucky Quarter Horse, Appaloosa and Arabian Development Fund was established during the 2010 General Assembly to promote races and provide purses for races for horses bred and foaled in the Commonwealth. The Kentucky Horse Racing Commission is responsible for distributing the funds to persons, corporations or associations operating licensed tracks within Kentucky conducting Quarter Horse, Appaloosa or Arabian horse racing.

The County Fair Purse Fund, KRS 230.398, receives funding from pari-mutuel standardbred racing tickets not redeemed and four percent of the commissions on wagers at simulcast facilities and redistributes the funds in the form of purse supplements for standardbred racing events to county fairs.

The Backside Improvement Fund, KRS 230.218, is charged with promoting, enhancing, and improving the backsides of eligible thoroughbred racing associations with an average pari-mutuel handle of \$1,200,000 or less per racing day. Associations conducting thoroughbred racing, with an average pari-mutuel handle of \$1,200,000 or less per live racing day, are required to pay one-half of one percent of on-track wagers to the Backside Improvement Fund.

The Thoroughbred Owners and Breeders Fund, KRS 230.380, receives six percent of the commissions on wagers at simulcast facilities to fund capital improvements and promote off-track betting. It also supports marketing and promotion of the Kentucky thoroughbred industry.

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

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,501,500	2,392,800	2,414,500	2,610,800	2,640,400
Budget Reduction-General Fund		-78,300			
<b>Total General Fund</b>	2,501,500	2,314,500	2,414,500	2,610,800	2,640,400
<b>Restricted Funds</b>					
Balance Forward	8,263,912	12,598,165	13,462,400	13,284,300	8,569,900
Current Receipts	21,062,253	19,960,172	20,746,100	20,863,000	20,938,000
Non-Revenue Receipts	-21,900	-120,000	-141,200	-94,000	-102,300
Fund Transfers		-1,500,000			
<b>Total Restricted Funds</b>	29,304,264	30,938,337	34,067,300	34,053,300	29,405,600
<b>TOTAL SOURCE OF FUNDS</b>	31,805,764	33,252,837	36,481,800	36,664,100	32,046,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	15,537,034	16,195,648	17,744,300	21,460,300	21,736,400
Operating Expenses	3,310,278	2,988,102	4,076,800	3,805,200	3,805,200
Capital Outlay	247,688	606,834	1,376,400	2,828,700	1,162,500
<b>TOTAL EXPENDITURES</b>	19,095,000	19,790,584	23,197,500	28,094,200	26,704,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,388,900	2,314,500	2,414,500	2,610,800	2,640,400
Restricted Funds	16,706,100	17,476,084	20,783,000	25,483,400	24,063,700
<b>TOTAL EXPENDITURES</b>	19,095,000	19,790,584	23,197,500	28,094,200	26,704,100
<b>EXPENDITURES BY UNIT</b>					
General Administration and Management	1,233,966	1,350,622	1,916,900	3,688,100	2,044,200
Fire Prevention	919,635	1,214,316	1,460,300	1,678,300	1,693,300
Boiler Inspections	712,660	642,873	984,500	1,215,600	1,226,800
Hazardous Materials Inspections	895,830	823,312	896,000	986,200	996,300
Manufactured Housing Inspections	620,291	535,319	632,300	722,600	730,300
General Inspections	1,773,300	1,725,600	1,741,200	1,881,800	1,902,400
Sprinkler/Alarm Inspections	92,099	90,538	95,800	108,600	109,700
Elevator Inspections	1,060,297	1,056,950	1,231,700	1,400,800	1,415,000
Plumbing	5,712,137	5,768,150	6,330,900	7,268,600	7,347,900
Safe Cigarette Program	3,718	6,000	6,000	6,000	6,000
HVAC	2,274,646	2,516,063	2,791,700	3,159,200	3,191,700
Building Codes Enforcement	2,474,652	2,754,705	3,381,700	3,846,200	3,886,500
Electrical	1,321,769	1,306,136	1,728,500	2,132,200	2,154,000
<b>TOTAL EXPENDITURES</b>	19,095,000	19,790,584	23,197,500	28,094,200	26,704,100

The Department of Housing, Buildings and Construction, pursuant to KRS Chapter 198B, regulates all construction of buildings through enforcement of building and fire codes, including: elevators, boilers, manufactured housing, hazardous materials, HVAC and electrical, sprinkler and plumbing installation. The agency enforces a uniform building code for the Commonwealth with a building inspection program that is designed to prevent fire- and life-safety hazards.

The Division of Fire Prevention enforces the Kentucky Standards of Safety (815 KAR 10:060) in addition to state and federal laws and regulations by performing property inspections, reviewing plans and issuing permits for the underground storage tanks, and educating the public about fire safety. The State Fire Marshal's Office implements a Sprinkler Inspection Program for all state owned properties under a memorandum of agreement. The Administrative Section of the Fire Prevention Division supports the activities of the General Inspection Section, the Hazardous Materials Section, the Sprinklers and Alarms Certification Section, the Safe Cigarette Program and expanded Fireworks Program.

The Division of Plumbing, a fee-supported program, enforces the Kentucky State Plumbing code (KRS 318.130; 815 KAR Chapter 20). Duties of the Division include: installation inspections of all plumbing systems throughout the state; approval of plumbing plans for all public buildings; testing of applicants for licensure; issuing renewal licenses to master and



journeyman plumbers, and assisting the State Plumbing Code Committee in its review of plumbing code administrative regulations. The Plumbing Code Committee, among other duties, reviews and recommends new materials and techniques to be included in the approved parts and materials lists of the Kentucky State Plumbing Code. The Division may pursue sanctions and penalties against both licensed and unlicensed individuals performing plumbing.

The Division of Heating, Ventilation, and Air Conditioning (HVAC) is responsible for annual licensing and oversight of the heating, ventilation, and air conditioning contractors, journeymen, and apprentices. The HVAC Board promulgates administrative regulations relating to all aspects of the HVAC industry, conducts examinations, maintains all licensure information, registers apprentices and may pursue sanctions against licensees and criminal penalties against unlicensed persons engaging in activities requiring an HVAC license. The Board approves continuing education providers, programs and scheduling for HVAC masters and journeymen. On January 1, 2011, the Division began the Statewide Permitting and Inspection Program under the provisions of KRS 198B.6678 and is mandated to make the inspections within a specified timeframe as set out in KRS 198B.6672 for both residential and commercial HVAC installations.

The Division of Building Codes Enforcement provides overall coordination and enforcement of the Kentucky Building Code (815 KAR 7:120) and the Kentucky Residential Code (815 KAR 7:125). The division includes plan review and field inspection and manufactured housing sections. Among the duties of this division are inspection, plan review, licensing, investigation, and technical consulting services to the construction industry. The Division is funded primarily from plan review fees.

The Division of Electrical is composed of the Electrical Licensing and Electrical Inspection Sections. The Electrical Division enforces the mandates contained within KRS Chapter 227A and KRS 224.450-530 to protect the public through regulation, licensure and inspection of the electrical industry.

**Public Protection  
Insurance**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	20,353,125	23,310,422	14,691,800	6,131,800	3,321,200
Current Receipts	40,847,301	40,868,710	39,674,300	39,192,500	39,706,500
Non-Revenue Receipts	-1,995,050	-2,529,409	-4,812,100	-1,857,200	-2,565,700
Fund Transfers	-21,750,000	-32,718,649	-25,050,000	-20,000,000	-20,000,000
<b>Total Restricted Funds</b>	<b>37,455,376</b>	<b>28,931,074</b>	<b>24,504,000</b>	<b>23,467,100</b>	<b>20,462,000</b>
<b>Federal Fund</b>					
Balance Forward	1,285		3,500	3,500	
Current Receipts	366,604	291,026	1,138,500	700,000	
<b>Total Federal Fund</b>	<b>367,889</b>	<b>291,026</b>	<b>1,142,000</b>	<b>703,500</b>	
<b>TOTAL SOURCE OF FUNDS</b>	<b>37,823,264</b>	<b>29,222,100</b>	<b>25,646,000</b>	<b>24,170,600</b>	<b>20,462,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	12,865,040	12,638,556	17,467,100	18,802,400	18,253,800
Operating Expenses	1,647,803	1,888,377	2,043,600	2,047,000	2,047,000
<b>TOTAL EXPENDITURES</b>	<b>14,512,843</b>	<b>14,526,933</b>	<b>19,510,700</b>	<b>20,849,400</b>	<b>20,300,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	14,144,954	14,239,394	18,372,200	20,145,900	20,300,800
Federal Fund	367,889	287,539	1,138,500	703,500	
<b>TOTAL EXPENDITURES</b>	<b>14,512,843</b>	<b>14,526,933</b>	<b>19,510,700</b>	<b>20,849,400</b>	<b>20,300,800</b>
<b>EXPENDITURES BY UNIT</b>					
Executive Director and Administration	1,285,460	1,207,334	1,523,400	1,725,500	1,744,000
Administrative Services	1,849,808	1,737,383	2,193,200	2,445,000	2,466,700
Financial Standards and Examination	2,294,597	2,320,536	3,843,000	3,981,400	3,742,300
Agent Licensing	1,293,685	1,528,890	1,877,700	2,055,800	2,070,700
Consumer Protection	2,424,190	2,340,394	3,212,500	3,550,000	3,330,100
Insurance Fraud Investigation	1,224,591	1,447,760	1,688,300	1,872,000	1,887,500
Medicaid Prompt Payment Compliance	359,304	79,254			
Mine Subsidence Program	156,241	128,793	197,600	208,400	209,400
Insurance Product Regulation	3,624,967	3,736,591	4,975,000	5,011,300	4,850,100
<b>TOTAL EXPENDITURES</b>	<b>14,512,843</b>	<b>14,526,933</b>	<b>19,510,700</b>	<b>20,849,400</b>	<b>20,300,800</b>

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

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

In 2017 General Assembly, HB242 established new divisions within the Department of Insurance.

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

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

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

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

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

The Division of Administrative Services provides administrative and technological support to the Department through accounting, budgeting, purchasing, human resource, telecommunications, property management and mail center operations.

# Tourism, Arts and Heritage

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**Tourism, Arts and Heritage**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	57,967,800	57,728,500	57,947,500	68,068,600	70,367,600
Current Year Appropriation	14,680,000		8,831,600		
Budget Reduction-General Fund		-169,700	-936,900		
<b>Total General Fund</b>	<b>72,647,800</b>	<b>57,558,800</b>	<b>65,842,200</b>	<b>68,068,600</b>	<b>70,367,600</b>
<b>Restricted Funds</b>					
Balance Forward	105,127,541	105,000,036	109,676,200	109,640,900	103,693,100
Current Receipts	162,864,820	164,181,366	165,685,800	170,986,400	171,288,600
Non-Revenue Receipts	-11,997,585	864,225	-7,769,500	-7,703,500	-7,699,900
Fund Transfers	-3,000,000	-130,600			
<b>Total Restricted Funds</b>	<b>252,994,776</b>	<b>269,915,027</b>	<b>267,592,500</b>	<b>272,923,800</b>	<b>267,281,800</b>
<b>Federal Fund</b>					
Balance Forward	8,198,698	9,800,873	11,725,200	11,725,200	10,075,700
Current Receipts	30,485,326	21,797,612	18,960,200	18,983,000	18,976,400
Non-Revenue Receipts	-12,082,047	-1,523,652			
<b>Total Federal Fund</b>	<b>26,601,978</b>	<b>30,074,832</b>	<b>30,685,400</b>	<b>30,708,200</b>	<b>29,052,100</b>
<b>Road Fund</b>					
Regular Appropriation	410,500	439,800	445,200	544,000	553,000
<b>Total Road Fund</b>	<b>410,500</b>	<b>439,800</b>	<b>445,200</b>	<b>544,000</b>	<b>553,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>352,655,054</b>	<b>357,988,459</b>	<b>364,565,300</b>	<b>372,244,600</b>	<b>367,254,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	141,032,023	144,350,034	150,767,200	165,051,500	166,709,400
Operating Expenses	79,681,030	77,783,398	79,615,800	79,238,400	79,464,800
Grants Loans Benefits	7,381,645	7,888,167	8,012,200	7,759,300	7,759,300
Debt Service	4,731,949	1,451,563	2,555,800	3,122,800	4,446,300
Capital Outlay	4,159,647	5,070,345	2,248,200	3,303,800	3,267,200
Construction	10,911	38,395			
<b>TOTAL EXPENDITURES</b>	<b>236,997,206</b>	<b>236,581,900</b>	<b>243,199,200</b>	<b>258,475,800</b>	<b>261,647,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	71,790,861	57,553,493	65,842,200	68,068,600	70,367,600
Restricted Funds	147,994,740	160,239,041	157,951,600	169,230,700	169,953,200
Federal Fund	16,801,106	18,349,567	18,960,200	20,632,500	20,773,200
Road Fund	410,500	439,800	445,200	544,000	553,000
<b>TOTAL EXPENDITURES</b>	<b>236,997,206</b>	<b>236,581,900</b>	<b>243,199,200</b>	<b>258,475,800</b>	<b>261,647,000</b>
<b>EXPENDITURES BY UNIT</b>					
Secretary	12,612,329	14,654,762	16,685,200	17,861,900	17,916,900
Artisans Center	2,410,999	2,408,619	2,423,300	2,627,800	2,641,200
Kentucky Department of Tourism	3,055,638	2,919,171	2,867,500	3,147,100	3,187,000
Parks	90,810,889	91,057,652	91,565,400	98,390,300	99,952,100
Horse Park Commission	15,610,652	14,398,287	14,353,600	12,553,700	12,792,500
State Fair Board	48,756,017	44,596,445	47,462,600	51,426,100	51,938,000
Fish and Wildlife Resources	50,606,197	53,828,549	55,454,200	60,951,900	61,630,300
Historical Society	6,534,463	6,403,783	6,168,600	6,531,500	6,580,200
Arts Council	3,420,252	3,368,810	3,488,200	2,568,800	2,589,000
Heritage Council	2,099,161	2,036,754	1,847,000	1,858,400	1,861,500
Kentucky Center for the Arts	1,080,610	909,068	883,600	558,300	558,300
<b>TOTAL EXPENDITURES</b>	<b>236,997,206</b>	<b>236,581,900</b>	<b>243,199,200</b>	<b>258,475,800</b>	<b>261,647,000</b>

The Tourism, Arts and Heritage Cabinet's mission (KRS 148.522) is to capitalize on the natural assets of the Commonwealth and draw from resources in business development, tourism, outdoor attractions, arts, and cultural heritage. Through unified efforts of its agencies, the Cabinet will continually strive to improve the quality of life of the people of Kentucky by creating new wealth and generating jobs.

The Tourism, Arts and Heritage Cabinet is comprised of the following agencies:

- Kentucky State Fair Board
- Kentucky Heritage Council
- Kentucky Arts Council
- Kentucky Historical Society
- Kentucky Center for the Arts
- Governor's School for the Arts
- Department of Fish and Wildlife Resources
- Kentucky Horse Park
- Kentucky Department of Parks
- Kentucky Artisan Center at Berea
- Department of Travel and Tourism
- Office of the Secretary
- The Kentucky Humanities Council

**Tourism, Arts and Heritage  
Secretary**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,598,300	2,531,500	2,561,000	3,158,700	3,213,700
Budget Reduction-General Fund		-18,720	-341,000		
Reorganization Adjustment		87,200	162,000		
<b>Total General Fund</b>	2,598,300	2,599,980	2,382,000	3,158,700	3,213,700
<b>Restricted Funds</b>					
Balance Forward	1,635,355	1,901,157	3,690,100	3,011,200	1,764,500
Current Receipts	1,099,015	830,543	354,300	160,000	160,000
Non-Revenue Receipts	12,297,715	13,088,185	13,270,000	13,296,500	13,300,100
Fund Transfers	-3,000,000	-75,000			
<b>Total Restricted Funds</b>	12,032,086	15,744,885	17,314,400	16,467,700	15,224,600
<b>TOTAL SOURCE OF FUNDS</b>	14,630,386	18,344,865	19,696,400	19,626,400	18,438,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,902,785	4,226,193	4,378,000	4,469,300	4,524,300
Operating Expenses	6,041,344	7,838,851	9,807,200	10,892,600	10,892,600
Grants Loans Benefits	2,668,200	2,589,718	2,500,000	2,500,000	2,500,000
<b>TOTAL EXPENDITURES</b>	12,612,329	14,654,762	16,685,200	17,861,900	17,916,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,481,400	2,599,980	2,382,000	3,158,700	3,213,700
Restricted Funds	10,130,929	12,054,782	14,303,200	14,703,200	14,703,200
<b>TOTAL EXPENDITURES</b>	12,612,329	14,654,762	16,685,200	17,861,900	17,916,900
<b>EXPENDITURES BY UNIT</b>					
Executive Policy and Management	1,981,400	2,282,980	2,280,200	3,438,500	3,493,500
Capital Plaza Operations	728,302	636,936	473,000		
Creative Services	709,759	687,956	524,400		
Sports Authority	78,828		700		
Tourism Meeting & Convention Marketing	9,114,040	11,046,890	13,406,900	14,423,400	14,423,400
<b>TOTAL EXPENDITURES</b>	12,612,329	14,654,762	16,685,200	17,861,900	17,916,900

The Office of the Secretary's appropriation unit comprises of:

**Executive Policy and Management** - The Executive Policy and Management unit directs planning and management of the agencies within the Cabinet. This program develops plans to assure orderly growth and improved management, recommends executive actions and legislative measures, and evaluates agency budget requests.

