



COMMONWEALTH OF KENTUCKY

2018 - 2020

EXECUTIVE BUDGET

VOLUME I

MATTHEW G. BEVIN
GOVERNOR



JOHN E. CHILTON
STATE BUDGET DIRECTOR

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| | Executive Branch | | | | |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 10,874,212,600 | 12,237,347,700 | 12,557,808,400 | 10,826,618,400 | 11,123,157,000 |
| Postsecondary Ed Performance | | | -626,500 | | |
| Special Appropriation | 10,939,000 | | | | |
| Current Year Appropriation | 19,953,600 | | | | |
| Continuing Approp-General Fund | 188,358,700 | 11,779,983 | 11,779,983 | 8,054,200 | 70,468,300 |
| Budget Reduction-General Fund | -126,634,800 | | | | |
| Mandated Allotments | -69,827,700 | | | | |
| Other | -54,711,500 | | | | |
| Total General Fund | 10,842,289,900 | 12,249,127,683 | 12,568,961,883 | 10,834,672,600 | 11,193,625,300 |
| Tobacco Fund | | | | | |
| Tobacco Settlement - Phase I | 95,018,000 | 97,485,600 | 100,413,000 | 121,531,400 | 120,087,500 |
| Current Year Appropriation | 30,242,000 | | | | |
| Continuing Approp-Tob Settlement | 64,283,100 | 18,996,200 | 14,981,500 | 18,766,200 | 14,714,900 |
| Total Tobacco Fund | 189,543,100 | 116,481,800 | 115,394,500 | 140,297,600 | 134,802,400 |
| Restricted Funds | | | | | |
| Balance Forward | 734,338,059 | 452,247,298 | 387,095,398 | 475,196,228 | 326,682,228 |
| Current Receipts | 7,300,229,858 | 7,719,969,200 | 8,045,174,000 | 7,713,446,400 | 8,048,953,000 |
| Non-Revenue Receipts | 842,006,311 | 794,441,600 | 802,446,600 | 778,467,000 | 786,526,800 |
| Fund Transfers | -64,346,700 | -3,115,100 | -3,117,800 | -72,059,900 | -47,562,800 |
| Total Restricted Funds | 8,812,227,528 | 8,963,542,998 | 9,231,598,198 | 8,895,049,728 | 9,114,599,228 |
| Federal Fund | | | | | |
| Balance Forward | 56,339,719 | 21,947,195 | 15,674,995 | 21,846,219 | 16,708,519 |
| Current Receipts | 13,204,699,900 | 13,552,865,400 | 13,784,666,100 | 13,495,897,000 | 13,677,825,400 |
| Non-Revenue Receipts | -1,157,500 | -1,872,800 | -2,271,600 | -572,800 | -971,600 |
| Fund Transfers | | 1,300,000 | 1,300,000 | | |
| Total Federal Fund | 13,259,882,119 | 13,574,239,795 | 13,799,369,495 | 13,517,170,419 | 13,693,562,319 |
| Road Fund | | | | | |
| Regular Appropriation | 1,473,941,300 | 1,627,926,000 | 1,628,435,000 | 1,527,470,900 | 1,507,557,500 |
| Surplus Expenditure Plan | 57,237,100 | | | | |
| Other | 4,927,000 | | | | |
| Total Road Fund | 1,536,105,400 | 1,627,926,000 | 1,628,435,000 | 1,527,470,900 | 1,507,557,500 |
| TOTAL SOURCE OF FUNDS | 34,640,048,047 | 36,531,318,276 | 37,343,759,076 | 34,914,661,247 | 35,644,146,747 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 7,372,946,800 | 8,091,530,335 | 8,305,131,338 | 7,773,954,455 | 7,900,136,455 |
| Operating Expenses | 3,205,744,200 | 3,504,007,330 | 3,675,808,822 | 3,375,387,820 | 3,522,250,320 |
| Grants Loans Benefits | 20,671,044,500 | 21,832,262,981 | 22,223,689,757 | 20,768,437,925 | 21,102,942,425 |
| Debt Service | 1,232,294,400 | 1,235,191,700 | 1,299,784,400 | 1,197,063,300 | 1,223,004,800 |
| Capital Outlay | 238,464,100 | 256,978,193 | 264,601,522 | 232,527,800 | 238,778,100 |
| Construction | 1,330,126,700 | 1,152,872,600 | 1,155,517,800 | 1,115,452,300 | 1,109,011,900 |
| TOTAL EXPENDITURES | 34,050,620,700 | 36,072,843,139 | 36,924,533,639 | 34,462,823,600 | 35,096,124,000 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 10,781,957,900 | 12,225,164,239 | 12,545,280,639 | 10,746,339,700 | 10,922,178,000 |
| Tobacco Fund | 168,485,400 | 99,431,500 | 102,418,700 | 123,551,300 | 126,075,000 |
| Restricted Funds | 8,337,031,300 | 8,562,811,600 | 8,859,547,800 | 8,568,367,500 | 8,862,821,600 |
| Federal Fund | 13,238,035,900 | 13,558,564,800 | 13,788,851,500 | 13,500,461,900 | 13,680,859,600 |
| Road Fund | 1,525,110,200 | 1,627,926,000 | 1,628,435,000 | 1,524,103,200 | 1,504,189,800 |
| TOTAL EXPENDITURES | 34,050,620,700 | 36,073,898,139 | 36,924,533,639 | 34,462,823,600 | 35,096,124,000 |

EXPENDITURES BY UNIT

| | | | | | |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Government | 1,774,487,900 | 1,836,038,700 | 1,797,335,100 | 1,708,342,600 | 1,663,416,200 |
| Economic Development | 24,749,800 | 28,535,100 | 28,406,800 | 31,672,600 | 32,384,800 |
| Department of Education | 5,081,677,500 | 5,555,170,700 | 5,560,657,500 | 4,885,519,300 | 4,885,920,600 |
| Education and Workforce Development | 605,114,600 | 637,968,700 | 640,732,500 | 630,653,700 | 635,306,400 |
| Energy and Environment | 248,860,100 | 275,610,300 | 279,677,300 | 266,037,200 | 273,851,800 |
| Finance and Administration | 866,671,900 | 965,749,900 | 1,004,751,600 | 919,544,900 | 949,029,400 |
| Health and Family Services | 13,649,749,200 | 14,235,673,000 | 14,593,398,500 | 13,902,025,100 | 14,153,724,700 |
| Justice and Public Safety | 1,066,664,900 | 1,398,549,900 | 1,435,609,400 | 1,279,407,200 | 1,315,928,100 |
| Labor | 205,174,700 | 219,859,700 | 221,758,400 | 221,768,700 | 221,427,400 |
| Personnel | 63,931,100 | 67,154,000 | 67,716,700 | 66,174,600 | 66,486,800 |
| Postsecondary Education | 7,556,521,200 | 8,028,185,539 | 8,459,755,139 | 7,834,090,600 | 8,200,114,600 |
| Public Protection | 112,459,700 | 123,388,100 | 124,389,900 | 123,723,400 | 122,273,100 |
| Tourism, Arts and Heritage | 243,199,200 | 278,744,900 | 288,622,300 | 258,238,600 | 261,409,800 |
| Transportation | 2,551,358,900 | 2,423,269,600 | 2,421,722,500 | 2,335,625,100 | 2,314,850,300 |
| TOTAL EXPENDITURES | 34,050,620,700 | 36,073,898,139 | 36,924,533,639 | 34,462,823,600 | 35,096,124,000 |