**Sports Authority** - The Kentucky Sports Authority, established pursuant to KRS 148.590, has a fourteen member board with the primary responsibility to recruit, promote, assist, place, and develop sporting events, facilities, and programs throughout the Commonwealth, with the final goal of developing the economy, commerce, job opportunities, and revenue streams.

**Tourism, Meeting, and Convention Marketing Fund** – This fund is established by KRS 142.406 with revenues from a one percent transient room tax dedicated for the sole purpose of marketing and promoting tourism in the Commonwealth, including expenditures to market and promote events and venues related to meetings, conventions, trade shows, cultural activities, historical sites, recreation, entertainment, natural phenomena, areas of scenic beauty, craft marketing, and any other economic activity that brings tourists and visitors to the Commonwealth.

**Tourism, Arts and Heritage**

**Artisans Center**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	406,300	399,000	404,400	477,900	486,900
Budget Reduction-General Fund		-4,000	-11,700		
<b>Total General Fund</b>	406,300	395,000	392,700	477,900	486,900
<b>Restricted Funds</b>					
Balance Forward	112,853	151,249	312,800	312,800	292,300
Current Receipts	1,650,895	1,735,341	1,585,400	1,585,400	1,585,400
<b>Total Restricted Funds</b>	1,763,748	1,886,590	1,898,200	1,898,200	1,877,700
<b>Road Fund</b>					
Regular Appropriation	410,500	439,800	445,200	544,000	553,000
<b>Total Road Fund</b>	410,500	439,800	445,200	544,000	553,000
<b>TOTAL SOURCE OF FUNDS</b>	2,580,548	2,721,390	2,736,100	2,920,100	2,917,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,280,522	1,242,172	1,340,900	1,552,800	1,570,800
Operating Expenses	1,130,476	1,166,448	1,082,400	1,075,000	1,070,400
<b>TOTAL EXPENDITURES</b>	2,410,999	2,408,619	2,423,300	2,627,800	2,641,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	388,000	395,000	392,700	477,900	486,900
Restricted Funds	1,612,499	1,573,819	1,585,400	1,605,900	1,601,300
Road Fund	410,500	439,800	445,200	544,000	553,000
<b>TOTAL EXPENDITURES</b>	2,410,999	2,408,619	2,423,300	2,627,800	2,641,200
<b>EXPENDITURES BY UNIT</b>					
Berea Artisans Center	2,410,999	2,408,619	2,423,300	2,627,800	2,641,200
<b>TOTAL EXPENDITURES</b>	2,410,999	2,408,619	2,423,300	2,627,800	2,641,200

The Kentucky Artisan Center at Berea is established to promote Kentucky arts and craft products and serve as a unique gateway for travelers, offering quality Kentucky arts, crafts, music, and other artisan products, along with authentic heritage experiences. The Artisan Center purchases for resale over 4,000 different artisan products from over 800 vendors in 100 counties statewide. Hospitality, café food service, KY travel information assistance, and rest stop services are also provided by the Center for over 250,000 visitors annually. The Center currently serves as the only mid-state rest area on I-75.

The Appalachian/Kentucky Artisans Gateway Center Authority (KRS 148.560-569) has an appointed, thirteen member board to direct operations of the Center and is attached to the Tourism Arts and Heritage Cabinet for administrative purposes.



**Tourism, Arts and Heritage**  
**Kentucky Department of Tourism**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,152,400	3,010,700	3,036,600	3,118,000	3,157,900
Budget Reduction-General Fund		-31,946	-36,200		
Reorganization Adjustment		-87,200	-162,000		
<b>Total General Fund</b>	<b>3,152,400</b>	<b>2,891,554</b>	<b>2,838,400</b>	<b>3,118,000</b>	<b>3,157,900</b>
<b>Restricted Funds</b>					
Balance Forward	97,025	64,476	49,300	33,000	16,500
Current Receipts	12,589	12,593	12,800	12,600	12,600
<b>Total Restricted Funds</b>	<b>109,614</b>	<b>77,069</b>	<b>62,100</b>	<b>45,600</b>	<b>29,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,262,014</b>	<b>2,968,623</b>	<b>2,900,500</b>	<b>3,163,600</b>	<b>3,187,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,664,997	2,545,592	2,557,000	2,847,100	2,887,100
Operating Expenses	379,987	363,035	310,500	300,000	299,900
Capital Outlay	10,654	10,545			
<b>TOTAL EXPENDITURES</b>	<b>3,055,638</b>	<b>2,919,171</b>	<b>2,867,500</b>	<b>3,147,100</b>	<b>3,187,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,010,500	2,891,382	2,838,400	3,118,000	3,157,900
Restricted Funds	45,138	27,790	29,100	29,100	29,100
<b>TOTAL EXPENDITURES</b>	<b>3,055,638</b>	<b>2,919,171</b>	<b>2,867,500</b>	<b>3,147,100</b>	<b>3,187,000</b>
<b>EXPENDITURES BY UNIT</b>					
Executive Policy and Management	1,073,352	997,964	813,300	824,200	833,300
Tourism Services	623,817	688,846	715,000	886,100	897,300
Marketing and Advertising	1,014,469	1,028,965	1,158,300	1,245,700	1,262,500
Communications and Promotions	344,000	203,396	180,900	191,100	193,900
<b>TOTAL EXPENDITURES</b>	<b>3,055,638</b>	<b>2,919,171</b>	<b>2,867,500</b>	<b>3,147,100</b>	<b>3,187,000</b>

The Department of Tourism was created to promote, develop, and provide support services for the tourism industry within the Commonwealth.

**Executive Policy and Management** - The Executive Policy and Management program establishes the policies and goals; coordinates the overall planning, management, and direction for the agency; and provides for the efficient administration of the Department and its programs.

**Tourism Services** - The Division of Tourism Services provides technical and design support to the overall marketing and promotions activities of the department. These activities provide graphic design support for development of both print and website promotions as well as technical support for website maintenance. Additionally, the division disseminates tourism information to tourists and potential visitors via a telephone system and fulfills visitor information through direct mail. Tourism Services provides assistance to travel planners calling the toll-free phone line requesting information as well as fulfilling requests for the Official Visitors Guide.

**Marketing and Administration** - The Division of Marketing and Administration is responsible for motivating travel to and within Kentucky. The Division maintains a database of all of the tourism related attractions, destinations and events throughout the state. These tourism assets are promoted through advertising via broadcast, print, and online media. Additionally, the Division participates in trade shows, events and conferences to showcase the state. The Division also collaborates with industry partners within the state and throughout the region to leverage marketing efforts.

The Tourism Marketing Incentive Program is a collaborative effort to utilize the one percent transient room tax funds, dedicated for the sole purpose of marketing and promoting tourism in the Commonwealth, efficiently and effectively.

The Division of Marketing and Administration staffs eight Welcome Centers throughout the state. The travel hosts at the Centers, located in Florence, Franklin, Grayson, Hopkinsville, Paducah, Simpsonville, Shepherdsville and Williamsburg offer helpful travel information and a positive image of Kentucky to tourists seeking assistance when they visit the state.

**Communications and Promotions** - The Division of Communications and Promotions works to complement the activities of the Department's advertising programs by engaging media and employing other strategies that publicize Kentucky's attractions and events as tourism destinations. These efforts primarily focus on generating earned broadcast and print media to support the marketing efforts of the department. This Division serves as the liaison with media sources, maintaining constant contact through e-newsletters, and a web-based media resource site. Assistance is provided to individual media representatives and travel writers in a variety of ways including, but not limited to, creating story ideas, making travel arrangements, providing photographs, video and fact verification. Regular press releases are prepared for the Department of Travel and Tourism and the Department of Parks to keep the public abreast of attractions and events in Kentucky. The goal of the division is to provide comprehensive support for projects and promotions developed through the department on behalf of the tourism industry in Kentucky.

**Tourism, Arts and Heritage**

**Parks**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	34,429,000	35,202,000	35,129,300	46,549,700	48,111,500
Current Year Appropriation	12,380,000		8,831,600		
<b>Total General Fund</b>	<b>46,809,000</b>	<b>35,202,000</b>	<b>43,960,900</b>	<b>46,549,700</b>	<b>48,111,500</b>
<b>Restricted Funds</b>					
Balance Forward	110,796	501,222	612,800	192,200	142,200
Current Receipts	50,770,594	53,381,385	49,520,600	51,790,600	51,790,600
Non-Revenue Receipts	-6,378,229	2,585,806	-2,336,700		
<b>Total Restricted Funds</b>	<b>44,503,160</b>	<b>56,468,414</b>	<b>47,796,700</b>	<b>51,982,800</b>	<b>51,932,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>91,312,160</b>	<b>91,670,414</b>	<b>91,757,600</b>	<b>98,532,500</b>	<b>100,044,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	55,422,729	57,687,550	58,992,900	64,716,900	65,368,900
Operating Expenses	33,140,837	31,863,881	29,860,500	30,536,900	30,597,700
Debt Service	1,953,449	1,420,563	2,555,800	2,980,300	3,829,300
Capital Outlay	293,874	85,658	156,200	156,200	156,200
<b>TOTAL EXPENDITURES</b>	<b>90,810,889</b>	<b>91,057,652</b>	<b>91,565,400</b>	<b>98,390,300</b>	<b>99,952,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	46,808,951	35,202,000	43,960,900	46,549,700	48,111,500
Restricted Funds	44,001,938	55,855,652	47,604,500	51,840,600	51,840,600
<b>TOTAL EXPENDITURES</b>	<b>90,810,889</b>	<b>91,057,652</b>	<b>91,565,400</b>	<b>98,390,300</b>	<b>99,952,100</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	15,035,790	14,172,899	14,671,900	15,374,800	16,434,500
Resort Parks	56,575,697	58,071,496	57,846,000	64,452,300	64,833,800
Recreation Parks and Historic Sites	16,880,235	16,672,266	17,103,100	18,456,000	18,576,600
Cafeterias	2,319,167	2,140,991	1,944,400	107,200	107,200
<b>TOTAL EXPENDITURES</b>	<b>90,810,889</b>	<b>91,057,652</b>	<b>91,565,400</b>	<b>98,390,300</b>	<b>99,952,100</b>

The Department of Parks operates the Kentucky State Park System under the authority of KRS Chapter 148. The Department strives to provide quality recreational facilities and to preserve and protect historically significant sites and natural phenomena in the Commonwealth of Kentucky.

The Vision for Kentucky State Parks is to provide quality recreation and hospitality experiences for people of all ages that enhance their appreciation for adventure, fun, education, and beauty through responsible stewardship of our Commonwealth's natural, historic and cultural resources, and with a professional staff committed to excellent service for our guests.

The Mission of Kentucky State Parks is to provide a sustainable system of parks that delivers quality programs, amenities, and services, which create memorable experiences, and a sense of place, contributes to the economic growth of the Commonwealth, and preserves the historic and natural integrity and traditions of our parks for existing and future generations.

The activities of the Department include the operation and maintenance of 17 resort parks, 22 recreational parks, 10 historic sites, three cafeterias in Frankfort, and other miscellaneous facilities, including one interstate park. The Park System provides overnight lodging to 431,000 guests, food service for 1,192,000 meals for dining patrons, camping for 560,000 guests, golf for 170,000 players, along with other park amenities and activities.

**Resort Parks**

The Resort Parks program encourages tourism and economic development in Kentucky by providing excellent overnight accommodations, quality food service, and recreational activities for visitors at the 17 resort parks. The resort parks and their locations are:

Barren River Resort Park - Barren County  
Blue Licks Battlefield State Park - Robertson County  
Buckhorn Lake Resort Park - Perry County  
Carter Caves Resort Park - Carter County  
Cumberland Falls Resort Park - Whitley County  
Dale Hollow Resort Park - Cumberland and Clinton Counties  
General Butler Resort Park - Carroll County  
Greenbo Lake Resort Park - Greenup County  
Jenny Wiley Resort Park - Floyd County

Kenlake Resort Park - Marshall County  
Kentucky Dam Village Resort Park - Marshall County  
Lake Barkley Resort Park - Trigg County  
Lake Cumberland Resort Park - Russell County  
Natural Bridge Resort Park - Powell County  
Pennyrile Forest Resort Park - Christian County  
Pine Mountain Resort Park - Bell County  
Rough River Resort Park - Grayson County

The Recreation Parks and Historic Sites program encourages tourism and economic development in Kentucky by providing modern recreational and camping facilities and preserving significant scenic and historic landmarks, as well as operating museums and shrines.

### **Recreation Park Facilities**

Big Bone Lick State Park - Boone County  
Carr Creek State Park - Knott County  
Columbus-Belmont Battlefield State Park - Hickman County  
E. P. "Tom" Sawyer State Park - Jefferson County  
Fort Boonesborough State Park - Madison County  
General Burnside State Park - Pulaski County  
Grayson Lake State Park - Elliott and Carter Counties  
Green River Lake State Park - Taylor County  
John James Audubon State Park - Henderson County  
Kincaid Lake State Park - Pendleton County  
Kingdom Come State Park - Harlan County  
Dawkins Line Rail Trail Park – Johnson/Magoffin Counties

Lake Malone State Park - Muhlenberg County  
Levi Jackson Wilderness Road State Park - Laurel County  
Lincoln Homestead State Park - Washington County  
Mineral Mound State Park - Lyon County  
My Old Kentucky Home State Park - Nelson County  
Nolin Lake State Park - Edmonson County  
Old Fort Harrod State Park - Mercer County  
Paintsville Lake State Park - Johnson County  
Pine Mountain Trail State Park - Harlan & Bell Counties  
Taylorsville Lake State Park - Spencer County  
Yatesville Lake State Park - Lawrence County

### **Historic Sites**

Boone Station - Fayette County  
Dr. Thomas Walker State Shrine - Knox County  
Isaac Shelby State Shrine - Lincoln County  
Jefferson Davis Monument State Shrine - Todd County  
Old Mulkey Meeting House State Shrine - Monroe County

Perryville Battlefield State Shrine - Boyle County  
Waveland State Shrine - Fayette County  
White Hall State Shrine - Madison County  
Wickliffe Mounds State Historic Site - Ballard County  
William Whitley House State Shrine - Lincoln County

### **Cafeterias**

The Cafeteria program provides food service in the Capitol Annex, Transportation Building, and the Health and Family Services Building for members of the General Assembly, state employees, and visitors to the state offices in Frankfort. The cafeterias also provide catering service for special local events.

### **General Administration and Support**

The General Administration and Support program provides an organizational and administrative system to maintain and operate the park system entities. Central administrative functions, such as accounting, purchasing, budgeting, and personnel, along with program operations support and central maintenance and minor construction support, are included in this program.

### **Policy**

The Budget of the Commonwealth provides General Fund of \$424,500 in fiscal year 2018-2019 and \$1,237,500 in fiscal year 2019-2020 for debt service on new bonds included in the capital budget.

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

The Budget of the Commonwealth provides General Fund in the amount of \$8,831,600 in fiscal year 2017-2018, and \$6,266,000 in fiscal years 2018-2019 and 2019-2020 to cover a cumulative shortfall that has accrued since fiscal year 2017 resulting from rising fixed costs.

**Tourism, Arts and Heritage  
Horse Park Commission**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,510,800	2,395,800	2,417,600	1,673,700	1,708,100
Budget Reduction-General Fund		-24,000	-126,000		
<b>Total General Fund</b>	2,510,800	2,371,800	2,291,600	1,673,700	1,708,100
<b>Restricted Funds</b>					
Balance Forward	752,719	194,376	332,900		166,400
Current Receipts	12,850,022	12,205,635	11,729,100	11,046,400	11,317,400
Non-Revenue Receipts	-195,513	-40,623			
<b>Total Restricted Funds</b>	13,407,228	12,359,387	12,062,000	11,046,400	11,483,800
<b>TOTAL SOURCE OF FUNDS</b>	15,918,028	14,731,187	14,353,600	12,720,100	13,191,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,980,011	8,483,391	8,159,300	7,965,000	8,097,800
Operating Expenses	6,524,742	5,750,502	6,049,500	4,442,000	4,544,700
Grants Loans Benefits		3,586			
Capital Outlay	105,899	158,686	144,800	146,700	150,000
Construction		2,122			
<b>TOTAL EXPENDITURES</b>	15,610,652	14,398,287	14,353,600	12,553,700	12,792,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,397,800	2,371,800	2,291,600	1,673,700	1,708,100
Restricted Funds	13,212,852	12,026,487	12,062,000	10,880,000	11,084,400
<b>TOTAL EXPENDITURES</b>	15,610,652	14,398,287	14,353,600	12,553,700	12,792,500
<b>EXPENDITURES BY UNIT</b>					
Kentucky Horse Park	15,610,652	14,398,287	14,353,600	12,553,700	12,792,500
<b>TOTAL EXPENDITURES</b>	15,610,652	14,398,287	14,353,600	12,553,700	12,792,500

The Kentucky Horse Park (KRS 148.260) is comprised of 1,224 acres on which are situated over 110 structures, 34 miles of fencing and 260 campsites. Horse Park programs consist primarily of four main functions:

**Equine Theme Park**-The central area of the park contains tourist activities that include the Visitor Information Center, International Museum of the Horse, gift shop, restaurant, Parade of Breeds and Hall of Champions shows, horseback riding, horse drawn tours, and other activities.

**Events**-The Horse Park is the host venue for both equine and non-equine special events. Horse shows are central to the mission of the park and comprise the majority of special event activities. More than Eighty annual equine events utilize 24 pole barns (1,500 stalls), a climate controlled 5,800 seat Alltech Arena, the 7,200 seat Rolex Stadium, a 1,200 seat covered arena, show office complex, six hunter-jumper rings, five dressage rings, a 7,800-yard cross country course, steeplechase course, and other ancillary structures. The park also hosts non-equine events that include weddings, high school wrestling, cheerleading high school cross-country, dog shows, "Old Kentucky Nights" evening programs, "Southern Lights" holiday lights show, and many other events.

**Campground**-The popular campground consists of 260 campsites with water/electric hookups, grocery store, two bathhouses, pool, tennis courts, playground, primitive camping, and covered pavilion. Each year more than 102,000 people camp at the Horse Park, generating more than \$1.9 million in direct annual income.

**National Horse Center**-Another area of remarkable growth has been the National Horse Center (NHC), a collection of the nation's and the state's leading equestrian organizations. The NHC now includes 33 distinct organizations contained in 11 office buildings. The NHC has solidified the key role of the Horse Park in making Kentucky the "Horse Capital of the World."

**Policy**

The Budget of the Commonwealth includes Restricted Funds in each fiscal year for a \$4,000 training incentive stipend for Mounted Patrol Officers. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund.

**Tourism, Arts and Heritage**

**State Fair Board**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,196,400	4,382,200	4,529,200	4,214,000	4,730,900
Current Year Appropriation	2,300,000				
Budget Reduction-General Fund		-44,000	-299,200		
<b>Total General Fund</b>	<b>6,496,400</b>	<b>4,338,200</b>	<b>4,230,000</b>	<b>4,214,000</b>	<b>4,730,900</b>
<b>Restricted Funds</b>					
Balance Forward	5,897,761	1,047,725	44,800	44,800	70,100
Current Receipts	44,369,086	43,763,318	43,232,600	47,237,400	47,268,600
Non-Revenue Receipts	-6,959,505	-4,507,980			
<b>Total Restricted Funds</b>	<b>43,307,342</b>	<b>40,303,063</b>	<b>43,277,400</b>	<b>47,282,200</b>	<b>47,338,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>49,803,742</b>	<b>44,641,263</b>	<b>47,507,400</b>	<b>51,496,200</b>	<b>52,069,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	26,233,807	24,433,708	27,246,800	29,562,400	29,545,600
Operating Expenses	17,257,893	16,386,134	17,176,300	17,610,000	17,704,100
Grants Loans Benefits	1,611,396	1,508,572	2,518,300	2,518,300	2,518,300
Debt Service	2,459,500	31,000		142,500	617,000
Capital Outlay	1,185,510	2,200,758	521,200	1,592,900	1,553,000
Construction	7,911	36,273			
<b>TOTAL EXPENDITURES</b>	<b>48,756,017</b>	<b>44,596,445</b>	<b>47,462,600</b>	<b>51,426,100</b>	<b>51,938,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,496,400	4,338,200	4,230,000	4,214,000	4,730,900
Restricted Funds	42,259,617	40,258,245	43,232,600	47,212,100	47,207,100
<b>TOTAL EXPENDITURES</b>	<b>48,756,017</b>	<b>44,596,445</b>	<b>47,462,600</b>	<b>51,426,100</b>	<b>51,938,000</b>
<b>EXPENDITURES BY UNIT</b>					
Kentucky Fair and Exposition Center	40,344,600	41,365,566	44,660,900	44,502,400	44,544,800
Kentucky International Convention Center	5,951,916	3,199,880	2,801,700	6,781,200	6,776,200
Debt Service	2,459,500	31,000		142,500	617,000
<b>TOTAL EXPENDITURES</b>	<b>48,756,017</b>	<b>44,596,445</b>	<b>47,462,600</b>	<b>51,426,100</b>	<b>51,938,000</b>

The Kentucky State Fair Board is composed of 18 members: the Governor, the Commissioner of Agriculture, the secretary of the Finance and Administration Cabinet, the Dean of the College of Agriculture at the University of Kentucky, the State president of the Kentucky FFA, the State President of the Kentucky 4-H Organization, and 12 members appointed by the Governor. The Board manages and administers the funds, buildings, grounds, and equipment of both the Kentucky Exposition Center and the Kentucky International Convention Center in Louisville. A president is appointed by the Board to manage these centers and Fair Board properties.

Kentucky Exposition Center - The Kentucky Exposition Center provides facilities and services for conventions, trade shows, agricultural activities, athletic events, concerts, and cultural and commercial productions year-round. At this site, the State Fair Board produces its three major expositions during the year: the Kentucky State Fair, the National Farm Machinery Show, and the North American International Livestock Exposition.

The Kentucky Exposition Center is a completely air conditioned complex that includes 1.2 million square feet of exhibit and meeting space at ground level. It includes the 19,000-seat Freedom Hall Coliseum, identical East and West Exhibit Halls, East and West Exposition Wings, the South and North Wing Exposition facilities and Conference Centers, a smaller exposition pavilion, a 600-seat amphitheater, a 5,000 seat Livestock and Horse Show Arena, and a 37,000-seat stadium. Also serving the Kentucky Exposition Center are the adjacent Crowne Plaza, Hilton Gardens Inn, Cracker Barrel restaurant, Thorton's gas station and Executive Bowl, all of which are long term lessees of the State Fair Board.

**Kentucky International Convention Center** - The Kentucky International Convention Center provides facilities and services for intermediate-sized conventions, trade shows, association events, concerts, and cultural and commercial productions year-round. This facility is an integral and interdependent part of the overall redevelopment of downtown Louisville by both government and private enterprises. The Center has been undergoing a major renovation and will reopen in August 2018.

The Hyatt and Cowger Parking Garages, which provide 1,300 enclosed parking spaces, serve the Center. The Cowger Garage also includes commercial space, which is leased on a long term basis.

**Policy**

The Budget of the Commonwealth provides General Fund of \$142,500 in fiscal year 2018-2019 and \$617,000 in fiscal year 2019-2020 for debt service on new bonds included in the capital budget.

**Tourism, Arts and Heritage  
Fish and Wildlife Resources**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	96,172,743	100,875,609	104,155,300	105,452,500	100,647,500
Current Receipts	51,073,515	50,801,882	58,246,700	58,266,700	58,266,700
Non-Revenue Receipts	-10,762,052	-10,261,163	-18,702,800	-21,000,000	-21,000,000
<b>Total Restricted Funds</b>	<b>136,484,205</b>	<b>141,416,328</b>	<b>143,699,200</b>	<b>142,719,200</b>	<b>137,914,200</b>
<b>Federal Fund</b>					
Balance Forward	8,192,261	9,794,436	11,725,200	11,725,200	10,052,500
Current Receipts	29,206,958	19,897,559	17,207,500	17,207,500	17,207,500
Non-Revenue Receipts	-12,607,182	-1,399,249			
<b>Total Federal Fund</b>	<b>24,792,037</b>	<b>28,292,746</b>	<b>28,932,700</b>	<b>28,932,700</b>	<b>27,260,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>161,276,242</b>	<b>169,709,074</b>	<b>172,631,900</b>	<b>171,651,900</b>	<b>165,174,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	35,647,309	38,472,374	40,949,400	46,806,700	47,484,400
Operating Expenses	11,540,908	11,211,694	12,393,600	12,052,000	12,052,700
Grants Loans Benefits	854,270	1,529,784	685,200	685,200	685,200
Capital Outlay	2,563,710	2,614,697	1,426,000	1,408,000	1,408,000
<b>TOTAL EXPENDITURES</b>	<b>50,606,197</b>	<b>53,828,549</b>	<b>55,454,200</b>	<b>60,951,900</b>	<b>61,630,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	35,608,596	37,261,069	38,246,700	42,071,700	42,599,400
Federal Fund	14,997,601	16,567,480	17,207,500	18,880,200	19,030,900
<b>TOTAL EXPENDITURES</b>	<b>50,606,197</b>	<b>53,828,549</b>	<b>55,454,200</b>	<b>60,951,900</b>	<b>61,630,300</b>
<b>EXPENDITURES BY UNIT</b>					
Administration and Support	7,298,500	5,978,647	4,590,500	5,687,700	5,735,100
Wildlife Management	14,779,653	15,608,386	16,284,300	17,888,600	18,056,900
Fisheries Management	9,039,151	10,271,419	9,429,700	10,271,000	10,434,500
Information and Education	6,723,472	7,276,523	7,497,900	8,134,200	8,337,200
Law Enforcement	12,765,423	12,964,747	13,783,200	14,679,600	14,755,000
Marketing		508,534	1,038,100	1,096,800	1,081,300
Engineering, Infrastructure & Technology		1,220,292	2,830,500	3,194,000	3,230,300
<b>TOTAL EXPENDITURES</b>	<b>50,606,197</b>	<b>53,828,549</b>	<b>55,454,200</b>	<b>60,951,900</b>	<b>61,630,300</b>

The Department of Fish and Wildlife Resources, established by KRS Chapter 150, is responsible for the conservation and management of fish and wildlife resources in Kentucky. A Departmental Commissioner is appointed by the Fish and Wildlife Commission. The Commission, which is responsible for Department policy, is a nine member bipartisan body appointed by the Governor from a list of candidates provided by sportsmen and women in each of nine districts.

Financial support of the Department is derived from the sale of hunting and fishing licenses, federal grants, interest income, fines and penalties assessed by the courts for violation of game and fish laws, and numerous other miscellaneous receipts.

The Department owns approximately 130,000 acres of land in Kentucky, which are used to further its program activities. The acreage includes the State Game Farm, approximately 80 major wildlife management areas, two warm water hatcheries, and three summer camps. An additional 700,000 plus acres of land and water is under lease or license by the Department for wildlife management activities. The Daniel Boone National Forest provides an additional 600,000 acres of land for public use.

The Department consists of seven program areas: Administration and Support, Wildlife Management, Fisheries Management, Information and Education, Law Enforcement, Marketing and Engineering, Infrastructure and Technology

**Wildlife Management** - The Wildlife Management program manages, develops, and maintains statewide game and non-game populations consistent with habitat availability on state owned lands, licensed wildlife management areas, and privately owned lands. Additionally, Wildlife Management conducts statewide surveys to determine the relative



abundance of game and non-game wildlife, formulates hunting regulations based upon biological data and recreational demands, restores viable native wildlife species by restocking in suitable habitat, and evaluates the impact of land, water resource, and other construction projects on wildlife resources. Technical guidance is provided to private landowners for improvement of wildlife habitat. A fish and wildlife electronic information system is being maintained for use by state agencies that includes geographic information such as land types, vegetation conditions, and wildlife populations.

**Fisheries Management** - The Fisheries Management program manages Kentucky fishery resources to provide optimum fishing opportunities for anglers through research, surveys, fish stocking, regulation, and technical biological guidance. Fishery biologists manage and develop fish populations and their associated habitats in major impoundments, streams, rivers, and 100,000 acres of small lakes and ponds. In addition, technical guidance is provided to private pond owners. Research biologists provide support to management through evaluation of stocking and regulatory practices. The Environmental Section of the Fisheries Division manages the Kentucky Wetland Stream Mitigation Fund (referred to as the fees in-lieu of program) authorized by KRS 150.255 and by agreement with the U.S. Army Corps of Engineers. Corps 404 permits require mitigation when projects fill stream or wetland habitat. Funds are derived when 404 permit applicants can elect to pay a fee to satisfy mitigation requirements. These fees are used for identifying and restoring degraded streams with eroding banks and impacted habitat to stable conditions or restoring wetlands that have been drained.

**Information and Education** - The Information and Education program is responsible for educating and informing the public about our wildlife resources and the importance of conservation, and the recreational opportunities the fish and wildlife resources provide. The information and education program is essential to provide the general and sporting public timely and accurate information directly and through the media. Additionally, the dissemination of regulatory information is necessary for the sporting public to comply with applicable laws and regulations. The program also provides classroom instruction on wildlife conservation, hunter education, aquatic education; operates the Salato Wildlife Education Center; and, administers three summer camps for children.

**Law Enforcement** - The Law Enforcement program enforces fish, wildlife, and boating laws. Officers assist other federal, state, and local agencies in enforcement of all criminal laws in the Commonwealth. Officers also assist the public during times of natural disasters such as floods, forest fires, and severe winter weather.

**Administration and Support** - The Administration and Support program area manages the day-to-day operations of the Department including maintaining accounting records, ensuring proper purchasing and inventory procedures, and administering hunting and fishing license sales and revenue collections. The Public Affairs Division facilitates public involvement in departmental policy and regulations.

**Marketing** – The Marketing program is responsible for marketing, public involvement, social survey research, trend analysis, economic analysis of the benefits of wildlife associated recreations and boating.

**Engineering, Infrastructure and Technology** - The Engineering program provides the labor and technical engineering services required for small construction projects, such as building small bridges, buildings, boat ramps, and roads. In addition, Engineering is responsible for surveying all property owned or being purchased by the Department

## **Policy**

The Budget of the Commonwealth includes Restricted Funds in each fiscal year for a \$4,000 training incentive stipend for Conservation Officers. These funds are provided from the Fish and Game Fund.

**Tourism, Arts and Heritage**

**Historical Society**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,007,400	5,557,200	5,596,500	5,893,700	5,952,400
Budget Reduction-General Fund			-66,100		
<b>Total General Fund</b>	<b>6,007,400</b>	<b>5,557,200</b>	<b>5,530,400</b>	<b>5,893,700</b>	<b>5,952,400</b>
<b>Restricted Funds</b>					
Balance Forward	150,401	58,478	45,100	141,700	238,300
Current Receipts	575,784	657,484	554,400	554,400	554,400
Fund Transfers		-55,600			
<b>Total Restricted Funds</b>	<b>726,185</b>	<b>660,362</b>	<b>599,500</b>	<b>696,100</b>	<b>792,700</b>
<b>Federal Fund</b>					
Balance Forward					23,200
Current Receipts	50,840	303,320	180,400	203,200	196,600
Non-Revenue Receipts	72,815	-72,036			
<b>Total Federal Fund</b>	<b>123,655</b>	<b>231,284</b>	<b>180,400</b>	<b>203,200</b>	<b>219,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,857,240</b>	<b>6,448,846</b>	<b>6,310,300</b>	<b>6,793,000</b>	<b>6,964,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,605,843	3,954,963	3,985,800	4,580,600	4,639,300
Operating Expenses	2,734,920	2,358,478	2,128,800	1,896,900	1,886,900
Grants Loans Benefits	59,700	90,341	54,000	54,000	54,000
Debt Service	134,000				
<b>TOTAL EXPENDITURES</b>	<b>6,534,463</b>	<b>6,403,783</b>	<b>6,168,600</b>	<b>6,531,500</b>	<b>6,580,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,743,100	5,557,200	5,530,400	5,893,700	5,952,400
Restricted Funds	667,707	615,299	457,800	457,800	457,800
Federal Fund	123,655	231,284	180,400	180,000	170,000
<b>TOTAL EXPENDITURES</b>	<b>6,534,463</b>	<b>6,403,783</b>	<b>6,168,600</b>	<b>6,531,500</b>	<b>6,580,200</b>
<b>EXPENDITURES BY UNIT</b>					
Oral History and Educational Outreach	63,000	756,300	670,800	634,400	634,400
Research and Publications	98,050	720,560	770,500	728,400	728,400
Museums	96,000	833,300	787,100	744,000	744,000
Administration	6,277,413	4,093,623	3,940,200	4,424,700	4,473,400
<b>TOTAL EXPENDITURES</b>	<b>6,534,463</b>	<b>6,403,783</b>	<b>6,168,600</b>	<b>6,531,500</b>	<b>6,580,200</b>

The Kentucky Historical Society (KHS) engages people in the exploration of the Commonwealth's diverse heritage. Through comprehensive and innovative services, interpretive programs, and stewardship, it provides connections to the past, perspective on the present, and inspiration for the future.