General Government

General Government

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 1,207,320,700 | 1,334,242,900 | 1,297,092,000 | 1,219,145,100 | 1,170,220,700 |
| Current Year Appropriation | 2,820,200 | | | | |
| Continuing Approp-General Fund | 203,700 | | | | |
| Budget Reduction-General Fund | -1,939,600 | | | | |
| Mandated Allotments | 15,370,000 | | | | |
| Other | 22,754,000 | | | | |
| Total General Fund | 1,246,529,000 | 1,334,242,900 | 1,297,092,000 | 1,219,145,100 | 1,170,220,700 |
| Tobacco Fund | | | | | |
| Tobacco Settlement - Phase I | 31,100,200 | 31,260,600 | 31,284,200 | 43,203,300 | 41,029,300 |
| Current Year Appropriation | 4,198,300 | | | | |
| Continuing Approp-Tob Settlement | 39,822,200 | 18,996,200 | 14,981,500 | 18,766,200 | 14,714,900 |
| Total Tobacco Fund | 75,120,700 | 50,256,800 | 46,265,700 | 61,969,500 | 55,744,200 |
| Restricted Funds | | | | | |
| Balance Forward | 139,781,744 | 108,404,356 | 97,462,756 | 120,639,928 | 78,216,228 |
| Current Receipts | 209,744,673 | 238,705,800 | 238,787,700 | 228,004,500 | 233,011,600 |
| Non-Revenue Receipts | 77,027,311 | 72,778,200 | 73,374,600 | 70,679,000 | 71,611,600 |
| Fund Transfers | -2,507,800 | | | -27,500,000 | -1,500,000 |
| Total Restricted Funds | 424,045,928 | 419,888,356 | 409,625,056 | 391,823,428 | 381,339,428 |
| Federal Fund | | | | | |
| Balance Forward | 13,749,919 | 9,989,295 | 5,971,395 | 9,926,819 | 6,529,619 |
| Current Receipts | 162,807,700 | 137,981,200 | 138,238,700 | 123,080,600 | 123,116,500 |
| Non-Revenue Receipts | 1,177,400 | | | 1,300,000 | 1,300,000 |
| Fund Transfers | | 1,300,000 | 1,300,000 | | |
| Total Federal Fund | 177,735,019 | 149,270,495 | 145,510,095 | 134,307,419 | 130,946,119 |
| Road Fund | | | | | |
| Regular Appropriation | 520,400 | 525,300 | 527,200 | 557,900 | 562,000 |
| Total Road Fund | 520,400 | 525,300 | 527,200 | 557,900 | 562,000 |
| TOTAL SOURCE OF FUNDS | 1,923,951,047 | 1,954,183,851 | 1,899,020,051 | 1,807,803,347 | 1,738,812,447 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 464,804,200 | 465,141,400 | 475,173,300 | 428,038,700 | 432,094,000 |
| Operating Expenses | 112,258,400 | 149,868,900 | 150,143,600 | 123,253,300 | 123,770,600 |
| Grants Loans Benefits | 901,452,000 | 944,180,600 | 914,502,300 | 884,961,300 | 851,060,700 |
| Debt Service | 288,043,500 | 263,650,600 | 245,931,200 | 260,542,100 | 246,506,200 |
| Capital Outlay | 7,929,800 | 13,197,200 | 11,584,700 | 11,547,200 | 9,984,700 |
| TOTAL EXPENDITURES | 1,774,487,900 | 1,836,038,700 | 1,797,335,100 | 1,708,342,600 | 1,663,416,200 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 1,246,398,800 | 1,334,242,900 | 1,297,092,000 | 1,219,145,100 | 1,170,220,700 |
| Tobacco Fund | 56,354,500 | 35,381,500 | 35,417,800 | 47,254,600 | 49,004,300 |
| Restricted Funds | 303,406,000 | 322,589,900 | 321,860,700 | 313,607,200 | 317,020,300 |
| Federal Fund | 167,808,200 | 143,299,100 | 142,437,400 | 127,777,800 | 126,608,900 |
| Road Fund | 520,400 | 525,300 | 527,200 | 557,900 | 562,000 |
| TOTAL EXPENDITURES | 1,774,487,900 | 1,836,038,700 | 1,797,335,100 | 1,708,342,600 | 1,663,416,200 |
| EXPENDITURES BY UNIT | | | | | |
| Office of the Governor | 14,711,400 | 9,450,800 | 9,512,600 | 9,142,400 | 9,142,500 |
| Office of State Budget Director | 3,245,600 | 3,936,800 | 4,059,500 | 3,834,300 | 3,917,300 |
| State Planning Fund | | 137,200 | 137,200 | | |
| Homeland Security | 5,791,200 | 5,967,200 | 6,010,000 | 5,996,900 | 6,025,200 |
| Department of Veterans' Affairs | 95,437,200 | 113,372,300 | 115,719,600 | 102,865,800 | 103,582,000 |

EXPENDITURES BY UNIT

| | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governor's Office of Agricultural Policy | 49,595,500 | 32,831,500 | 32,867,800 | 44,704,600 | 46,454,300 |
| Kentucky Infrastructure Authority | 83,868,700 | 79,365,400 | 79,406,000 | 77,341,500 | 82,965,600 |
| Military Affairs | 130,304,700 | 122,697,300 | 123,849,300 | 99,457,700 | 100,228,800 |
| Commission on Human Rights | 1,945,500 | 2,687,000 | 2,788,700 | 1,603,900 | 1,734,700 |
| Commission on Women | 225,200 | 268,600 | 273,700 | | |
| Department for Local Government | 45,316,300 | 48,391,600 | 48,586,900 | 47,506,900 | 47,642,900 |
| Local Government Economic Assistance Fund | 31,746,400 | 23,183,500 | 22,680,800 | 26,257,600 | 22,825,700 |
| Local Government Economic Development Fund | 11,400,000 | 19,540,700 | 14,998,900 | 16,400,000 | 16,400,000 |
| Area Development Fund | 408,900 | 431,000 | 431,000 | | |
| Executive Branch Ethics Commission | 785,200 | 888,500 | 903,200 | 1,383,900 | 1,390,700 |
| Secretary of State | 4,654,400 | 5,245,800 | 5,334,100 | 5,113,500 | 5,155,100 |
| Board of Elections | 8,280,200 | 9,667,900 | 8,656,400 | 8,507,200 | 7,403,300 |
| Registry of Election Finance | 1,231,700 | 1,509,900 | 1,543,100 | 1,448,100 | 1,466,500 |
| Attorney General | 37,098,000 | 39,511,900 | 39,895,700 | 36,570,200 | 36,448,100 |
| Unified Prosecutorial System | 96,922,800 | 134,331,700 | 136,900,700 | 119,474,400 | 120,717,300 |
| Treasury | 4,063,100 | 4,625,000 | 4,708,200 | 4,403,900 | 4,359,800 |
| Agriculture | 35,085,200 | 38,989,600 | 39,517,600 | 36,318,200 | 36,527,400 |
| Auditor of Public Accounts | 14,651,800 | 18,831,200 | 19,227,900 | 15,625,800 | 15,727,200 |
| Personnel Board | 913,800 | 1,015,200 | 1,030,600 | 1,009,800 | 1,018,500 |
| Kentucky Retirement Systems | 130,534,700 | 47,613,500 | 48,327,600 | 47,307,300 | 47,702,500 |
| Occupational & Professional Boards & Commissions | 21,877,700 | 25,179,300 | 25,565,600 | 25,187,000 | 25,400,300 |
| Kentucky River Authority | 3,846,300 | 7,691,500 | 7,704,000 | 7,572,200 | 7,575,700 |
| School Facilities Construction Commission | 134,918,000 | 129,925,400 | 130,502,600 | 129,286,000 | 127,846,700 |
| Teachers' Retirement System | 758,352,200 | 853,285,700 | 811,832,200 | 782,609,700 | 733,463,400 |
| Appropriations Not Otherwise Classified | 17,026,400 | 18,526,400 | 18,526,400 | 14,526,400 | 14,526,400 |
| KY Communications Network Authority | 30,249,800 | 36,939,300 | 35,837,200 | 36,887,400 | 35,768,300 |
| TOTAL EXPENDITURES | 1,774,487,900 | 1,836,038,700 | 1,797,335,100 | 1,708,342,600 | 1,663,416,200 |