The Kentucky Historical Society's statutory mandate, pursuant to KRS 171.311, is to collect and preserve for future generations materials and information regarding Kentucky's past; to disseminate knowledge and understanding of the state's history; and to produce for people of all backgrounds an increased awareness of, and appreciation for, the Commonwealth and its heritage. The agency operates four divisions: Administration, Research and Publications, Museums, and Oral History and Educational Outreach.

The Administration Division provides overall agency direction, planning, and management. It is comprised of the following functional teams: development, director's office, finance and human resources, and communications (which includes visitor services.)

The Research and Publications Division includes the following functional teams: research and interpretation, museum collections and exhibitions, and the design studio. The research and interpretation team publishes the Society's two journals—*The Register of the Kentucky Historical Society* and *Kentucky Ancestors*—and assists with the publication of the quarterly newsletter, *The Chronicle*. The team also administers the historical marker program and the research fellows

program. The museum collections and exhibitions team is responsible for the operation of the Historical Society's three museum facilities—the galleries located in the Thomas D. Clark Center for Kentucky History, the Kentucky Military History Museum, and the Old State Capitol. Since 1999, these facilities have hosted more than 1,000,000 visitors. The team is also responsible for the 200,000+ artifact collection. The design studio is responsible for museum exhibition design and production, along with the design and production of other KHS interpretive and promotional tools.

The Museum Division is responsible for special collections and reference services. The Museum division operates the Martin F. Schmidt Research Library housed in the History Center, which effectively serves genealogists and other researchers. It also cares for an array of manuscripts, maps, 200,000-plus photographs, 8,000 oral history recordings, and rare books.

The Oral History and Educational Outreach Division includes the following units: interpretive education, teacher/student outreach, and community services. Community Services consists of the local history program and the Cemetery Preservation program. Interpretive Education includes school tours, museum theatre, and other educational activities for adults and children. Since 1999, the KHS "history campus" has hosted more than 1,000,000 visitors. The primary outreach programs for students include the Kentucky Junior Historical Society and National History Day. Much of the KHS professional development for teachers is presented through Teaching American History grants awarded by the U.S. Department of Education.

**Tourism, Arts and Heritage**

**Arts Council**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,796,200	2,625,700	2,640,700	1,708,700	1,728,900
Budget Reduction-General Fund		-25,439	-12,600		
<b>Total General Fund</b>	<b>2,796,200</b>	<b>2,600,261</b>	<b>2,628,100</b>	<b>1,708,700</b>	<b>1,728,900</b>
<b>Restricted Funds</b>					
Balance Forward	4,104	149,331	231,900	238,200	244,500
Current Receipts	183,907	157,898	157,900	157,900	157,900
<b>Total Restricted Funds</b>	<b>188,011</b>	<b>307,229</b>	<b>389,800</b>	<b>396,100</b>	<b>402,400</b>
<b>Federal Fund</b>					
Balance Forward	6,437	6,437			
Current Receipts	711,172	679,505	708,500	708,500	708,500
Non-Revenue Receipts		8,334			
<b>Total Federal Fund</b>	<b>717,609</b>	<b>694,276</b>	<b>708,500</b>	<b>708,500</b>	<b>708,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,701,820</b>	<b>3,601,766</b>	<b>3,726,400</b>	<b>2,813,300</b>	<b>2,839,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,449,028	1,518,295	1,576,500	910,400	930,600
Operating Expenses	487,014	349,825	312,700	301,300	301,300
Grants Loans Benefits	1,484,210	1,500,689	1,599,000	1,357,100	1,357,100
<b>TOTAL EXPENDITURES</b>	<b>3,420,252</b>	<b>3,368,810</b>	<b>3,488,200</b>	<b>2,568,800</b>	<b>2,589,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,670,400	2,599,174	2,628,100	1,708,700	1,728,900
Restricted Funds	38,680	75,360	151,600	151,600	151,600
Federal Fund	711,172	694,276	708,500	708,500	708,500
<b>TOTAL EXPENDITURES</b>	<b>3,420,252</b>	<b>3,368,810</b>	<b>3,488,200</b>	<b>2,568,800</b>	<b>2,589,000</b>
<b>EXPENDITURES BY UNIT</b>					
Arts Council	1,590,347	1,657,478	1,659,500	1,020,500	1,040,700
Support Grants	1,707,304	1,607,103	1,640,200	1,389,800	1,389,800
Arts Marketing	122,601	104,229	188,500	158,500	158,500
<b>TOTAL EXPENDITURES</b>	<b>3,420,252</b>	<b>3,368,810</b>	<b>3,488,200</b>	<b>2,568,800</b>	<b>2,589,000</b>

The Kentucky Arts Council’s legislated purpose is to develop and promote a broadly conceived state policy of support for the arts in Kentucky, pursuant to KRS 153.210 to 153.235. As the official state arts agency, the Kentucky Arts Council (KAC) is the sole Kentucky state agency designated to receive partnership funding from the National Endowment for the Arts for any programs related to the arts. All of the KAC’s programs, services, initiatives, events and activities support its mission to “create opportunities for the people of Kentucky to value, participate in, and benefit from the arts”.

The Kentucky Arts Council manages a multitude of programs, activities and services for the Commonwealth by working in partnership with arts organizations, educational facilities, communities, local government, and individual artists. The work of the KAC encourages the growth and stability of the arts across the state, the promotion of cultural tourism and economic development, the enhancement of quality of life in Kentucky, and the provision of strong arts education programs.

Major program areas include community arts development, arts infrastructure capacity building, individual artists, folk arts, arts education, and arts marketing. The KAC offers an extensive array of technical assistance and training programs, public events, information services and resources, business development services, sales and performance venues, and grant programs to help ensure that the arts community in Kentucky is strong and viable. The grant funds invested by the KAC across the Commonwealth serves as an important catalyst in community building, and leverages significant funding from other sources.

**Tourism, Arts and Heritage  
Heritage Council**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	747,300	711,300	717,100	715,900	719,000
Budget Reduction-General Fund		-21,595	-12,600		
<b>Total General Fund</b>	747,300	689,705	704,500	715,900	719,000
<b>Restricted Funds</b>					
Balance Forward	193,784	56,413	201,200	214,500	110,800
Current Receipts	279,414	635,287	292,000	175,000	175,000
<b>Total Restricted Funds</b>	473,197	691,700	493,200	389,500	285,800
<b>Federal Fund</b>					
Current Receipts	516,357	917,228	863,800	863,800	863,800
Non-Revenue Receipts	452,320	-60,701			
<b>Total Federal Fund</b>	968,677	856,526	863,800	863,800	863,800
<b>TOTAL SOURCE OF FUNDS</b>	2,189,174	2,237,931	2,061,500	1,969,200	1,868,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,744,725	1,656,448	1,451,500	1,640,300	1,660,600
Operating Expenses	265,166	304,629	298,100	131,700	114,500
Grants Loans Benefits	86,270	75,677	97,400	86,400	86,400
Construction	3,000				
<b>TOTAL EXPENDITURES</b>	2,099,161	2,036,754	1,847,000	1,858,400	1,861,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	713,700	689,689	704,500	715,900	719,000
Restricted Funds	416,784	490,538	278,700	278,700	278,700
Federal Fund	968,677	856,526	863,800	863,800	863,800
<b>TOTAL EXPENDITURES</b>	2,099,161	2,036,754	1,847,000	1,858,400	1,861,500
<b>EXPENDITURES BY UNIT</b>					
Kentucky Heritage Council	2,099,161	2,036,754	1,847,000	1,858,400	1,861,500
<b>TOTAL EXPENDITURES</b>	2,099,161	2,036,754	1,847,000	1,858,400	1,861,500

The Kentucky Heritage Council (the State Historic Preservation Office) administers a comprehensive state historic preservation program with structure in three areas: the Site Protection Program, the Site Identification and Evaluation Program and the Site Development Program.

The Council administers national historic preservation activities in Kentucky, monitors projects and distributes grants involving federal funds, offers programs and services involving all aspects of historic preservation, and provides technical assistance to local governments, the public, and other agencies.

Major program activities include surveying historic sites, nominating sites to the National Register of Historic Places, administering the Kentucky Main Street program in partnership with Renaissance on Main, overseeing federal and state historic preservation tax credit programs and restoration grants programs, conducting archaeological investigations, and reviewing all federally funded, licensed, and permitted projects.

Attached to the Heritage Council for administration and programmatic services are the African American Heritage Commission, Native American Heritage Commission, Military Heritage Commission, and the Kentucky Historic Preservation Review Board. The Kentucky Heritage Council is administered in accordance with KRS 171.3801.

**Tourism, Arts and Heritage**  
**Kentucky Center for the Arts**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,123,700	913,100	915,100	558,300	558,300
Budget Reduction-General Fund			-31,500		
<b>Total General Fund</b>	<b>1,123,700</b>	<b>913,100</b>	<b>883,600</b>	<b>558,300</b>	<b>558,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,123,700</b>	<b>913,100</b>	<b>883,600</b>	<b>558,300</b>	<b>558,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	100,267	129,348	129,100		
Operating Expenses	177,743	189,920	196,200		
Grants Loans Benefits	617,600	589,800	558,300	558,300	558,300
Debt Service	185,000				
<b>TOTAL EXPENDITURES</b>	<b>1,080,610</b>	<b>909,068</b>	<b>883,600</b>	<b>558,300</b>	<b>558,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,080,610	909,068	883,600	558,300	558,300
<b>TOTAL EXPENDITURES</b>	<b>1,080,610</b>	<b>909,068</b>	<b>883,600</b>	<b>558,300</b>	<b>558,300</b>
<b>EXPENDITURES BY UNIT</b>					
Kentucky Center for the Arts	463,010	319,268	325,300		
Governor's School for the Arts	617,600	589,800	558,300	558,300	558,300
<b>TOTAL EXPENDITURES</b>	<b>1,080,610</b>	<b>909,068</b>	<b>883,600</b>	<b>558,300</b>	<b>558,300</b>

Kentucky Center for the Arts (“The Kentucky Center”) is the Commonwealth’s premier performing arts center. The Kentucky Center serves over 400,000 people each year. It is the performance home of the state’s largest orchestra, opera, ballet, Broadway and children’s theatre productions. In addition, The Kentucky Center presents a variety of national and international artists.

The Kentucky Center houses three theaters: the 2,406-seat Robert S. Whitney Hall, the 619-seat Moritz von Bomhard Theater, and the 139-seat Boyd Martin Experimental Theater. The facility features a multi-tiered lobby, rehearsal halls, and spaces for social and business events.

The Kentucky Center provides a wide range of nationally recognized educational programs, including professional development for teachers, partnerships with schools and community centers, and opportunities for artists to work in classrooms. The Center is also a leader in providing award-winning access services that make the theater experience possible for patrons with disabilities. The Kentucky Center, in partnership with the Kentucky Arts Council, provides access and technical consulting services for arts and cultural organizations across Kentucky. The Kentucky Center’s management also provides theatrical consulting services throughout the state.

The Governor’s School for the Arts (GSA) is a model program, recognized nationally by the President’s Committee on the Arts and Humanities and the National Endowment of the Arts. GSA was established in 1987 to address the needs of an underserved Kentucky population: Kentucky’s artistically gifted and talented young people. Whereas opportunities for advanced academic work has been widely available to Kentucky’s academically gifted students, opportunities to pursue advanced work in the arts have been considerably more limited, particularly for geographically and/or economically marginalized students. GSA not only plays a vital role in preparing students for their pursuit of careers in the arts, but also prepares them for all facets of professional life requiring leadership, critical thinking, exceptional communication skills and understanding of the multi-cultural world. GSA is a model program, recognized nationally by the President’s Committee on the Arts & Humanities and the National Endowment for the Arts. The school currently serves 256 students.

**Policy**

The Budget of the Commonwealth provides no funding for the operating budget of the Kentucky Center for the Arts.

# Transportation

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**Transportation**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,228,200	6,228,200	6,228,200	6,089,000	6,089,000
Special Appropriation		10,000,000	10,000,000		
Continuing Approp-General Fund	197,066	125,188	3,552,300		
Budget Reduction-General Fund		-62,300	-319,000		
<b>Total General Fund</b>	<b>6,425,266</b>	<b>16,291,088</b>	<b>19,461,500</b>	<b>6,089,000</b>	<b>6,089,000</b>
<b>Restricted Funds</b>					
Balance Forward	410,525,959	209,321,401	122,215,500	9,607,200	2,595,400
Current Receipts	101,247,802	103,661,669	141,354,000	146,941,300	147,432,200
Non-Revenue Receipts	201,937,375	46,233,616	76,900,800	-5,030,400	-1,884,800
Fund Transfers	-7,568,000	-5,483,900	-4,588,200	-7,370,900	-6,424,000
<b>Total Restricted Funds</b>	<b>706,143,136</b>	<b>353,732,786</b>	<b>335,882,100</b>	<b>144,147,200</b>	<b>141,718,800</b>
<b>Federal Fund</b>					
Balance Forward					
Current Receipts	785,274,476	810,042,902	773,941,400	765,300,100	766,066,000
Non-Revenue Receipts	-3,222,343	7,310,994			
<b>Total Federal Fund</b>	<b>782,052,133</b>	<b>817,353,897</b>	<b>773,941,400</b>	<b>765,300,100</b>	<b>766,066,000</b>
<b>Road Fund</b>					
Regular Appropriation	1,461,383,300	1,371,065,500	1,380,512,200	1,416,927,000	1,395,472,100
Surplus Expenditure Plan	6,338,079	37,964,749	57,237,100		
Continuing Approp-Road Fund	448,706,725	275,673,542			
Budget Reduction-Road Fund	-31,989,700				
Other	-57,034,983	7,240,187	4,927,000		
<b>Total Road Fund</b>	<b>1,827,403,421</b>	<b>1,691,943,978</b>	<b>1,442,676,300</b>	<b>1,416,927,000</b>	<b>1,395,472,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,322,023,956</b>	<b>2,879,321,750</b>	<b>2,571,961,300</b>	<b>2,332,463,300</b>	<b>2,309,345,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	537,793,161	530,538,841	443,950,200	494,111,900	497,039,100
Operating Expenses	306,941,723	240,678,672	255,175,600	258,357,800	253,993,500
Grants Loans Benefits	243,081,040	243,519,355	277,860,300	233,856,900	234,305,200
Debt Service	227,515,517	240,988,057	266,049,800	265,524,500	252,367,100
Capital Outlay	21,721,976	8,966,097	2,005,500	1,882,700	1,882,700
Construction	1,471,948,479	1,136,021,554	1,306,317,500	1,072,766,400	1,066,137,800
<b>TOTAL EXPENDITURES</b>	<b>2,809,001,896</b>	<b>2,400,712,576</b>	<b>2,551,358,900</b>	<b>2,326,500,200</b>	<b>2,305,725,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,300,078	12,738,702	19,461,500	6,089,000	6,089,000
Restricted Funds	496,821,735	231,517,412	326,274,900	141,551,800	141,466,000
Federal Fund	782,052,133	817,353,897	773,941,400	765,300,100	766,066,000
Road Fund	1,523,827,951	1,339,102,565	1,431,681,100	1,413,559,300	1,392,104,400
<b>TOTAL EXPENDITURES</b>	<b>2,809,001,896</b>	<b>2,400,712,576</b>	<b>2,551,358,900</b>	<b>2,326,500,200</b>	<b>2,305,725,400</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	70,855,388	71,210,385	77,293,000	83,651,200	84,047,000
Aviation	12,937,727	23,610,795	38,069,700	12,756,700	12,617,800
Debt Service	150,045,550	153,287,226	154,830,400	156,646,700	146,729,700
Highways	2,156,177,172	1,750,077,952	1,844,340,600	1,654,608,900	1,645,397,200
Public Transportation	30,500,675	26,987,301	50,096,200	32,146,000	32,219,200
Revenue Sharing	328,982,082	329,966,242	336,957,200	336,345,200	337,318,200
Vehicle Regulation	39,815,303	37,802,831	49,771,800	50,345,500	47,396,300
Transfer to Capital Projects	19,688,000	7,769,843			
<b>TOTAL EXPENDITURES</b>	<b>2,809,001,896</b>	<b>2,400,712,576</b>	<b>2,551,358,900</b>	<b>2,326,500,200</b>	<b>2,305,725,400</b>



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

The Cabinet receives funding from the state Road Fund, proceeds from highway bonds issued by the Kentucky Turnpike Authority, and federal aid apportionments for highways. Other revenue sources include agency receipts, non highway federal aid, the state General Fund, and a federal fund leveraging mechanism titled Grant Anticipation Revenue Vehicle (GARVEE) bonds. The revenue components of the Road Fund are the motor fuels tax, motor vehicle usage tax, license and privilege taxes, interest income, and miscellaneous departmental fees, permits, and sales.

Seven major budget units comprise the Transportation Cabinet: General Administration and Support, Aviation, Public Transportation, Revenue Sharing, Highways, Vehicle Regulation, and Debt Service.

Organizationally, the agency is divided into four departments: Aviation, Vehicle Regulation, Rural and Municipal Aid, and Highways. Each department is headed by a commissioner directly responsible to the Secretary. Other organizational units include the Office of Support Services, the Office of Transportation Delivery, the Office of Audits, the Office of Human Resource Management, the Office of Information Technology, the Office of Legal Services, the Office of Public Affairs, the Office of Budget and Fiscal Management, the Office for Civil Rights and Small Business Development, and the Office of Inspector General. These units report to the Office of the Secretary. The following offices report to the State Highway Engineer in the Department of Highways: the Office of Project Development, the Office of Project Delivery and Preservation, the Office of Highway Safety, and Highway District Offices One through Twelve. The Office of Local Programs and the Office of Rural and Secondary Roads report to the Commissioner of Rural and Municipal Aid.

The Transportation Cabinet has its origin as an agency of the Commonwealth of Kentucky in 1912 when the General Assembly established the Department of Highways. Legislation in 1974 created the Department of Transportation by consolidating the Departments of Highways, Motor Transportation, and Aeronautics, plus certain transportation-related functions of the Department of Public Safety and the Department of Revenue. The 1982 General Assembly established the Transportation Cabinet as the successor to the Department of Transportation, and it assumed all of the duties formerly associated with the Department.

**Transportation**  
**General Administration and Support**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	500,000	500,000	500,000	500,000	500,000
<b>Total General Fund</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>Restricted Funds</b>					
Balance Forward	168,861	183,906	198,800	134,100	69,400
Current Receipts	1,370,443	1,457,864	2,077,100	2,271,600	2,295,500
Non-Revenue Receipts	336,068	75,866			
<b>Total Restricted Funds</b>	<b>1,875,372</b>	<b>1,717,635</b>	<b>2,275,900</b>	<b>2,405,700</b>	<b>2,364,900</b>
<b>Road Fund</b>					
Regular Appropriation	72,006,800	74,340,100	74,651,200	80,814,900	81,193,100
Budget Reduction-Road Fund	-968,600				
<b>Total Road Fund</b>	<b>71,038,200</b>	<b>74,340,100</b>	<b>74,651,200</b>	<b>80,814,900</b>	<b>81,193,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>73,413,572</b>	<b>76,557,735</b>	<b>77,427,100</b>	<b>83,720,600</b>	<b>84,058,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	30,683,602	31,835,018	35,360,600	40,523,200	40,980,100
Operating Expenses	32,677,519	31,720,545	33,127,100	34,441,000	34,375,500
Grants Loans Benefits	500,885	500,000	502,800	502,800	502,800
Debt Service	6,752,789	7,110,529	7,107,400	7,107,800	7,112,200
Capital Outlay	229,350	16,891	1,170,100	1,051,400	1,051,400
Construction	11,243	27,402	25,000	25,000	25,000
<b>TOTAL EXPENDITURES</b>	<b>70,855,388</b>	<b>71,210,385</b>	<b>77,293,000</b>	<b>83,651,200</b>	<b>84,047,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	500,000	500,000	500,000	500,000	500,000
Restricted Funds	1,691,467	1,518,842	2,141,800	2,336,300	2,353,900
Road Fund	68,663,921	69,191,542	74,651,200	80,814,900	81,193,100
<b>TOTAL EXPENDITURES</b>	<b>70,855,388</b>	<b>71,210,385</b>	<b>77,293,000</b>	<b>83,651,200</b>	<b>84,047,000</b>
<b>EXPENDITURES BY UNIT</b>					
Office of the Secretary	6,589,481	5,733,474	7,890,600	9,054,200	9,163,200
Legal Services	5,148,132	4,422,598	5,311,600	5,963,800	6,019,600
Office of Human Resource Management	4,391,620	4,327,087	4,973,000	5,635,700	5,697,600
Office of Support Services	20,879,130	20,511,025	22,213,200	23,196,200	23,248,800
Technology	29,225,279	31,733,540	31,926,300	34,044,200	34,055,500
Office of Audits	4,621,744	4,482,660	4,978,300	5,757,100	5,862,300
<b>TOTAL EXPENDITURES</b>	<b>70,855,388</b>	<b>71,210,385</b>	<b>77,293,000</b>	<b>83,651,200</b>	<b>84,047,000</b>

The General Administration and Support appropriation unit provides management and administrative services and ensures efficient day to day operations. This unit includes the Office of Secretary and nine other offices.

The Office of Budget and Fiscal Management, the Office for Civil Rights and Small Business Development, the Office of Legal Services, the Office of Public Affairs, the Office of Inspector General, the Office of Human Resource Management, the Office of Support Services, the Office of Audits, and the Office of Information Technology provide leadership, management, and staff support to the Transportation Cabinet and provide the Secretary with the managerial tools necessary to operate the Cabinet.

The Office of the Secretary is the central point of contact with the general public and external organizations and serves as the main policymaking arm of the Cabinet. The Office of Budget and Fiscal Management and the Office of Audits manage the planning and use of the Cabinet's financial resources. The Office for Civil Rights and Small Business Development conducts programs to provide women and minorities an equal opportunity for employment and to compete for highway construction contracts. The Office of Legal Services provides the agency with the required legal representation before administrative boards and all levels of the court system. The Office of Public Affairs is responsible for the Cabinet's communications with employees, the news media, and the general public. The Office of Inspector

General exists to provide the Cabinet a mechanism for both employees and Kentuckians to report incidences of wrongdoing regarding the Cabinet's service. The Office of Human Resource Management is responsible for the Cabinet's human resources policies and personnel utilization and development programs. The Office of Support Services provides oversight and management of the Cabinet's statewide facilities, including all ongoing capital projects not associated with highway construction. Beginning in April 2013, the Office of Support Services began providing production print services for the Executive Branch through its Division of Graphic Design and Printing, a function previously performed by the Commonwealth Office of Technology. The Office of Information Technology is responsible for the technological application development and system support functions for the Cabinet.

### **Policy**

The General Fund appropriation provides funding for the improvement of public river ports in the Commonwealth. The Secretary of Transportation, in conjunction with the Kentucky Water Transportation Advisory Board, shall determine how to distribute the funds.

**Transportation  
Aviation**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Special Appropriation		10,000,000	10,000,000		
Continuing Approp-General Fund			3,381,700		
<b>Total General Fund</b>		10,000,000	13,381,700		
<b>Restricted Funds</b>					
Balance Forward	14,976,943	15,983,715	12,241,100	242,100	83,400
Current Receipts	12,160,785	11,901,966	11,814,400	11,861,400	11,872,100
Non-Revenue Receipts	-909,906	-1,832,200	-1,830,700	-1,830,600	-1,829,800
Fund Transfers	-468,000	-383,900	-388,200	-426,100	-424,000
<b>Total Restricted Funds</b>	25,759,823	25,669,581	21,836,600	9,846,800	9,701,700
<b>Federal Fund</b>					
Current Receipts	313,736	1,059,953	417,400	213,700	213,700
Non-Revenue Receipts	187,474	-46,101			
<b>Total Federal Fund</b>	501,210	1,013,852	417,400	213,700	213,700
<b>Road Fund</b>					
Regular Appropriation	2,884,500	2,670,900	2,676,100	2,779,600	2,789,000
Continuing Approp-Road Fund	157,210	10			
Budget Reduction-Road Fund	-257,200				
<b>Total Road Fund</b>	2,784,510	2,670,910	2,676,100	2,779,600	2,789,000
<b>TOTAL SOURCE OF FUNDS</b>	29,045,543	39,354,342	38,311,800	12,840,100	12,704,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,589,980	4,667,567	3,726,100	3,867,000	3,941,100
Operating Expenses	938,858	750,190	810,400	716,200	642,700
Grants Loans Benefits	7,401,560	15,805,265	31,572,700	6,245,800	6,204,200
Debt Service	1,817,886	1,832,169	1,830,700	1,830,600	1,829,800
Capital Outlay	15,610	252,500			
Construction	173,833	303,105	129,800	97,100	
<b>TOTAL EXPENDITURES</b>	12,937,727	23,610,795	38,069,700	12,756,700	12,617,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		6,618,251	13,381,700		
Restricted Funds	9,776,108	13,428,520	21,594,500	9,763,400	9,615,100
Federal Fund	501,210	1,013,852	417,400	213,700	213,700
Road Fund	2,660,409	2,550,173	2,676,100	2,779,600	2,789,000
<b>TOTAL EXPENDITURES</b>	12,937,727	23,610,795	38,069,700	12,756,700	12,617,800
<b>EXPENDITURES BY UNIT</b>					
Commonwealth Aviation	8,903,582	19,717,401	33,890,600	8,372,400	8,383,600
Capital City Airport	2,216,259	2,061,226	2,348,400	2,553,700	2,404,400
Aviation Administration	1,817,886	1,832,169	1,830,700	1,830,600	1,829,800
<b>TOTAL EXPENDITURES</b>	12,937,727	23,610,795	38,069,700	12,756,700	12,617,800

In accordance with KRS Chapter 183, the Transportation Cabinet supports the Commonwealth's Aviation program. There are two divisions within the Department of Aviation: Commonwealth Aviation and Capital City Airport. The Commonwealth Aviation division is charged with the Air Regulatory program and the Airport Development program. The Air Regulatory program is responsible for inspecting and determining the safety and efficiency of all of the Commonwealth's public use airport and heliport facilities. Pursuant to KRS 183.861, the Kentucky Airport Zoning Commission protects the navigable airspace within the state by evaluating applications for construction, issuing permits, and maintaining updated airport zoning maps. The Commission is attached to the Air Regulatory program for administrative purposes. The Airport Development program provides for administration, planning and management of airport construction, and maintenance of local airports. Airport Development also provides technical and financial assistance to the state's 59 public use airports, including updating and distributing the state aeronautical charts and airport directories.

The Capital City Airport is a public use airport located in Frankfort, Kentucky. Capital City Airport is home to 81 aircraft, including the fleet owned and operated by state government and the National Guard located in Frankfort.

### **Policy**

The Budget of the Commonwealth suspends the provisions of KRS 183.525 and transfers \$426,100 in fiscal year 2018-2019 and \$424,000 in fiscal year 2019- 2020 from the Kentucky Aviation Economic Development Fund to the General Fund to support General Fund supported aviation bonds authorized by the 2005 General Assembly.

The Budget of the Commonwealth suspends the provisions of KRS 183.525 and transfers \$993,000 in fiscal year 2018-2019 and \$994,500 in fiscal year 2019-2020 from the Kentucky Aviation Economic Development Fund to the Road Fund to support Road Fund supported aviation bonds authorized by the 2008 General Assembly.

The Budget of the Commonwealth suspends the provisions of KSS 183.525 and transfers \$837,600 in fiscal year 2018-2019 and \$835,300 in fiscal year 2019-2020 from the Kentucky Aviation Economic Development Fund to the Road Fund to support Road Fund supported aviation bonds authorized by the 2010 General Assembly.

**Transportation  
Debt Service**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Road Fund</b>					
Regular Appropriation	170,387,700	160,382,900	165,825,600	160,014,400	150,097,400
<b>Total Road Fund</b>	<b>170,387,700</b>	<b>160,382,900</b>	<b>165,825,600</b>	<b>160,014,400</b>	<b>150,097,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>170,387,700</b>	<b>160,382,900</b>	<b>165,825,600</b>	<b>160,014,400</b>	<b>150,097,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs		100,000		50,000	50,000
Debt Service	150,045,550	153,187,226	154,830,400	156,596,700	146,679,700
<b>TOTAL EXPENDITURES</b>	<b>150,045,550</b>	<b>153,287,226</b>	<b>154,830,400</b>	<b>156,646,700</b>	<b>146,729,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Road Fund	150,045,550	153,287,226	154,830,400	156,646,700	146,729,700
<b>TOTAL EXPENDITURES</b>	<b>150,045,550</b>	<b>153,287,226</b>	<b>154,830,400</b>	<b>156,646,700</b>	<b>146,729,700</b>
<b>EXPENDITURES BY UNIT</b>					
Economic Development Lease Rental	150,045,550	153,287,226	154,830,400	156,646,700	146,729,700
<b>TOTAL EXPENDITURES</b>	<b>150,045,550</b>	<b>153,287,226</b>	<b>154,830,400</b>	<b>156,646,700</b>	<b>146,729,700</b>

The Debt Service program is the budget entity through which lease rental payments are made on the revenue bonds the Commonwealth has issued to finance major highway construction projects.

KRS Chapter 175 authorizes the Turnpike Authority of Kentucky to issue revenue bonds to construct, maintain, repair, and operate designated roads of the Toll Road System, the Resource Recovery Road System, and the Economic Development Road System.

The first of these systems, the Toll Road System, was constructed during the mid-1960s and early 1970s. All of the Toll Road bonds that were issued to construct the state's parkways are now retired.

The Resource Recovery Road System began in the late 1970s, and most of the system's roads were built during the 1980s. The most significant project was KY 80. The final lease rental payment for the Resource Recovery Road bonds was made in fiscal year 2008-2009.

The Economic Development Road System was established and funded through a series of bond issues. The first was a \$300 million issue sold in 1984. The second was a relatively small sale of \$36.6 million in 1987. The third and largest was a \$600 million program which was implemented in bond sales during 1990, 1993, and 1995. The projects constructed with the \$600 million series were designated as "Revitalization Projects" and are now complete. The fourth issue was authorized by the 1998 General Assembly in the amount of \$200 million. The bonds were sold in 1999 and projects funded with those proceeds are now complete. The 2005 General Assembly authorized the fifth series of Economic Development Road bonds in the amount of \$450 million. The bond projects associated with the 2005 series were split to support three initiatives: \$300 million for projects in the adopted Six-Year Highway Plan; \$100 million to fund County Road Aid projects; and \$50 million to support Municipal Road Aid projects. The 2006 General Assembly authorized an additional \$350 million in Economic Development Road Bonds. The entire 2006 series was authorized to support projects in the adopted Six-Year Highway Plan. The seventh issue was authorized by the 2008 General Assembly in the amount of \$50 million for projects associated with Base Re-alignment and Closure (BRAC) activities in and around Fort Knox. The 2009 General Assembly authorized bonds in the amount of \$400 million to support projects in the adopted Six-Year Highway Plan. The 2010 Special Session of the General Assembly authorized \$112 million in BRAC bonds to complete the projects in Fort Knox and \$400 million in bonds for projects included in the Biennial Highway Construction Plan. All but \$125 million of the \$400 million in bonds authorized by the 2010 Special Session of the General Assembly have been issued.

Through lease agreements with the Turnpike Authority of Kentucky and the Asset and Liability Commission, the Transportation Cabinet provides funds to pay the Toll Road, Resource Recovery Road, and the Economic Development Road revenue bonds. In the Debt Service program, funds are reserved exclusively for semi-annual lease rental payments to meet the principal and interest requirements of these outstanding bonds, along with any administrative costs of the Turnpike Authority.

**Policy**

The American Recovery and Reinvestment Act of 2009 created a new debt instrument for tax-exempt municipal bond issuers, called Build America Bonds. Municipal bond issuers could issue Build America Bonds for eligible tax-exempt purposes on a permanent basis only. The Commonwealth was eligible for a subsidy for bonds issued as Build America Bonds prior to December 31, 2010. Subsidies from the Build America Bonds shall lapse to the Road Fund. The amount of the Road Fund lapse is \$3,367,700 in fiscal year 2018-2019 and \$3,367,700 in fiscal year 2019-2020.