**General Government
Office of the Governor**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|---|--------------------|----------------------|----------------------|------------------------|------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 5,516,800 | 6,479,300 | 6,628,100 | 6,170,900 | 6,258,000 |
| Budget Reduction-General Fund | -282,600 | | | | |
| Total General Fund | 5,234,200 | 6,479,300 | 6,628,100 | 6,170,900 | 6,258,000 |
| Tobacco Fund | | | | | |
| Tobacco Settlement - Phase I | 2,050,000 | 2,210,400 | 2,234,000 | 2,050,000 | 2,050,000 |
| Continuing Approp-Tob Settlement | 4,010,700 | | | | |
| Total Tobacco Fund | 6,060,700 | 2,210,400 | 2,234,000 | 2,050,000 | 2,050,000 |
| Restricted Funds | | | | | |
| Balance Forward | 505,200 | 325,000 | 173,200 | 325,000 | 173,200 |
| Current Receipts | 267,200 | 267,200 | 267,200 | 267,200 | 267,200 |
| Non-Revenue Receipts | 232,500 | 240,500 | 245,400 | 240,500 | 245,400 |
| Total Restricted Funds | 1,004,900 | 832,700 | 685,800 | 832,700 | 685,800 |
| Federal Fund | | | | | |
| Current Receipts | 2,857,600 | 262,000 | 175,000 | 262,000 | 175,000 |
| Non-Revenue Receipts | -121,000 | | | | |
| Total Federal Fund | 2,736,600 | 262,000 | 175,000 | 262,000 | 175,000 |
| TOTAL SOURCE OF FUNDS | 15,036,400 | 9,784,400 | 9,722,900 | 9,315,600 | 9,168,800 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 5,555,600 | 6,919,500 | 7,091,800 | 6,514,500 | 6,610,200 |
| Operating Expenses | 1,488,300 | 1,430,800 | 1,430,900 | 1,461,800 | 1,461,800 |
| Grants Loans Benefits | 7,667,500 | 1,100,500 | 989,900 | 1,166,100 | 1,070,500 |
| TOTAL EXPENDITURES | 14,711,400 | 9,450,800 | 9,512,600 | 9,142,400 | 9,142,500 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 5,234,200 | 6,479,300 | 6,628,100 | 6,170,900 | 6,258,000 |
| Tobacco Fund | 6,060,700 | 2,050,000 | 2,050,000 | 2,050,000 | 2,050,000 |
| Restricted Funds | 679,900 | 659,500 | 659,500 | 659,500 | 659,500 |
| Federal Fund | 2,736,600 | 262,000 | 175,000 | 262,000 | 175,000 |
| TOTAL EXPENDITURES | 14,711,400 | 9,450,800 | 9,512,600 | 9,142,400 | 9,142,500 |
| EXPENDITURES BY UNIT | | | | | |
| Governor | 4,271,200 | 5,273,700 | 5,385,900 | 4,985,200 | 5,047,600 |
| Governor's Office Expense Allowance | 28,300 | 34,100 | 34,100 | 33,900 | 34,400 |
| Lieutenant Governor | 744,800 | 888,600 | 912,700 | 880,600 | 897,300 |
| Lieutenant Governor's Expense Allowance | 15,800 | 19,300 | 19,300 | 18,900 | 19,200 |
| Secretary of the Cabinet | 250,600 | 295,300 | 302,000 | 293,300 | 297,200 |
| Kentucky Commission on Military Affairs | 396,400 | 263,000 | 268,800 | 253,700 | 257,000 |
| Early Childhood Advisory Council | 9,004,300 | 2,676,800 | 2,589,800 | 2,676,800 | 2,589,800 |
| TOTAL EXPENDITURES | 14,711,400 | 9,450,800 | 9,512,600 | 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

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 3,165,500 | 3,730,200 | 3,817,200 | 3,486,400 | 3,533,700 |
| Budget Reduction-General Fund | -162,200 | | | | |
| Total General Fund | 3,003,300 | 3,730,200 | 3,817,200 | 3,486,400 | 3,533,700 |
| Restricted Funds | | | | | |
| Balance Forward | 246,900 | 246,900 | 141,300 | 246,900 | 141,300 |
| Non-Revenue Receipts | 242,300 | 101,000 | 101,000 | 242,300 | 242,300 |
| Total Restricted Funds | 489,200 | 347,900 | 242,300 | 489,200 | 383,600 |
| TOTAL SOURCE OF FUNDS | 3,492,500 | 4,078,100 | 4,059,500 | 3,975,600 | 3,917,300 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 2,841,800 | 3,533,000 | 3,655,700 | 3,430,500 | 3,513,500 |
| Operating Expenses | 403,800 | 403,800 | 403,800 | 403,800 | 403,800 |
| TOTAL EXPENDITURES | 3,245,600 | 3,936,800 | 4,059,500 | 3,834,300 | 3,917,300 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 3,003,300 | 3,730,200 | 3,817,200 | 3,486,400 | 3,533,700 |
| Restricted Funds | 242,300 | 206,600 | 242,300 | 347,900 | 383,600 |
| TOTAL EXPENDITURES | 3,245,600 | 3,936,800 | 4,059,500 | 3,834,300 | 3,917,300 |
| EXPENDITURES BY UNIT | | | | | |
| Budget & Policy Analysis | 2,435,200 | 2,977,200 | 3,076,900 | 2,881,700 | 2,951,800 |
| Policy Research | 324,500 | 387,900 | 397,500 | 384,800 | 390,300 |
| Economic Analysis | 485,900 | 571,700 | 585,100 | 567,800 | 575,200 |
| TOTAL EXPENDITURES | 3,245,600 | 3,936,800 | 4,059,500 | 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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 137,200 | 137,200 | 137,200 | | |
| Budget Reduction-General Fund | -7,000 | | | | |
| Total General Fund | 130,200 | 137,200 | 137,200 | | |
| TOTAL SOURCE OF FUNDS | 130,200 | 137,200 | 137,200 | | |
| EXPENDITURES BY CLASS | | | | | |
| Grants Loans Benefits | | 137,200 | 137,200 | | |
| TOTAL EXPENDITURES | | 137,200 | 137,200 | | |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | | 137,200 | 137,200 | | |
| TOTAL EXPENDITURES | | 137,200 | 137,200 | | |
| EXPENDITURES BY UNIT | | | | | |
| State Planning Fund | | 137,200 | 137,200 | | |
| TOTAL EXPENDITURES | | 137,200 | 137,200 | | |