**Transportation  
Highways**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	390,221,786	187,902,279	101,354,800	3,309,800	1,312,000
Current Receipts	68,693,129	70,812,350	107,736,800	111,332,100	111,887,900
Non-Revenue Receipts	202,511,213	47,989,951	78,788,500		
<b>Total Restricted Funds</b>	<b>661,426,128</b>	<b>306,704,580</b>	<b>287,880,100</b>	<b>114,641,900</b>	<b>113,199,900</b>
<b>Federal Fund</b>					
Balance Forward					
Current Receipts	757,643,036	786,080,021	725,106,300	734,670,300	735,446,300
Non-Revenue Receipts	-2,805,881	7,510,922			
<b>Total Federal Fund</b>	<b>754,837,155</b>	<b>793,590,943</b>	<b>725,106,300</b>	<b>734,670,300</b>	<b>735,446,300</b>
<b>Road Fund</b>					
Regular Appropriation	779,181,500	767,032,800	777,426,900	806,608,700	796,751,000
Surplus Expenditure Plan	6,338,079	37,964,749	57,237,100		
Continuing Approp-Road Fund	330,665,547	156,526,855			
Budget Reduction-Road Fund	-28,781,900				
<b>Total Road Fund</b>	<b>1,087,403,226</b>	<b>961,524,404</b>	<b>834,664,000</b>	<b>806,608,700</b>	<b>796,751,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,503,666,509</b>	<b>2,061,819,927</b>	<b>1,847,650,400</b>	<b>1,655,920,900</b>	<b>1,645,397,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	479,213,466	468,951,814	376,170,100	417,502,000	419,542,800
Operating Expenses	252,557,918	184,961,899	199,190,300	203,189,500	199,011,700
Grants Loans Benefits	17,920,284	18,161,057	12,399,500	12,398,300	12,398,300
Debt Service	65,754,541	75,715,133	97,500,000	95,240,600	95,141,400
Capital Outlay	1,569,005	926,863	835,400	831,300	831,300
Construction	1,339,161,958	1,001,361,186	1,158,245,300	925,447,200	918,471,700
<b>TOTAL EXPENDITURES</b>	<b>2,156,177,172</b>	<b>1,750,077,952</b>	<b>1,844,340,600</b>	<b>1,654,608,900</b>	<b>1,645,397,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	473,523,849	205,349,699	284,570,300	113,329,900	113,199,900
Federal Fund	754,837,155	793,590,943	725,106,300	734,670,300	735,446,300
Road Fund	927,816,169	751,137,311	834,664,000	806,608,700	796,751,000
<b>TOTAL EXPENDITURES</b>	<b>2,156,177,172</b>	<b>1,750,077,952</b>	<b>1,844,340,600</b>	<b>1,654,608,900</b>	<b>1,645,397,200</b>
<b>EXPENDITURES BY UNIT</b>					
Research	4,506,070	3,927,455	4,817,400	4,527,400	4,527,400
Construction	1,648,978,016	1,301,404,757	1,329,647,300	1,098,022,600	1,091,969,700
Maintenance	375,000,769	314,895,300	352,760,500	380,873,000	375,179,000
Engineering Administration	13,930,055	14,056,507	15,262,200	24,210,900	26,118,700
Planning	13,067,359	14,381,537	16,115,900	15,388,700	15,231,200
Highway Operations	30,309,751	32,955,879	45,980,000	51,980,000	52,980,000
Equipment Services	60,793,647	59,504,508	69,083,500	68,932,500	68,717,400
Highway Safety	9,591,504	8,952,009	10,673,800	10,673,800	10,673,800
<b>TOTAL EXPENDITURES</b>	<b>2,156,177,172</b>	<b>1,750,077,952</b>	<b>1,844,340,600</b>	<b>1,654,608,900</b>	<b>1,645,397,200</b>

The Highways appropriation unit is the largest program in the Transportation Cabinet. There are eight programs in the Department of Highways: Research, Construction, Maintenance, Engineering Administration, Highway Planning, Highway Operations, Highway Safety and Equipment Services. The Construction program is divided into five subprograms: Bond Funded Construction, State Funded Construction, Federal Funded Construction, Toll Bond Funded Construction, and the TIFIA Loan program.

The Department of Highways is responsible for the construction, reconstruction, and maintenance of the State Primary Road System through authority granted by KRS 177.020. The Department is headed by a commissioner who is appointed by the Governor on recommendation of the Secretary of Transportation. This agency administers all of the programs within the Highways appropriation unit.



Combined travel by all motor vehicles over Kentucky's 78,000 miles of roads and streets equals over 47.6 billion vehicle-miles. The State Primary Road System carries about 85 percent of all traffic. This network consists of approximately 27,500 miles of interstate highways, resource recovery roads, parkways, economic development roads, primary, secondary, rural, unclassified roads, and approximately 9,000 state maintained bridges. Kentucky's interstate system, consisting of approximately 800 miles, carries 27 percent of all travel.

**Transportation  
Highways  
Research**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Federal Fund</b>					
Current Receipts	3,955,696	3,285,626	3,383,400	3,383,400	3,383,400
<b>Total Federal Fund</b>	<b>3,955,696</b>	<b>3,285,626</b>	<b>3,383,400</b>	<b>3,383,400</b>	<b>3,383,400</b>
<b>Road Fund</b>					
Regular Appropriation	1,434,000	1,434,000	1,434,000	1,144,000	1,144,000
Continuing Approp-Road Fund	1,144,000	2,027,625			
<b>Total Road Fund</b>	<b>2,578,000</b>	<b>3,461,625</b>	<b>1,434,000</b>	<b>1,144,000</b>	<b>1,144,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,533,696</b>	<b>6,747,251</b>	<b>4,817,400</b>	<b>4,527,400</b>	<b>4,527,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,208,050	3,637,455	4,527,400	4,527,400	4,527,400
Operating Expenses	298,020	290,000	290,000		
<b>TOTAL EXPENDITURES</b>	<b>4,506,070</b>	<b>3,927,455</b>	<b>4,817,400</b>	<b>4,527,400</b>	<b>4,527,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Fund	3,955,696	3,285,626	3,383,400	3,383,400	3,383,400
Road Fund	550,374	641,829	1,434,000	1,144,000	1,144,000
<b>TOTAL EXPENDITURES</b>	<b>4,506,070</b>	<b>3,927,455</b>	<b>4,817,400</b>	<b>4,527,400</b>	<b>4,527,400</b>

The Research program is primarily a problem-solving service available to the Department of Highways. The program provides studies of traffic safety and operations, pavement mechanics and performance, materials characteristics and behavior, and transportation policies. The Research function is mandated by the Commonwealth's use of federal highway funds in accordance with Title 23 of the Federal Code, which requires the use of 25 percent of funds for highway research and development. The Transportation Cabinet partners with the University of Kentucky Transportation Center to carry out research functions. The partnership conducts workshops on highway maintenance and management; traffic engineering, computerized signalization, signal technician certification, incident management/traffic mitigation, and provides on-demand technical assistance. The program maintains a lending library, including both written and audio-visual materials. The program also publishes a quarterly newsletter.

**Transportation  
Highways  
Construction**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	375,580,254	179,518,356	92,038,000		
Current Receipts	9,839,632	6,981,235	26,246,700	27,195,300	27,280,400
Non-Revenue Receipts	203,190,044	46,574,268	80,000,000		
<b>Total Restricted Funds</b>	<b>588,609,929</b>	<b>233,073,858</b>	<b>198,284,700</b>	<b>27,195,300</b>	<b>27,280,400</b>
<b>Federal Fund</b>					
Balance Forward					
Current Receipts	736,076,621	765,622,480	702,750,400	713,041,600	713,975,100
Non-Revenue Receipts	-2,087,090	7,783,077			
<b>Total Federal Fund</b>	<b>733,989,531</b>	<b>773,405,557</b>	<b>702,750,400</b>	<b>713,041,600</b>	<b>713,975,100</b>
<b>Road Fund</b>					
Regular Appropriation	385,941,100	362,985,000	371,375,100	357,785,700	350,714,200
Surplus Expenditure Plan	6,338,079	37,964,749	57,237,100		
Continuing Approp-Road Fund	329,521,297	154,499,163			
Budget Reduction-Road Fund	-28,781,900				
Other	-32,622,500				
<b>Total Road Fund</b>	<b>660,396,076</b>	<b>555,448,912</b>	<b>428,612,200</b>	<b>357,785,700</b>	<b>350,714,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,982,995,536</b>	<b>1,561,928,327</b>	<b>1,329,647,300</b>	<b>1,098,022,600</b>	<b>1,091,969,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	235,876,755	217,536,886	99,309,700	102,895,800	103,917,600
Operating Expenses	25,035,132	20,590,834	153,300		
Grants Loans Benefits	15,106,251	15,694,461	9,052,000	9,052,000	9,052,000
Debt Service	65,754,541	75,715,133	97,500,000	95,240,600	95,141,400
Capital Outlay	135,531	739,503			
Construction	1,307,069,806	971,127,941	1,123,632,300	890,834,200	883,858,700
<b>TOTAL EXPENDITURES</b>	<b>1,648,978,016</b>	<b>1,301,404,757</b>	<b>1,329,647,300</b>	<b>1,098,022,600</b>	<b>1,091,969,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	409,091,573	141,035,846	198,284,700	27,195,300	27,280,400
Federal Fund	733,989,531	773,405,557	702,750,400	713,041,600	713,975,100
Road Fund	505,896,913	386,963,354	428,612,200	357,785,700	350,714,200
<b>TOTAL EXPENDITURES</b>	<b>1,648,978,016</b>	<b>1,301,404,757</b>	<b>1,329,647,300</b>	<b>1,098,022,600</b>	<b>1,091,969,700</b>

The Construction program is the largest single funding component within the Highways appropriation unit. It encompasses all construction and major reconstruction of roadways in the State Primary Road System. The Construction Program is divided into five sub-programs: Bond Funded Construction, State Funded Construction, Federal Funded Construction, Toll Bond Funded Construction, and the TIFIA Loan program. KRS 45.750(3) exempts road projects, including associated equipment and land acquisition purchases, from the capital construction statutes outlined in KRS Chapter 45.760 - 45.810.

Several different road systems constructed in the Commonwealth over the last 40 years have used Bond Funded Construction. General obligation bonds were sold to finance the original construction of the Interstate System. The Turnpike Authority of Kentucky sold revenue bonds to fund construction of the toll road system that crisscrosses the state. Tolls on these parkways were removed once the bonds were paid. Resource recovery bonds were sold in the late 1970s for construction of the Resource Recovery Road System, a network of highways over which coal resources could be efficiently hauled. The Turnpike Authority received authorization to sell bonds in 1984, 1987, 1990, 1993, 1995, 1999, 2005, 2006, 2008, 2009, and 2010 for projects identified as part of the Economic Development Road System. The Authority received authorization in 2008 and 2010 to issue bonds to support road projects specifically related to the Base Re-alignment and Closure (BRAC) activities in and around Fort Knox. All of the roads constructed using proceeds from Turnpike Authority bonds are built by the Cabinet on behalf of the Authority, and then are leased to the Cabinet until the bonds are retired. At that time they are transferred to the Cabinet and become a part of the state highway system.

The State Funded Construction program provides for many highway improvement needs, emergency needs, industrial access roads, parkway and primary road pavement rehabilitation, and other projects for which federal funding is not available. The state resurfacing program is a part of this sub-program area and provides for resurfacing of roads in the

state maintained highway system. The Highway Construction Contingency account, authorized in KRS 45.247, is also included in the State-Funded Construction program.

The Federal Construction program addresses the major construction, reconstruction, and rehabilitation needs for nearly 12,000 miles of interstate, primary, secondary, urban systems, and Appalachian routes across the state. This funding is provided under Titles 23 and 40 of the US Code. From fiscal year 2005 to fiscal year 2008, \$440 million in Grant Anticipation Revenue Vehicle (GARVEE) bonds were appropriated to support interstate projects along I-64, I-75, and I-65. In addition, GARVEE bonds totaling \$336 million were authorized in 2008 and 2010 for the Louisville Bridges project. The 2010 Special Session of the General Assembly authorized \$330 million in GARVEE bonds for the US-68/KY-80 Lake Barkley and Kentucky Lake Bridges Project. For display purposes, the GARVEE bonds are located in the Bond Funded Construction program. However, the debt service to support the GARVEE bonds is located in the Federal Fund Construction program.

House Bill 4 from the 2009 Special Session of the General Assembly created the Kentucky Public Transportation Infrastructure Authority (KPTIA) to facilitate the construction, financing, operation, and oversight of mega-projects. According to the Federal Highway Administration, mega-projects are projects that have a total cost of \$500 million or more. The Authority has the power to finance mega-projects through the use of tolls, funds from any GARVEE, funds appropriated by the state or federal government, and any other funds pledged for their purpose.

### **Policy**

The Budget of the Commonwealth authorizes the Secretary of Transportation to continue the Cash Management program, formerly known as the Pre-financing Road Projects program, authorized by the Appropriations Act since the 2000-2002 biennium. The Cash Management program allows the Cabinet to expedite projects in the Biennial Highway Construction Plan by managing Road Fund cash, while ensuring that expenditures remain within enacted appropriations.

**Transportation  
Highways  
Maintenance**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Current Receipts	3,854,817	3,378,893	3,687,900	3,687,900	3,687,900
Non-Revenue Receipts	-227,931	204,217			
<b>Total Restricted Funds</b>	<b>3,626,887</b>	<b>3,583,110</b>	<b>3,687,900</b>	<b>3,687,900</b>	<b>3,687,900</b>
<b>Road Fund</b>					
Regular Appropriation	338,751,200	347,457,900	349,072,600	377,185,100	371,491,100
Continuing Approp-Road Fund	250	67			
Other	32,622,500				
<b>Total Road Fund</b>	<b>371,373,950</b>	<b>347,457,967</b>	<b>349,072,600</b>	<b>377,185,100</b>	<b>371,491,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>375,000,837</b>	<b>351,041,077</b>	<b>352,760,500</b>	<b>380,873,000</b>	<b>375,179,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	165,448,763	170,487,085	184,125,600	204,438,600	202,452,700
Operating Expenses	204,248,808	142,900,197	165,575,200	173,374,700	169,666,600
Grants Loans Benefits	1,178				
Capital Outlay	1,143,728	15,353			
Construction	4,158,292	1,492,666	3,059,700	3,059,700	3,059,700
<b>TOTAL EXPENDITURES</b>	<b>375,000,769</b>	<b>314,895,300</b>	<b>352,760,500</b>	<b>380,873,000</b>	<b>375,179,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	3,626,887	3,583,110	3,687,900	3,687,900	3,687,900
Road Fund	371,373,883	311,312,190	349,072,600	377,185,100	371,491,100
<b>TOTAL EXPENDITURES</b>	<b>375,000,769</b>	<b>314,895,300</b>	<b>352,760,500</b>	<b>380,873,000</b>	<b>375,179,000</b>

Kentucky has invested approximately \$19 billion in its highway infrastructure which is comprised of right-of-way, roadways, and bridges. KRS 176.050 assigns the responsibility for operating and maintaining this highway infrastructure to the Department of Highways. The Maintenance program's role is to operate and maintain the roadways, bridges, rest areas, and traffic control devices on all state-maintained highways. Two organizational units under the Office of Project Delivery and Preservation administer the Maintenance program: the Division of Maintenance and the Division of Traffic Operations. The duties of this unit are explained in Kentucky Revised Statutes 175.580, 175.610, 176.050, 176.051, 177.020, 177.410, 177.530, 177.550, 177.830-890, 177.905-990, and 180.290.

The Division of Maintenance responsibilities are broken down into two areas. The Roadway Preservation program maintains approximately 15,000 miles of state primary highways and 13,000 miles of rural secondary highways. The Pavement and Operations Management personnel inspect and evaluate pavement conditions on over 27,000 miles of state-maintained roads, determine strategies for improvement, estimate funding needs, and recommend annual priorities. The Bridge Preservation program is responsible for all state-maintained bridges, except those on the Rural Secondary system.

Revolving Maintenance serves as a materials revolving mechanism for refurbishing damaged guardrail. Damaged guardrail is shipped to Frankfort, straightened and re-galvanized, and is placed back into service as needs arise.

Capital Improvements is a subset of the Division of Maintenance for coordinating with the Kentucky State Police vehicle accident data in order to establish priorities for installing new guardrail in locations it does not currently exist.

The Rest Area Operations/Maintenance program provides sanitary and accessible restroom facilities and other convenient services for motorists traveling through the state. There are 26 rest area and welcome center locations and two truck rest haven locations.

The Division of Traffic Operations is responsible for the installation and maintenance of traffic control devices on over 27,000 miles of highways. This division uses a multitude of Intelligent Transportation Systems to communicate, control, detect and process data to effectively move traffic through the state in the safest manner possible.