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

**General Government
Homeland Security**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 231,800 | 243,500 | 245,400 | 251,900 | 255,200 |
| Budget Reduction-General Fund | -11,900 | | | | |
| Total General Fund | 219,900 | 243,500 | 245,400 | 251,900 | 255,200 |
| Restricted Funds | | | | | |
| Balance Forward | 2,636,600 | 2,482,800 | 2,377,700 | 2,482,800 | 2,283,100 |
| Current Receipts | 1,183,400 | 1,185,000 | 1,185,000 | 1,150,900 | 1,145,400 |
| Non-Revenue Receipts | 1,700 | 1,400 | 1,400 | 1,400 | 1,400 |
| Total Restricted Funds | 3,821,700 | 3,669,200 | 3,564,100 | 3,635,100 | 3,429,900 |
| Federal Fund | | | | | |
| Balance Forward | | 73,176 | 73,176 | | |
| Current Receipts | 3,962,000 | 4,156,900 | 4,187,600 | 4,085,100 | 4,096,200 |
| Total Federal Fund | 3,962,000 | 4,230,076 | 4,260,776 | 4,085,100 | 4,096,200 |
| Road Fund | | | | | |
| Regular Appropriation | 270,400 | 275,300 | 277,200 | 307,900 | 312,000 |
| Total Road Fund | 270,400 | 275,300 | 277,200 | 307,900 | 312,000 |
| TOTAL SOURCE OF FUNDS | 8,274,000 | 8,418,076 | 8,347,476 | 8,280,000 | 8,093,300 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 1,999,400 | 2,253,000 | 2,292,200 | 2,277,400 | 2,302,100 |
| Operating Expenses | 234,500 | 234,500 | 234,500 | 239,800 | 239,800 |
| Grants Loans Benefits | 3,557,300 | 3,479,700 | 3,483,300 | 3,479,700 | 3,483,300 |
| TOTAL EXPENDITURES | 5,791,200 | 5,967,200 | 6,010,000 | 5,996,900 | 6,025,200 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 219,900 | 243,500 | 245,400 | 251,900 | 255,200 |
| Restricted Funds | 1,338,900 | 1,291,500 | 1,299,800 | 1,352,000 | 1,361,800 |
| Federal Fund | 3,962,000 | 4,156,900 | 4,187,600 | 4,085,100 | 4,096,200 |
| Road Fund | 270,400 | 275,300 | 277,200 | 307,900 | 312,000 |
| TOTAL EXPENDITURES | 5,791,200 | 5,967,200 | 6,010,000 | 5,996,900 | 6,025,200 |
| EXPENDITURES BY UNIT | | | | | |
| Office of Homeland Security | 5,052,300 | 5,198,100 | 5,236,200 | 5,162,600 | 5,182,700 |
| Commerical Mobile Radio Service | 738,900 | 769,100 | 773,800 | 834,300 | 842,500 |
| TOTAL EXPENDITURES | 5,791,200 | 5,967,200 | 6,010,000 | 5,996,900 | 6,025,200 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 19,083,000 | 36,990,800 | 39,338,100 | 23,905,900 | 24,617,500 |
| Total General Fund | 19,083,000 | 36,990,800 | 39,338,100 | 23,905,900 | 24,617,500 |
| Restricted Funds | | | | | |
| Balance Forward | 23,733,400 | 7,380,300 | 5,467,700 | 6,388,000 | 1,897,000 |
| Current Receipts | 60,001,100 | 74,468,900 | 77,067,500 | 74,468,900 | 77,067,500 |
| Fund Transfers | -992,300 | | | | |
| Total Restricted Funds | 82,742,200 | 81,849,200 | 82,535,200 | 80,856,900 | 78,964,500 |
| TOTAL SOURCE OF FUNDS | 101,825,200 | 118,840,000 | 121,873,300 | 104,762,800 | 103,582,000 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 72,793,400 | 88,735,100 | 90,733,300 | 80,563,500 | 80,930,700 |
| Operating Expenses | 16,406,800 | 17,406,800 | 17,758,300 | 16,062,900 | 16,414,300 |
| Grants Loans Benefits | 6,166,200 | 6,268,600 | 6,266,200 | 6,168,600 | 6,166,200 |
| Debt Service | | 891,000 | 891,000 | | |
| Capital Outlay | 70,800 | 70,800 | 70,800 | 70,800 | 70,800 |
| TOTAL EXPENDITURES | 95,437,200 | 113,372,300 | 115,719,600 | 102,865,800 | 103,582,000 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 19,083,000 | 36,990,800 | 39,338,100 | 23,905,900 | 24,617,500 |
| Restricted Funds | 76,354,200 | 76,381,500 | 76,381,500 | 78,959,900 | 78,964,500 |
| TOTAL EXPENDITURES | 95,437,200 | 113,372,300 | 115,719,600 | 102,865,800 | 103,582,000 |
| EXPENDITURES BY UNIT | | | | | |
| Field Services and Cemeteries | 6,747,600 | 8,162,400 | 8,316,100 | 7,518,800 | 7,604,300 |
| Kentucky Veterans' Centers | 88,689,600 | 105,209,900 | 107,403,500 | 95,347,000 | 95,977,700 |
| TOTAL EXPENDITURES | 95,437,200 | 113,372,300 | 115,719,600 | 102,865,800 | 103,582,000 |

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

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|--|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| Tobacco Fund | | | | | |
| Tobacco Settlement - Phase I | 28,450,200 | 28,450,200 | 28,450,200 | 40,553,300 | 38,379,300 |
| Current Year Appropriation | 4,000,000 | | | | |
| Continuing Approp-Tob Settlement | 35,811,500 | 18,996,200 | 14,981,500 | 18,766,200 | 14,714,900 |
| Total Tobacco Fund | 68,261,700 | 47,446,400 | 43,431,700 | 59,319,500 | 53,094,200 |
| Restricted Funds | | | | | |
| Balance Forward | 385,000 | 395,000 | 305,000 | 395,000 | 305,000 |
| Current Receipts | 110,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Total Restricted Funds | 495,000 | 405,000 | 315,000 | 405,000 | 315,000 |
| TOTAL SOURCE OF FUNDS | 68,756,700 | 47,851,400 | 43,746,700 | 59,724,500 | 53,409,200 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 1,317,600 | 1,553,600 | 1,589,900 | 1,540,100 | 1,559,700 |
| Operating Expenses | 259,800 | 259,800 | 259,800 | 259,800 | 259,800 |
| Grants Loans Benefits | 48,018,100 | 31,018,100 | 31,018,100 | 42,904,700 | 44,634,800 |
| TOTAL EXPENDITURES | 49,595,500 | 32,831,500 | 32,867,800 | 44,704,600 | 46,454,300 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| Tobacco Fund | 49,495,500 | 32,731,500 | 32,767,800 | 44,604,600 | 46,354,300 |
| Restricted Funds | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| TOTAL EXPENDITURES | 49,595,500 | 32,831,500 | 32,867,800 | 44,704,600 | 46,454,300 |
| EXPENDITURES BY UNIT | | | | | |
| Governor's Office of Agricultural Policy | 49,595,500 | 32,831,500 | 32,867,800 | 44,704,600 | 46,454,300 |
| TOTAL EXPENDITURES | 49,595,500 | 32,831,500 | 32,867,800 | 44,704,600 | 46,454,300 |

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. K AFC 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

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 1,216,900 | 3,067,900 | 3,067,900 | 1,398,800 | 1,914,800 |
| Budget Reduction-General Fund | -62,300 | | | | |
| Total General Fund | 1,154,600 | 3,067,900 | 3,067,900 | 1,398,800 | 1,914,800 |
| Restricted Funds | | | | | |
| Balance Forward | 112,627 | | | | 54,800 |
| Current Receipts | 53,219,573 | 46,915,600 | 46,956,200 | 46,615,600 | 51,746,200 |
| Total Restricted Funds | 53,332,200 | 46,915,600 | 46,956,200 | 46,615,600 | 51,801,000 |
| Federal Fund | | | | | |
| Current Receipts | 29,381,900 | 29,381,900 | 29,381,900 | 29,381,900 | 29,381,900 |
| Total Federal Fund | 29,381,900 | 29,381,900 | 29,381,900 | 29,381,900 | 29,381,900 |
| TOTAL SOURCE OF FUNDS | 83,868,700 | 79,365,400 | 79,406,000 | 77,396,300 | 83,097,700 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 2,612,200 | 3,252,300 | 3,292,900 | 2,816,700 | 2,834,800 |
| Operating Expenses | 161,000 | 156,500 | 156,500 | 161,200 | 161,200 |
| Grants Loans Benefits | 28,964,300 | 29,090,600 | 29,090,600 | 29,090,600 | 29,090,600 |
| Debt Service | 52,131,200 | 46,866,000 | 46,866,000 | 45,273,000 | 50,879,000 |
| TOTAL EXPENDITURES | 83,868,700 | 79,365,400 | 79,406,000 | 77,341,500 | 82,965,600 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 1,154,600 | 3,067,900 | 3,067,900 | 1,398,800 | 1,914,800 |
| Restricted Funds | 53,332,200 | 46,915,600 | 46,956,200 | 46,560,800 | 51,668,900 |
| Federal Fund | 29,381,900 | 29,381,900 | 29,381,900 | 29,381,900 | 29,381,900 |
| TOTAL EXPENDITURES | 83,868,700 | 79,365,400 | 79,406,000 | 77,341,500 | 82,965,600 |
| EXPENDITURES BY UNIT | | | | | |
| Kentucky Infrastructure Authority | 83,868,700 | 79,365,400 | 79,406,000 | 77,341,500 | 82,965,600 |
| TOTAL EXPENDITURES | 83,868,700 | 79,365,400 | 79,406,000 | 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

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|--------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 9,912,800 | 13,060,300 | 13,324,600 | 15,036,400 | 15,256,400 |
| Mandated Allotments | 3,370,000 | | | | |
| Total General Fund | 13,282,800 | 13,060,300 | 13,324,600 | 15,036,400 | 15,256,400 |
| Restricted Funds | | | | | |
| Balance Forward | 24,467,900 | 25,342,000 | 25,814,400 | 24,826,500 | 24,317,300 |
| Current Receipts | 33,654,200 | 50,482,400 | 50,850,100 | 40,211,200 | 40,432,100 |
| Non-Revenue Receipts | 534,700 | -1,822,000 | -1,264,900 | -2,314,800 | -921,000 |
| Fund Transfers | -515,500 | | | | |
| Total Restricted Funds | 58,141,300 | 74,002,400 | 75,399,600 | 62,722,900 | 63,828,400 |
| Federal Fund | | | | | |
| Balance Forward | | | | | 611,500 |
| Current Receipts | 83,707,100 | 61,449,000 | 61,961,900 | 46,627,200 | 47,041,900 |
| Total Federal Fund | 83,707,100 | 61,449,000 | 61,961,900 | 46,627,200 | 47,653,400 |
| TOTAL SOURCE OF FUNDS | 155,131,200 | 148,511,700 | 150,686,100 | 124,386,500 | 126,738,200 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 40,971,700 | 48,306,000 | 49,390,000 | 48,404,100 | 48,985,300 |
| Operating Expenses | 32,036,800 | 55,876,800 | 55,944,800 | 34,028,100 | 34,128,000 |
| Grants Loans Benefits | 50,837,800 | 7,895,500 | 7,895,500 | 7,895,500 | 7,895,500 |
| Debt Service | 1,740,000 | 1,740,000 | 1,740,000 | 1,751,000 | 1,841,000 |
| Capital Outlay | 4,718,400 | 8,879,000 | 8,879,000 | 7,379,000 | 7,379,000 |
| TOTAL EXPENDITURES | 130,304,700 | 122,697,300 | 123,849,300 | 99,457,700 | 100,228,800 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 13,282,800 | 13,060,300 | 13,324,600 | 15,036,400 | 15,256,400 |
| Restricted Funds | 33,314,800 | 48,188,000 | 48,562,800 | 38,405,600 | 38,642,500 |
| Federal Fund | 83,707,100 | 61,449,000 | 61,961,900 | 46,015,700 | 46,329,900 |
| TOTAL EXPENDITURES | 130,304,700 | 122,697,300 | 123,849,300 | 99,457,700 | 100,228,800 |
| EXPENDITURES BY UNIT | | | | | |
| Statutory State Operations | 31,853,900 | 50,601,600 | 51,069,500 | 33,538,300 | 33,849,800 |
| Emergency Management | 59,070,300 | 17,187,700 | 17,365,100 | 16,977,800 | 17,072,700 |
| National Guard Operations | 183,000 | 383,000 | 383,000 | 182,600 | 272,600 |
| Emergency & Public Safety Operations | 370,000 | | | 4,500,000 | 4,500,000 |
| Bluegrass Station | 13,487,100 | 16,413,100 | 16,474,700 | 16,378,500 | 16,415,800 |
| Central Clothing Distribution | 16,723,900 | 28,626,100 | 28,932,200 | 18,529,900 | 18,693,800 |
| Federal & Grant Operations | 8,616,500 | 9,485,800 | 9,624,800 | 9,350,600 | 9,424,100 |
| TOTAL EXPENDITURES | 130,304,700 | 122,697,300 | 123,849,300 | 99,457,700 | 100,228,800 |