**Transportation  
Highways  
Engineering Administration**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Road Fund</b>					
Regular Appropriation	14,497,600	15,142,400	15,262,200	24,210,900	26,118,700
<b>Total Road Fund</b>	<b>14,497,600</b>	<b>15,142,400</b>	<b>15,262,200</b>	<b>24,210,900</b>	<b>26,118,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>14,497,600</b>	<b>15,142,400</b>	<b>15,262,200</b>	<b>24,210,900</b>	<b>26,118,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	12,474,725	12,711,572	13,616,300	22,571,800	24,479,600
Operating Expenses	1,153,207	1,274,280	1,310,500	1,307,800	1,307,800
Grants Loans Benefits	547				
Capital Outlay	289,746	64,862	335,400	331,300	331,300
Construction	11,829	5,793			
<b>TOTAL EXPENDITURES</b>	<b>13,930,055</b>	<b>14,056,507</b>	<b>15,262,200</b>	<b>24,210,900</b>	<b>26,118,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Road Fund	13,930,055	14,056,507	15,262,200	24,210,900	26,118,700
<b>TOTAL EXPENDITURES</b>	<b>13,930,055</b>	<b>14,056,507</b>	<b>15,262,200</b>	<b>24,210,900</b>	<b>26,118,700</b>

There are nine divisions organized under the State Highway Engineer's Office.

The Division of Construction supervises highway construction projects, providing administrative support for central office and district construction projects. It also assists the Division of Materials staff in sampling and testing materials used in construction projects.

The Division of Materials establishes standards and controls relating to the quality of materials for the construction, maintenance, and operation of highways and bridges. The Division also develops, coordinates, and controls testing procedures that are conducted in the field.

The Division of Structural Design develops and prepares contract plans for all highway structures, as well as any special structures that the Transportation Cabinet builds as part of Kentucky's system of roads. The Division also designs and prepares plans for structural repair and rehabilitation of existing bridges, as well as the design of all overhead sign structures.

The Division of Highway Design, in conjunction with the district design offices, is responsible for the required design activities of the Cabinet's Six-Year Road Plan projects, including the preparation, assembly, and reproduction of construction plans for a project's award.

The Division of Environmental Analysis provides all environmental studies and documents required by federal agencies for federal-aid transportation projects and for state funded projects that require federal permits. The division ensures compliance with all federal laws and regulations.

The Division of Right-of-Way and Utilities acquires property required for the construction and reconstruction of highways. This function involves obtaining title reports, performing appraisals and appraisal reviews, conducting negotiations, providing relocation assistance, facilitating property management, and initiating condemnation procedures on properties affected by proposed projects.

The Division of Program Management is responsible for developing Kentucky's Biennial Six-Year Road Plan.

The Division of Planning provides the day-to-day administration and support for personnel involved in the Highway Planning program activities, including management, clerical support, training, and other overhead expenditures.

The Division of Professional Services is responsible for procuring the Cabinet's professional services relating to road contracts. This division advertises for engineering services, administers the pre-qualification process for consulting services, provides assistance to selection committees for contract awards, negotiates fees for consulting work sought by the Cabinet, and routinely confers with the Finance and Administration Cabinet and the Legislative Research Commission with respect to contract awards.

**Transportation  
Highways  
Planning**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Federal Fund</b>					
Balance Forward					
Current Receipts	11,947,543	12,426,856	13,383,600	12,656,400	12,498,900
<b>Total Federal Fund</b>	11,947,543	12,426,856	13,383,600	12,656,400	12,498,900
<b>Road Fund</b>					
Regular Appropriation	2,732,300	2,732,300	2,732,300	2,732,300	2,732,300
<b>Total Road Fund</b>	2,732,300	2,732,300	2,732,300	2,732,300	2,732,300
<b>TOTAL SOURCE OF FUNDS</b>	14,679,843	15,159,156	16,115,900	15,388,700	15,231,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	12,545,390	13,632,404	15,278,300	14,553,500	14,396,000
Operating Expenses	521,969	749,133	837,600	835,200	835,200
<b>TOTAL EXPENDITURES</b>	13,067,359	14,381,537	16,115,900	15,388,700	15,231,200
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Fund	11,947,543	12,426,856	13,383,600	12,656,400	12,498,900
Road Fund	1,119,816	1,954,681	2,732,300	2,732,300	2,732,300
<b>TOTAL EXPENDITURES</b>	13,067,359	14,381,537	16,115,900	15,388,700	15,231,200

The Planning program is responsible for administrative and technical support and implements transportation planning activities statewide. The program is charged with a variety of statewide planning initiatives including: rail planning, carpooling, alternative fuel, bikeway, pedway, and ferry operations. In addition, it coordinates the Kentucky Scenic Highway and Byway System, manages the traffic data collection and processing equipment, maintains the Highway Information System, and coordinates air quality conformity with several state and federal agencies.

Highway Planning evaluates state-maintained streets and highways to ensure that available federal and state funds are utilized to maximum efficiency. The Planning unit maintains an inventory of all roadway classifications and prepares city, county, and state road maps for sale and distribution. The program also furnishes statistics required by the Federal Highway Administration and state and local government decision-makers.

Metropolitan Planning maintains and distributes federal funding to nine metropolitan planning organizations (MPOs) to implement the continuing, comprehensive, and cooperative planning process, which is mandated by federal law. The MPOs study the impact of transportation operations in urbanized areas concerning congestion management, air quality, environmental issues, public involvement, land use and development, and public transportation.

Area Development Districts (ADDs) Assistance administers a regional planning and public participation process in the state's 15 ADDs as part of the Cabinet's overall statewide transportation planning process, as required by 23 USC and 23 CFR 450. The Cabinet contracts with each ADD for activities in support of the regional and statewide planning process, including public involvement, data collection, analysis, identification of needs, project recommendations, regional prioritization of projects, and technical assistance and review.

**Transportation  
Highways  
Highway Operations**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Current Receipts			14,718,700	13,507,200	13,507,200
Non-Revenue Receipts			-1,211,500		
<b>Total Restricted Funds</b>			13,507,200	13,507,200	13,507,200
<b>Road Fund</b>					
Regular Appropriation	30,774,400	32,207,600	32,472,800	38,472,800	39,472,800
<b>Total Road Fund</b>	30,774,400	32,207,600	32,472,800	38,472,800	39,472,800
<b>TOTAL SOURCE OF FUNDS</b>	30,774,400	32,207,600	45,980,000	51,980,000	52,980,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	30,263,615	31,496,409	37,458,700	43,501,600	44,501,600
Operating Expenses	41,650	246,528	8,021,300	7,978,400	7,978,400
Grants Loans Benefits	450	413			
Capital Outlay			500,000	500,000	500,000
Construction	4,036	1,063			
<b>TOTAL EXPENDITURES</b>	30,309,751	31,744,413	45,980,000	51,980,000	52,980,000
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds			13,507,200	13,507,200	13,507,200
Road Fund	30,309,751	31,744,413	32,472,800	38,472,800	39,472,800
<b>TOTAL EXPENDITURES</b>	30,309,751	31,744,413	45,980,000	51,980,000	52,980,000

In accordance with KRS Chapter 176, the Highway Operations program provides leadership, management, and central administrative support and funding for central office and district operations for the Transportation Cabinet's Department of Highways. The Commissioner of Highways oversees the Department, which includes the State Highway Engineer's Office, three offices which include 14 divisions, and 12 district offices across the state. In the 12 district offices, the Chief District Engineer manages the road project functions and reports to the State Highway Engineer.

The State Highway Engineer's Office manages and coordinates the engineering functions of the Cabinet, reviews management, engineering, and personnel reports and recommendations from the engineering and professional divisions, staff and Deputy State Highway Engineers. In addition, the Office administers the Cabinet's Engineering Scholarship program and the Engineering Graduate Training program, coordinates the Research program, and manages special projects, such as the Louisville Bridges project.

Contract procurement activities are also a part of the Highway Operations program and include prequalifying road contractors, advertising bids for road construction projects, awarding contracts, and issuing work orders and monitoring required contract provisions.

In fiscal year 2016-2017, the Transportation Cabinet began collecting a portion of the toll revenue from the Louisville-Southern Indiana Ohio River Bridges project to fund toll system operations and maintenance and administrative costs of the Kentucky Public Transportation Infrastructure Authority (KPTIA). The toll revenue is collected in an enterprise fund within the Transportation Cabinet, and the costs that it supports are included in the above restricted funds.



**Transportation  
Highways  
Equipment Services**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	14,618,150	8,372,284	9,305,000	3,305,000	1,305,000
Current Receipts	54,998,680	60,437,322	63,083,500	66,932,500	67,412,400
Non-Revenue Receipts	-450,900				
<b>Total Restricted Funds</b>	<b>69,165,930</b>	<b>68,809,606</b>	<b>72,388,500</b>	<b>70,237,500</b>	<b>68,717,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>69,165,930</b>	<b>68,809,606</b>	<b>72,388,500</b>	<b>70,237,500</b>	<b>68,717,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	13,141,347	14,010,455	16,229,900	19,082,300	19,336,900
Operating Expenses	19,734,314	16,733,551	21,300,300	18,296,900	17,827,200
Grants Loans Benefits	-10	850			
Capital Outlay		25,928			
Construction	27,917,996	28,733,724	31,553,300	31,553,300	31,553,300
<b>TOTAL EXPENDITURES</b>	<b>60,793,647</b>	<b>59,504,508</b>	<b>69,083,500</b>	<b>68,932,500</b>	<b>68,717,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	60,793,647	59,504,508	69,083,500	68,932,500	68,717,400
<b>TOTAL EXPENDITURES</b>	<b>60,793,647</b>	<b>59,504,508</b>	<b>69,083,500</b>	<b>68,932,500</b>	<b>68,717,400</b>

The mission of the Equipment Services program is to provide highway construction and maintenance equipment for use by the Department of Highways. The unit purchases and maintains all the Cabinet's trucks, heavy equipment, and various pieces of support machinery. This program provides its services through the central office garage in Frankfort and a network of 12 repair garages located throughout the state.

**Transportation  
Highways  
Highway Safety**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	23,382	11,640	11,800	4,800	7,000
Current Receipts		14,899		9,200	
<b>Total Restricted Funds</b>	<b>23,382</b>	<b>26,539</b>	<b>11,800</b>	<b>14,000</b>	<b>7,000</b>
<b>Federal Fund</b>					
Current Receipts	5,663,176	4,745,060	5,588,900	5,588,900	5,588,900
Non-Revenue Receipts	-718,791	-272,156			
<b>Total Federal Fund</b>	<b>4,944,385</b>	<b>4,472,904</b>	<b>5,588,900</b>	<b>5,588,900</b>	<b>5,588,900</b>
<b>Road Fund</b>					
Regular Appropriation	5,050,900	5,073,600	5,077,900	5,077,900	5,077,900
<b>Total Road Fund</b>	<b>5,050,900</b>	<b>5,073,600</b>	<b>5,077,900</b>	<b>5,077,900</b>	<b>5,077,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>10,018,667</b>	<b>9,573,043</b>	<b>10,678,600</b>	<b>10,680,800</b>	<b>10,673,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,254,819	4,850,218	5,624,200	5,931,000	5,931,000
Operating Expenses	1,524,817	1,636,457	1,702,100	1,396,500	1,396,500
Grants Loans Benefits	2,811,868	2,465,334	3,347,500	3,346,300	3,346,300
<b>TOTAL EXPENDITURES</b>	<b>9,591,504</b>	<b>8,952,009</b>	<b>10,673,800</b>	<b>10,673,800</b>	<b>10,673,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	11,742	14,767	7,000	7,000	7,000
Federal Fund	4,944,385	4,472,904	5,588,900	5,588,900	5,588,900
Road Fund	4,635,377	4,464,337	5,077,900	5,077,900	5,077,900
<b>TOTAL EXPENDITURES</b>	<b>9,591,504</b>	<b>8,952,009</b>	<b>10,673,800</b>	<b>10,673,800</b>	<b>10,673,800</b>

The Office of Transportation Safety is headed by an Executive Director who reports directly to the State Highway Engineer. The Office includes the Division of Incident Management and the Division of Highway Safety Programs. The Motorcycle Advisory Commission for Highway Safety is attached for administrative purposes.

The Division of Incident Management manages the Transportation Operations Center and coordinates highway incident management including providing information to travelers and providing assistance to stranded motorists and law enforcement agencies at the scene of highway incidents.

The Division of Highway Safety Programs is charged with coordinating efforts to reduce fatalities, injuries, and crashes on Kentucky's highway systems.

**Transportation**  
**Public Transportation**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,728,200	5,728,200	5,728,200	5,589,000	5,589,000
Continuing Approp-General Fund	197,066	125,188	170,600		
Budget Reduction-General Fund		-62,300	-319,000		
<b>Total General Fund</b>	5,925,266	5,791,088	5,579,800	5,589,000	5,589,000
<b>Restricted Funds</b>					
Balance Forward	100,091	1,970	101,000		
Current Receipts	560,000	660,000	597,700	775,400	861,900
<b>Total Restricted Funds</b>	660,091	661,970	698,700	775,400	861,900
<b>Federal Fund</b>					
Balance Forward					
Current Receipts	24,042,475	20,805,815	43,817,700	25,781,600	25,768,300
<b>Total Federal Fund</b>	24,042,475	20,805,815	43,817,700	25,781,600	25,768,300
<b>TOTAL SOURCE OF FUNDS</b>	30,627,833	27,258,873	50,096,200	32,146,000	32,219,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,714,345	1,821,507	2,069,700	2,369,700	2,473,000
Operating Expenses	95,398	103,880	117,800	121,800	121,800
Grants Loans Benefits	28,690,932	25,061,914	47,908,700	29,654,500	29,624,400
<b>TOTAL EXPENDITURES</b>	30,500,675	26,987,301	50,096,200	32,146,000	32,219,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,800,078	5,620,451	5,579,800	5,589,000	5,589,000
Restricted Funds	658,122	561,035	698,700	775,400	861,900
Federal Fund	24,042,475	20,805,815	43,817,700	25,781,600	25,768,300
<b>TOTAL EXPENDITURES</b>	30,500,675	26,987,301	50,096,200	32,146,000	32,219,200
<b>EXPENDITURES BY UNIT</b>					
Public Transportation	29,515,894	26,002,501	49,111,400	31,072,400	31,059,100
Multi-Modal Transportation	424,781	424,800	424,800	398,200	398,200
Human Services Delivery	560,000	560,000	560,000	675,400	761,900
<b>TOTAL EXPENDITURES</b>	30,500,675	26,987,301	50,096,200	32,146,000	32,219,200

The Public Transportation appropriation unit is comprised of three programs: Public Transportation, Multi-Modal, and Human Services Transportation Delivery. The Public Transportation program offers technical and financial assistance to public transportation providers and the metropolitan planning organizations throughout the state through the following federal programs: Sections 5303, 5307, 5309, 5310, 5311, 5316, and 5317. Federal Funds, combined with General Fund and local matching funds, allow public transit authorities to acquire buses and vans.

Also included in the Public Transportation program is funding for Non-public School Transportation, a program that provides grants to non-public schools so that they may offer bus service to their students.

The Multi-Modal program partners with the 15 area development districts with respect to regional and statewide transportation planning processes. This partnership generates public involvement with respect to identifying and prioritizing needs and assists in the project recommendation process, including the coordination of the Statewide Transportation Plan, the State Transportation Improvement program, and the Six-Year Highway Plan.

The Human Service Transportation Delivery program is a partnership between the Transportation Cabinet, the Medicaid program, the Office for Vocational Rehabilitation, and the Office for the Blind. This partnership provides non-emergency medical transportation, jobs access transportation, and transportation to day care facilities. The program also partners with the Veterans' Program Trust Fund to provide transportation services for veterans.

**Policy**

The [Budget of the Commonwealth](#) provides for the use of Toll Credits to be used by the Office of Transportation Delivery and public transit authorities as the match for federal funds.

**Transportation  
Revenue Sharing**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>Road Fund</b>					
Regular Appropriation	390,753,800	330,812,900	332,030,200	336,345,200	337,318,200
Continuing Approp-Road Fund	114,900,968	119,146,677			
Budget Reduction-Road Fund	-169,300				
Other	-57,034,983	7,240,187	4,927,000		
<b>Total Road Fund</b>	<b>448,450,485</b>	<b>457,199,764</b>	<b>336,957,200</b>	<b>336,345,200</b>	<b>337,318,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>448,450,485</b>	<b>457,199,764</b>	<b>336,957,200</b>	<b>336,345,200</b>	<b>337,318,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,202,683	4,022,750	4,563,900	5,073,600	5,082,600
Operating Expenses	8,820,311	11,884,872	3,216,800	3,236,500	3,236,500
Grants Loans Benefits	184,357,643	179,728,760	181,259,100	180,838,000	181,358,000
Construction	132,601,446	134,329,861	147,917,400	147,197,100	147,641,100
<b>TOTAL EXPENDITURES</b>	<b>328,982,082</b>	<b>329,966,242</b>	<b>336,957,200</b>	<b>336,345,200</b>	<b>337,318,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Road Fund	328,982,082	329,966,242	336,957,200	336,345,200	337,318,200
<b>TOTAL EXPENDITURES</b>	<b>328,982,082</b>	<b>329,966,242</b>	<b>336,957,200</b>	<b>336,345,200</b>	<b>337,318,200</b>
<b>EXPENDITURES BY UNIT</b>					
County Road Aid	130,553,352	126,279,306	127,467,300	127,056,900	127,422,900
Rural Secondary	143,742,648	149,275,653	154,632,500	154,134,600	154,578,600
Municipal Aid	53,632,291	53,323,606	53,663,800	53,461,100	53,615,100
Energy Recovery	568,014	508,937	320,000	320,000	320,000
Rural and Municipal Aid	485,776	578,741	873,600	1,372,600	1,381,600
<b>TOTAL EXPENDITURES</b>	<b>328,982,082</b>	<b>329,966,242</b>	<b>336,957,200</b>	<b>336,345,200</b>	<b>337,318,200</b>

There are five components of the Revenue Sharing program: the County Road Aid program, authorized by KRS 179.410 - 179.440; the Rural Secondary Aid program, authorized by KRS 177.320; the Municipal Road Aid program, authorized by KRS 177.365 – 177.366; the Energy Recovery Road program, authorized by KRS 177.977-177.978; and other Special Programs.