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 employs 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 Executive Budget 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 Executive Budget 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 Executive Budget 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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 1,781,800 | 2,432,000 | 2,533,700 | 1,348,900 | 1,479,700 |
| Budget Reduction-General Fund | -91,300 | | | | |
| Total General Fund | 1,690,500 | 2,432,000 | 2,533,700 | 1,348,900 | 1,479,700 |
| Restricted Funds | | | | | |
| Balance Forward | 3,400 | | | | |
| Current Receipts | 6,600 | 10,000 | 10,000 | 10,000 | 10,000 |
| Total Restricted Funds | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Federal Fund | | | | | |
| Balance Forward | 10,700 | | | 10,700 | 10,700 |
| Current Receipts | 245,000 | 245,000 | 245,000 | 245,000 | 245,000 |
| Total Federal Fund | 255,700 | 245,000 | 245,000 | 255,700 | 255,700 |
| TOTAL SOURCE OF FUNDS | 1,956,200 | 2,687,000 | 2,788,700 | 1,614,600 | 1,745,400 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 1,699,500 | 2,440,900 | 2,542,600 | 1,434,700 | 1,565,500 |
| Operating Expenses | 246,000 | 246,100 | 246,100 | 169,200 | 169,200 |
| TOTAL EXPENDITURES | 1,945,500 | 2,687,000 | 2,788,700 | 1,603,900 | 1,734,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 1,690,500 | 2,432,000 | 2,533,700 | 1,348,900 | 1,479,700 |
| Restricted Funds | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Federal Fund | 245,000 | 245,000 | 245,000 | 245,000 | 245,000 |
| TOTAL EXPENDITURES | 1,945,500 | 2,687,000 | 2,788,700 | 1,603,900 | 1,734,700 |
| EXPENDITURES BY UNIT | | | | | |
| General Administration and Support | 747,400 | 969,000 | 1,001,100 | 548,400 | 586,600 |
| Enforcement Branch | 388,400 | 643,000 | 672,600 | 373,100 | 405,800 |
| Research and Information | 365,100 | 490,300 | 510,100 | 276,500 | 302,800 |
| Legal Affairs | 444,600 | 584,700 | 604,900 | 405,900 | 439,500 |
| TOTAL EXPENDITURES | 1,945,500 | 2,687,000 | 2,788,700 | 1,603,900 | 1,734,700 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 237,400 | 268,600 | 273,700 | | |
| Budget Reduction-General Fund | -12,200 | | | | |
| Total General Fund | 225,200 | 268,600 | 273,700 | | |
| TOTAL SOURCE OF FUNDS | 225,200 | 268,600 | 273,700 | | |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 198,800 | 242,200 | 247,300 | | |
| Operating Expenses | 26,400 | 26,400 | 26,400 | | |
| TOTAL EXPENDITURES | 225,200 | 268,600 | 273,700 | | |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 225,200 | 268,600 | 273,700 | | |
| TOTAL EXPENDITURES | 225,200 | 268,600 | 273,700 | | |
| EXPENDITURES BY UNIT | | | | | |
| Commission on Women | 225,200 | 268,600 | 273,700 | | |
| TOTAL EXPENDITURES | 225,200 | 268,600 | 273,700 | | |

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 344.510-30, the Executive Budget provides no funding for the Commission on Women.

General Government
Department for Local Government

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 15,705,300 | 17,739,200 | 17,894,600 | 16,907,400 | 17,026,700 |
| Budget Reduction-General Fund | -804,500 | | | | |
| Total General Fund | 14,900,800 | 17,739,200 | 17,894,600 | 16,907,400 | 17,026,700 |
| Restricted Funds | | | | | |
| Balance Forward | 2,258,400 | 2,118,400 | 1,978,400 | 2,118,500 | 2,022,100 |
| Current Receipts | 742,500 | 791,800 | 799,400 | 791,800 | 791,800 |
| Total Restricted Funds | 3,000,900 | 2,910,200 | 2,777,800 | 2,910,300 | 2,813,900 |
| Federal Fund | | | | | |
| Balance Forward | 267,000 | 387,700 | 387,700 | 387,700 | 397,000 |
| Current Receipts | 28,353,800 | 28,420,600 | 28,452,900 | 28,420,600 | 28,421,900 |
| Non-Revenue Receipts | 1,300,000 | | | 1,300,000 | 1,300,000 |
| Fund Transfers | | 1,300,000 | 1,300,000 | | |
| Total Federal Fund | 29,920,800 | 30,108,300 | 30,140,600 | 30,108,300 | 30,118,900 |
| TOTAL SOURCE OF FUNDS | 47,822,500 | 50,757,700 | 50,813,000 | 49,926,000 | 49,959,500 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 6,177,700 | 7,148,900 | 7,302,500 | 6,249,600 | 6,345,600 |
| Operating Expenses | 706,100 | 2,005,700 | 2,047,400 | 2,020,300 | 2,060,300 |
| Grants Loans Benefits | 38,432,500 | 39,237,000 | 39,237,000 | 39,237,000 | 39,237,000 |
| TOTAL EXPENDITURES | 45,316,300 | 48,391,600 | 48,586,900 | 47,506,900 | 47,642,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 14,900,800 | 17,739,200 | 17,894,600 | 16,907,400 | 17,026,700 |
| Restricted Funds | 882,400 | 931,800 | 939,400 | 888,200 | 888,700 |
| Federal Fund | 29,533,100 | 29,720,600 | 29,752,900 | 29,711,300 | 29,727,500 |
| TOTAL EXPENDITURES | 45,316,300 | 48,391,600 | 48,586,900 | 47,506,900 | 47,642,900 |
| EXPENDITURES BY UNIT | | | | | |
| Operations | 12,722,900 | 15,610,500 | 15,773,500 | 14,735,300 | 14,855,100 |
| Grants | 32,593,400 | 32,781,100 | 32,813,400 | 32,771,600 | 32,787,800 |
| TOTAL EXPENDITURES | 45,316,300 | 48,391,600 | 48,586,900 | 47,506,900 | 47,642,900 |

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

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

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

The Flood Control program also is administered by the Federal Grants Office. In partnership with federal and local agencies, the matching program lessens flood damage losses by providing structural and nonstructural assistance to Kentucky communities. The Fund ensures that matching funds required by the U.S. Army Corp of Engineers, Federal

Emergency Management Agency, and Natural Resources Conservation Service are available for vital projects. The program provides matching dollars for federal grants for straight sewage pipe removal projects funded by the Personal Responsibility in a Desirable Environment program.

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

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

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

Policy

The Executive Budget includes General Fund of \$200,000 in each fiscal year for administrative support of the shaping Our Appalachian Region (SOAR) initiative.

| General Government | | | | | |
|--|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| Local Government Economic Assistance Fund | | | | | |
| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 31,746,400 | 23,183,500 | 22,680,800 | 26,257,600 | 22,825,700 |
| Total General Fund | 31,746,400 | 23,183,500 | 22,680,800 | 26,257,600 | 22,825,700 |
| TOTAL SOURCE OF FUNDS | 31,746,400 | 23,183,500 | 22,680,800 | 26,257,600 | 22,825,700 |
| EXPENDITURES BY CLASS | | | | | |
| Grants Loans Benefits | 31,746,400 | 23,183,500 | 22,680,800 | 26,257,600 | 22,825,700 |
| TOTAL EXPENDITURES | 31,746,400 | 23,183,500 | 22,680,800 | 26,257,600 | 22,825,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 31,746,400 | 23,183,500 | 22,680,800 | 26,257,600 | 22,825,700 |
| TOTAL EXPENDITURES | 31,746,400 | 23,183,500 | 22,680,800 | 26,257,600 | 22,825,700 |
| EXPENDITURES BY UNIT | | | | | |
| County Coal Severance | 14,823,700 | 7,537,100 | 5,785,300 | 11,771,600 | 10,235,400 |
| Cities Coal Severance | 1,526,500 | 837,500 | 642,800 | 1,306,700 | 1,135,700 |
| County Mineral Severance | 13,856,600 | 13,328,000 | 14,627,400 | 11,861,400 | 10,309,100 |
| Cities Mineral Severance | 1,539,600 | 1,480,900 | 1,625,300 | 1,317,900 | 1,145,500 |
| TOTAL EXPENDITURES | 31,746,400 | 23,183,500 | 22,680,800 | 26,257,600 | 22,825,700 |

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

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

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

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

- Public safety, including law enforcement, fire protection, ambulance service and other related services,
- Environmental protection, including sewage disposal, sanitation, solid waste and other related programs,
- Public transportation, including mass transit systems, streets and roads,
- Health,
- Recreation,
- Libraries and educational facilities,
- Services for the poor, aged, and handicapped,
- Industrial and economic development,
- Vocational education; and
- Workforce.