The County Road Aid, Rural Secondary Aid, and Municipal Aid programs receive a portion of the state's motor fuels tax collections. The County Road Aid program receives 18.3 percent of motor fuels tax collections which is distributed to counties for the construction, reconstruction and maintenance of county roads and bridges. The Rural Secondary Aid program receives 22.2 percent of motor fuels tax collections, and funds are used to repair and maintain rural and secondary roads. Funds for both programs are allocated through a formula known as the "formula of fifths," as stated in KRS 177.360. Each county receives a portion of the statewide total as follows: one fifth is divided evenly among all counties, one fifth is divided proportionately based on the amount of rural population in each county, one fifth is distributed on the basis of rural road mileage in each county, and two fifths is apportioned according to each county's share of the total land area in the state.

The Municipal Road Aid program is funded by 7.7 percent of motor fuels tax collections. Distribution is made through a formula based upon the population contained in each city or unincorporated urban area.

Pursuant to KRS 183.220(3), two and one-tenth cents (\$0.021) of the tax collected under the motor fuel tax are excluded from the calculations of revenue sharing distributions as prescribed in KRS 177.320(1) (the Rural Secondary program), KRS 177.320(2) (the County Road Aid program), and KRS 177.365 (the Municipal Road Aid program).

Forty percent of the revenues collected from extended vehicle weight fees support the Energy Recovery Road System. Funds are distributed to the counties for the county-maintained portion of that system. The fund distribution is based on (1) the ratio of miles of roads in each county within this system to the total system miles, and (2) the ratio of the total tons of coal transported over the roads in each county to the total tons reported for the entire state. The Transportation Cabinet has the authority to expend the remaining 60 percent on the roads in the system.

The Special Programs budget unit includes the Commissioner's Office, the Office of Local Programs, the Kentucky Bicycle and Bikeway Commission, and the Bicycle and Pedestrian Program.

**Policy**

The Motor Fuels revenue estimate for the fiscal biennium 2018-2020, upon which the Road Fund appropriations in the Revenue Sharing program are based, is \$758,250,000 in fiscal year 2018-2019 and \$760,250,000 for fiscal year 2019-2020.

**Transportation  
Vehicle Regulation**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	5,058,278	5,249,531	8,319,800	5,921,200	1,130,600
Current Receipts	18,463,444	18,829,490	19,128,000	20,700,800	20,514,800
Non-Revenue Receipts			-57,000	-3,199,800	-55,000
Fund Transfers	-7,100,000	-5,100,000	-4,200,000	-6,944,800	-6,000,000
<b>Total Restricted Funds</b>	16,421,722	18,979,021	23,190,800	16,477,400	15,590,400
<b>Federal Fund</b>					
Current Receipts	3,275,229	2,097,114	4,600,000	4,634,500	4,637,700
Non-Revenue Receipts	-603,936	-153,826			
<b>Total Federal Fund</b>	2,671,293	1,943,287	4,600,000	4,634,500	4,637,700
<b>Road Fund</b>					
Regular Appropriation	28,464,000	26,126,900	27,902,200	30,364,200	27,323,400
Budget Reduction-Road Fund	-812,700				
<b>Total Road Fund</b>	27,651,300	26,126,900	27,902,200	30,364,200	27,323,400
<b>TOTAL SOURCE OF FUNDS</b>	46,744,314	47,049,209	55,693,000	51,476,100	47,551,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	20,389,086	19,140,185	22,059,800	24,726,400	24,969,500
Operating Expenses	11,851,720	11,257,286	18,713,200	16,652,800	16,605,300
Grants Loans Benefits	4,209,736	4,262,360	4,217,500	4,217,500	4,217,500
Debt Service	3,144,750	3,143,000	4,781,300	4,748,800	1,604,000
Capital Outlay	220,011				
<b>TOTAL EXPENDITURES</b>	39,815,303	37,802,831	49,771,800	50,345,500	47,396,300
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	11,172,190	10,659,316	17,269,600	15,346,800	15,435,200
Federal Fund	2,671,293	1,943,287	4,600,000	4,634,500	4,637,700
Road Fund	25,971,820	25,200,227	27,902,200	30,364,200	27,323,400
<b>TOTAL EXPENDITURES</b>	39,815,303	37,802,831	49,771,800	50,345,500	47,396,300
<b>EXPENDITURES BY UNIT</b>					
Commissioner	1,138,426	1,299,616	1,471,700	1,697,300	1,716,200
Drivers Licensing	11,560,260	10,276,900	13,269,500	14,528,400	14,515,900
Motor Carriers	6,349,993	6,298,421	9,577,000	10,200,700	10,265,900
Motor Vehicle Licensing	18,660,413	17,745,100	23,250,600	21,471,500	18,427,900
Customer Service	1,147,851	1,131,993	1,100,900	1,222,400	1,233,500
Motor Vehicle Commission	958,360	1,050,801	1,102,100	1,225,200	1,236,900
<b>TOTAL EXPENDITURES</b>	39,815,303	37,802,831	49,771,800	50,345,500	47,396,300

The Department of Vehicle Regulation includes the Commissioner's Office and the following divisions: Driver Licensing, Motor Carriers, Motor Vehicle Licensing, and Customer Service. The Motor Vehicle Commission is also attached to the Department for administrative purposes.

Under KRS Chapters 186, 187, 189A, 218A, 281A, and KRS 159.051, the Division of Driver Licensing maintains driver history records for approximately three million drivers. The Division issues licenses to commercial drivers who meet statutory requirements. The Division also enforces driver's license suspensions, revocations, and driver limitation programs. It operates State Traffic School programs, including the Graduated Licensing program.

The Division of Motor Carriers is responsible for the regulation of the trucking and lease/rental industries. The division also collects various taxes from the motor carrier industry, including the weight-distance tax.

The Division of Motor Vehicle Licensing provides for the titling and registration of motor vehicles and boats in accordance with KRS Chapters 186, 186A, 235, and 376. It maintains the Automated Vehicle Information System (AVIS) and controls title distribution functions. Registration and title applications are initiated through local county clerks' offices.

Newly created in 2012, the Division of Customer Service provides a single point of contact for all telephone calls to the Department of Vehicle Regulation in support of over 3 million public customers, Circuit Clerks, County Clerks, and commercial businesses.

Pursuant to KRS Chapter 190, the Kentucky Motor Vehicle Commission licenses and regulates motor vehicle manufacturers, dealers, and salespersons. It is funded through license fees that are deposited into a Restricted Fund account.

**Policy**

The 2015 General Assembly created the Ignition Interlock License program for drunk driving offenders as outlined in Senate Bill 133. The Transportation Cabinet administers the application process for the program for a fee that is deposited into the Road Fund. The above appropriation includes \$184,200 in each fiscal year for administration of the program. Restricted Funds collected under the provisions of KRS 45.345 and KRS 138.710(2) may be used to administer the Ignition Interlock License program.

# Statewide

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**Statewide  
Budget Reserve Trust Fund**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation				33,455,100	195,064,500
Surplus Expenditure Plan	82,514,310	26,354,485			
Special Appropriation	63,500,000				
Continuing Approp-General Fund	77,093,936	209,447,046	150,491,500	8,054,200	41,509,300
Mandated Allotments		-85,310,048	-85,725,800		
Other	-13,661,200		-56,711,500		
<b>Total General Fund</b>	<b>209,447,046</b>	<b>150,491,483</b>	<b>8,054,200</b>	<b>41,509,300</b>	<b>236,573,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>209,447,046</b>	<b>150,491,483</b>	<b>8,054,200</b>	<b>41,509,300</b>	<b>236,573,800</b>
<b>EXPENDITURES BY CLASS</b>					
<b>TOTAL EXPENDITURES</b>					
<b>EXPENDITURES BY FUND SOURCE</b>					
<b>TOTAL EXPENDITURES</b>					
<b>EXPENDITURES BY UNIT</b>					
<b>TOTAL EXPENDITURES</b>					

The Budget Reserve Trust Fund is the Commonwealth's "Rainy Day Fund." KRS 48.705 provides for deposits to the Budget Reserve Trust Fund from direct appropriations, excess receipts, and unexpended appropriations, up to five percent of actual General Fund revenue receipts. These funds are appropriated and available in the event that actual General Fund revenue receipts during the biennium are not sufficient to meet the General Fund appropriation levels authorized in the budget. These funds are also available as a resource for Necessary Governmental Expenses when there is no General Fund surplus.

**Policy**

The 2016-2018 enacted budget withdrew \$56,711,500 in fiscal year 2018 from the Budget Reserve Trust Fund. It is estimated that \$85 million will be needed to fund Necessary Governmental Expenses in fiscal year 2018.

The net effect is a balance in fiscal year 2019 of approximately \$8 million, representing 0.07 percent of budgeted revenues.

The Budget of the Commonwealth includes \$33,455,100 in fiscal year 2019 and \$195,064,500 in fiscal year 2020 to the Budget Reserve Trust Fund, which would bring the balance up to \$236,573,800, which is 2.1 percent of the fiscal year 2020 General Fund revenue estimate.

KRS 48.705(3) targets a Budget Reserve Trust Fund balance of five percent of actual General Fund receipts collected during the fiscal year just ended (approximately \$550 million). The Budget of the Commonwealth moves toward that objective with a Budget Reserve Trust Fund balance of over \$230 million on June 30, 2020.

**Statewide**  
**Kentucky Permanent Pension Fund**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Surplus Expenditure Plan		26,354,485			
<b>Total General Fund</b>		26,354,485			
<b>TOTAL SOURCE OF FUNDS</b>		26,354,485			
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs		26,354,485			
<b>TOTAL EXPENDITURES</b>		26,354,485			
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		26,354,485			
<b>TOTAL EXPENDITURES</b>		26,354,485			
<b>EXPENDITURES BY UNIT</b>					
Kentucky Permanent Pension Fund		26,354,485			
<b>TOTAL EXPENDITURES</b>		26,354,485			

The Kentucky Permanent Pension Fund was created by the 2016 General Assembly and is now codified in KRS 42.205. The purpose of the fund is to address the Commonwealth's unfunded pension liabilities, and the statute stipulates that the fund shall be used only for contributions to the Commonwealth's public employee pension funds. The Kentucky Permanent Pension Fund is characterized as an Other Expendable Trust Fund for financial reporting purposes; therefore, activity in the off-budget account is not displayed above.

**Policy**

A deposit of \$26,354,485 was made from the fiscal year 2016-2017 General Fund surplus to the Kentucky Permanent Pension Fund as stipulated in Part VII of the 2016-2018 biennial appropriations act. That act also transferred \$125,000,000 from the Public Employee Health Insurance Fund to the Permanent Pension Fund in fiscal year 2018.

The 2016-2018 biennial appropriations act authorized up to \$3,000,000 from the Permanent Pension Fund to be used for a performance audit of state-administered retirement systems.

The Budget of the Commonwealth suspends the provisions of KRS 42.205 and transfers \$75,000,000 in each year of the biennium from the Kentucky Permanent Pension Fund to the General Fund.

# Legislative Branch

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**Legislative Branch**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	60,139,500	59,311,100	63,206,600	68,607,700	70,162,500
Continuing Approp-General Fund	13,890,367	13,198,343	10,836,000	10,836,000	10,836,000
Budget Reduction-General Fund		-406,500	-463,900		
<b>Total General Fund</b>	<b>74,029,867</b>	<b>72,102,943</b>	<b>73,578,700</b>	<b>79,443,700</b>	<b>80,998,500</b>
<b>Restricted Funds</b>					
Balance Forward	1,032,151	975,725	1,006,400	1,006,400	1,006,400
Current Receipts	193,823	30,811	175,000	75,000	175,000
<b>Total Restricted Funds</b>	<b>1,225,974</b>	<b>1,006,535</b>	<b>1,181,400</b>	<b>1,081,400</b>	<b>1,181,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>75,255,841</b>	<b>73,109,478</b>	<b>74,760,100</b>	<b>80,525,100</b>	<b>82,179,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	47,354,290	47,170,215	47,745,500	57,338,200	58,678,900
Operating Expenses	11,165,971	10,492,273	11,651,100	9,035,500	9,349,600
Capital Outlay	588,710	120,312	37,000	40,000	40,000
<b>TOTAL EXPENDITURES</b>	<b>59,108,971</b>	<b>57,782,800</b>	<b>59,433,600</b>	<b>66,413,700</b>	<b>68,068,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	58,858,721	57,782,800	59,258,600	66,338,700	67,893,500
Restricted Funds	250,250		175,000	75,000	175,000
<b>TOTAL EXPENDITURES</b>	<b>59,108,971</b>	<b>57,782,800</b>	<b>59,433,600</b>	<b>66,413,700</b>	<b>68,068,500</b>
<b>EXPENDITURES BY UNIT</b>					
Legislative Branch	59,108,971	57,782,800	59,433,600	66,413,700	68,068,500
<b>TOTAL EXPENDITURES</b>	<b>59,108,971</b>	<b>57,782,800</b>	<b>59,433,600</b>	<b>66,413,700</b>	<b>68,068,500</b>

# Judicial Branch

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**Judicial Branch**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>Enacted FY 2019</b>	<b>Enacted FY 2020</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	337,449,600	363,245,100	365,212,700	384,897,100	388,377,700
Continuing Approp-General Fund	1,803,519		2,281,259		
Budget Reduction-General Fund		-3,494,100	-1,886,500		
<b>Total General Fund</b>	<b>339,253,119</b>	<b>359,751,000</b>	<b>365,607,459</b>	<b>384,897,100</b>	<b>388,377,700</b>
<b>Restricted Funds</b>					
Balance Forward	12,681,110	846,365	10,676,273	8,982,400	8,614,100
Current Receipts	24,037,959	23,463,440	22,970,338	23,025,300	23,027,800
Non-Revenue Receipts	13,356,645	13,308,464	11,750,089	11,750,000	11,750,000
<b>Total Restricted Funds</b>	<b>50,075,714</b>	<b>37,618,269</b>	<b>45,396,700</b>	<b>43,757,700</b>	<b>43,391,900</b>
<b>Federal Fund</b>					
Current Receipts	3,712,532	3,821,252	2,758,700	1,982,700	1,369,200
<b>Total Federal Fund</b>	<b>3,712,532</b>	<b>3,821,252</b>	<b>2,758,700</b>	<b>1,982,700</b>	<b>1,369,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>393,041,365</b>	<b>401,190,521</b>	<b>413,762,859</b>	<b>430,637,500</b>	<b>433,138,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	222,625,287	227,810,969	233,914,100	254,172,100	257,779,200
Operating Expenses	169,468,813	160,305,520	170,766,359	160,051,300	159,572,400
Capital Outlay	100,000	115,700	100,000	100,000	100,000
<b>TOTAL EXPENDITURES</b>	<b>392,194,100</b>	<b>388,232,189</b>	<b>404,780,459</b>	<b>414,323,400</b>	<b>417,451,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	339,252,219	357,468,941	365,607,459	377,197,100	380,877,700
Restricted Funds	49,229,349	26,941,996	36,414,300	35,143,600	35,204,700
Federal Fund	3,712,532	3,821,252	2,758,700	1,982,700	1,369,200
<b>TOTAL EXPENDITURES</b>	<b>392,194,100</b>	<b>388,232,189</b>	<b>404,780,459</b>	<b>414,323,400</b>	<b>417,451,600</b>
<b>EXPENDITURES BY UNIT</b>					
Judicial Branch	392,194,100	388,232,189	404,780,459	414,323,400	417,451,600
<b>TOTAL EXPENDITURES</b>	<b>392,194,100</b>	<b>388,232,189</b>	<b>404,780,459</b>	<b>414,323,400</b>	<b>417,451,600</b>