Policy

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

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

The accompanying chart illustrates the policy described below.

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

- (1) Osteopathic Medicine Scholarship program, to the Kentucky Higher Education Assistance Authority, \$326,000 in each fiscal year, pursuant to KRS 164.7891
- (2) Pharmacy Scholarship program, to the Kentucky Higher Education Assistance Authority: \$580,000 in fiscal year, pursuant to KRS 164.7890;
- (3) Operation Unite grant, through the Secretary of the Justice and Public Safety Cabinet: \$2,000,000 each fiscal year;
- (4) Shaping Our Appalachian Region (SOAR) administrative cost grant, through the Department for Local Government: \$200,000 each fiscal year;
- (5) Kentucky Infrastructure Authority for LGEDF administrative support: \$370,000 each fiscal year;
- (6) Department for Local Government for LGEDF administrative support: \$669,700 each fiscal year;
- (7) Debt Service to the Finance and Administration Cabinet equating to 25 percent of the debt service needed in each fiscal year to support bonds authorized in the 2003, 2005, 2006, 2008, 2010 sessions of the General Assembly;
- (8) A reservation of \$4,000,000 within the General Fund in each fiscal year, half of which is allocated to both the LGEAF (\$600,000 each fiscal year) and the LGEDF (\$1,400,000 each fiscal year).

Prior to any distributions to local governments from the LGEAF, debt service in the amount of \$21,716,300 in fiscal year 2018-2019 and \$20,592,500 in fiscal year 2019-2020 are provided to the Finance and Administration Cabinet's Debt Service appropriation unit. These amounts represent 75 percent of the debt service needed in each fiscal year for prior bond authorizations from the 2003, 2005, 2006, 2008, and 2010 sessions of the General Assembly. Further, any amounts allowed as an incentive to an approved company under KRS 143.024 and 154.27-060 shall be deducted prior to any distributions to local governments from the LGEAF.

| General Government | | | | | |
|---|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| Local Government Economic Development Fund | | | | | |
| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 11,400,000 | 19,540,700 | 14,998,900 | 16,400,000 | 16,400,000 |
| Total General Fund | 11,400,000 | 19,540,700 | 14,998,900 | 16,400,000 | 16,400,000 |
| TOTAL SOURCE OF FUNDS | 11,400,000 | 19,540,700 | 14,998,900 | 16,400,000 | 16,400,000 |
| EXPENDITURES BY CLASS | | | | | |
| Grants Loans Benefits | 11,400,000 | 19,540,700 | 14,998,900 | 16,400,000 | 16,400,000 |
| TOTAL EXPENDITURES | 11,400,000 | 19,540,700 | 14,998,900 | 16,400,000 | 16,400,000 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 11,400,000 | 19,540,700 | 14,998,900 | 16,400,000 | 16,400,000 |
| TOTAL EXPENDITURES | 11,400,000 | 19,540,700 | 14,998,900 | 16,400,000 | 16,400,000 |
| EXPENDITURES BY UNIT | | | | | |
| Economic Development Fund | 11,400,000 | 19,540,700 | 14,998,900 | 16,400,000 | 16,400,000 |
| TOTAL EXPENDITURES | 11,400,000 | 19,540,700 | 14,998,900 | 16,400,000 | 16,400,000 |

The Local Government Economic Development Fund (LGEDF) is a revenue-sharing program that was created by the 1992 General Assembly to provide coal-producing counties with a means to diversify their economies. The governing statutes that have directed specific percentage shares of General Fund coal severance tax revenues to coal-producing counties has been suspended in the 2016-2018 budget. Most of the coal severance tax revenues that are shared with Kentucky's local governments during the 2016-2018 biennium are through the Local Government Economic Assistance Fund. The Executive Budget provides \$16,400,000 in net General Fund coal severance tax revenues to the LGEDF in fiscal 2018-2019 and 16,400,000 in fiscal year 2019-2020.

Policy

The Executive Budget directs that no transfers be made to the LGEDF in accordance with KRS 42.4582. Instead, \$16,400,000 in a sum-specific amount is appropriated each fiscal year to the LGEDF. These funds will be transferred to the LGEDF Single-County accounts to be allocated to projects with the concurrence of the respective county judge/executive, state senator(s), and state representative(s) of each county. In the event concurrence is not achieved, the fiscal court of each county may apply for grants through the Department for Local Government pursuant to KRS 42.4588. Currently, 35 counties receive allocations to their Single-County account.

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

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

| | FY 2018 Revised | FY 2019 Estimate | FY 2020 Estimate |
|--|----------------------------|-----------------------------|-----------------------------|
| Coal Severance Tax Resources | | | |
| Coal Severance Tax | 90,676,100 | 79,986,800 | 68,188,000 |
| <i>Less: Osteopathic Medicine Scholarship Program (KRS 164.7891)</i> | (326,000) | (326,000) | (326,000) |
| <i>Less: Pharmacy Scholarships (KRS 164.7890)</i> | (580,000) | (580,000) | (580,000) |
| <i>Less: Trover Clinic Grant</i> | (910,000) | | |
| <i>Less: Robinson Scholars Program (UK)</i> | (1,000,000) | | |
| <i>Less: Mining Engineering Scholarship Program (UK)</i> | (300,000) | | |
| <i>Less: Operation Unite</i> | (2,000,000) | (2,000,000) | (2,000,000) |
| <i>Less: SOAR Administrative Costs (DLG)</i> | (200,000) | (200,000) | (200,000) |
| <i>Less: KIA LGEDF Admin cost</i> | (370,000) | (370,000) | (370,000) |
| <i>Less: DLG LGEDF Admin cost</i> | (669,700) | (669,700) | (669,700) |
| <i>Less: Save the Children (Education)</i> | (500,000) | | |
| <i>Less: Debt Service</i> | (7,352,300) | (7,238,800) | (6,864,200) |
| <i>Less: Reservation of Additional Coal Severance Revenues</i> | (4,000,000) | (4,000,000) | (4,000,000) |
| Total coal severance tax resources to be distributed | 72,468,100 | 64,602,300 | 53,178,100 |

| Local Government Economic Assistance Fund (LGEAF) Total Funds | | | |
|--|-------------------|-------------------|-------------------|
| Coal Severance Tax Revenue (50% of Revenue) | 36,234,100 | 32,301,200 | 26,589,100 |
| Other Mineral Severance Tax Revenue (50% of Revenue) | 16,319,700 | 15,072,700 | 16,229,100 |
| <i>Less: Debt Service (Past Bond Appropriations)</i> | (22,057,000) | (21,716,300) | (20,592,500) |
| <i>Plus: Additional Coal Severance Revenues</i> | 600,000 | 600,000 | 600,000 |
| Total LGEAF enacted | 31,746,400 | 26,257,600 | 22,825,700 |

| Local Government Economic Development Fund (LGEDF) | | | |
|---|-------------------|-------------------|-------------------|
| Coal Severance | 22,500,000 | 22,500,000 | 22,500,000 |
| <i>Plus: Additional Coal Severance Revenues</i> | 1,400,000 | 1,400,000 | 1,400,000 |
| <i>Less: Coal County College Completion Scholarship Program</i> | (5,000,000) | | |
| <i>Less: Kentucky Coal Fields Endowment Fund</i> | (7,500,000) | (7,500,000) | (7,500,000) |
| Total LGEDF for County Distribution | 11,400,000 | 16,400,000 | 16,400,000 |

**General Government
Area Development Fund**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 431,000 | 431,000 | 431,000 | | |
| Budget Reduction-General Fund | -22,100 | | | | |
| Total General Fund | 408,900 | 431,000 | 431,000 | | |
| TOTAL SOURCE OF FUNDS | 408,900 | 431,000 | 431,000 | | |
| EXPENDITURES BY CLASS | | | | | |
| Grants Loans Benefits | 408,900 | 431,000 | 431,000 | | |
| TOTAL EXPENDITURES | 408,900 | 431,000 | 431,000 | | |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 408,900 | 431,000 | 431,000 | | |
| TOTAL EXPENDITURES | 408,900 | 431,000 | 431,000 | | |
| EXPENDITURES BY UNIT | | | | | |
| Area Development Fund | 408,900 | 431,000 | 431,000 | | |
| TOTAL EXPENDITURES | 408,900 | 431,000 | 431,000 | | |

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 Executive Budget provides no funding for the Area Development Fund program.

General Government
Executive Branch Ethics Commission

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|---------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 450,200 | 553,500 | 568,200 | 1,048,900 | 1,055,700 |
| Total General Fund | 450,200 | 553,500 | 568,200 | 1,048,900 | 1,055,700 |
| Restricted Funds | | | | | |
| Balance Forward | 76,400 | 62,300 | 48,200 | 62,300 | 48,200 |
| Current Receipts | 320,900 | 320,900 | 320,900 | 320,900 | 320,900 |
| Total Restricted Funds | 397,300 | 383,200 | 369,100 | 383,200 | 369,100 |
| TOTAL SOURCE OF FUNDS | 847,500 | 936,700 | 937,300 | 1,432,100 | 1,424,800 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 696,900 | 782,800 | 798,500 | 778,200 | 786,000 |
| Operating Expenses | 88,300 | 105,700 | 104,700 | 605,700 | 604,700 |
| TOTAL EXPENDITURES | 785,200 | 888,500 | 903,200 | 1,383,900 | 1,390,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 450,200 | 553,500 | 568,200 | 1,048,900 | 1,055,700 |
| Restricted Funds | 335,000 | 335,000 | 335,000 | 335,000 | 335,000 |
| TOTAL EXPENDITURES | 785,200 | 888,500 | 903,200 | 1,383,900 | 1,390,700 |
| EXPENDITURES BY UNIT | | | | | |
| Executive Branch Ethics Commission | 785,200 | 888,500 | 903,200 | 1,383,900 | 1,390,700 |
| TOTAL EXPENDITURES | 785,200 | 888,500 | 903,200 | 1,383,900 | 1,390,700 |

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 Executive Budget 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 Executive Budget includes additional funding of \$500,000 each fiscal year to support commission reviews and investigations.

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

Notwithstanding KRS 11A.211(5), the registration fee paid by each employer of one or more executive agency lobbyists upon filing an updated registration statement shall be \$199.

**General Government
Secretary of State**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 1,784,100 | 2,188,800 | 2,251,600 | 2,204,100 | 2,252,500 |
| Budget Reduction-General Fund | -22,800 | | | | |
| Total General Fund | 1,761,300 | 2,188,800 | 2,251,600 | 2,204,100 | 2,252,500 |
| Restricted Funds | | | | | |
| Balance Forward | 5,969,000 | 5,057,800 | 4,917,800 | 5,057,800 | 3,565,400 |
| Current Receipts | 2,760,500 | 2,695,600 | 2,731,300 | 2,695,600 | 2,731,300 |
| Fund Transfers | -1,000,000 | | | -1,500,000 | -1,500,000 |
| Total Restricted Funds | 7,729,500 | 7,753,400 | 7,649,100 | 6,253,400 | 4,796,700 |
| Federal Fund | | | | | |
| Current Receipts | 221,400 | 221,400 | 221,400 | 221,400 | 221,400 |
| Total Federal Fund | 221,400 | 221,400 | 221,400 | 221,400 | 221,400 |
| TOTAL SOURCE OF FUNDS | 9,712,200 | 10,163,600 | 10,122,100 | 8,678,900 | 7,270,600 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 3,171,800 | 3,837,300 | 3,933,000 | 3,688,900 | 3,744,700 |
| Operating Expenses | 1,459,800 | 1,374,500 | 1,371,100 | 1,390,600 | 1,380,400 |
| Capital Outlay | 22,800 | 34,000 | 30,000 | 34,000 | 30,000 |
| TOTAL EXPENDITURES | 4,654,400 | 5,245,800 | 5,334,100 | 5,113,500 | 5,155,100 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 1,761,300 | 2,188,800 | 2,251,600 | 2,204,100 | 2,252,500 |
| Restricted Funds | 2,671,700 | 2,835,600 | 2,861,100 | 2,688,000 | 2,681,200 |
| Federal Fund | 221,400 | 221,400 | 221,400 | 221,400 | 221,400 |
| TOTAL EXPENDITURES | 4,654,400 | 5,245,800 | 5,334,100 | 5,113,500 | 5,155,100 |
| EXPENDITURES BY UNIT | | | | | |
| General Administration | 2,526,000 | 2,953,500 | 3,016,300 | 2,968,800 | 3,017,200 |
| General Operations | 2,128,400 | 2,292,300 | 2,317,800 | 2,144,700 | 2,137,900 |
| TOTAL EXPENDITURES | 4,654,400 | 5,245,800 | 5,334,100 | 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.

Policy

Notwithstanding KRS 14.140, in fiscal year 2019 and in fiscal year 2020 the Secretary of State shall transfer \$1,500,000 each year in Restricted Funds to the credit of the General Fund.

General Government

Board of Elections

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|--|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 3,989,300 | 5,377,000 | 5,484,300 | 4,216,200 | 4,231,100 |
| Total General Fund | 3,989,300 | 5,377,000 | 5,484,300 | 4,216,200 | 4,231,100 |
| Restricted Funds | | | | | |
| Balance Forward | 806,333 | 607,533 | 408,433 | 607,533 | 408,433 |
| Current Receipts | 47,200 | 46,900 | 46,600 | 46,900 | 46,600 |
| Total Restricted Funds | 853,533 | 654,433 | 455,033 | 654,433 | 455,033 |
| Federal Fund | | | | | |
| Balance Forward | 13,472,219 | 9,447,319 | 5,422,419 | 9,447,319 | 5,422,319 |
| Current Receipts | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Total Federal Fund | 13,492,219 | 9,467,319 | 5,442,419 | 9,467,319 | 5,442,319 |
| TOTAL SOURCE OF FUNDS | 18,335,052 | 15,498,752 | 11,381,752 | 14,337,952 | 10,128,452 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 1,280,500 | 1,618,800 | 1,651,000 | 1,443,500 | 1,458,400 |
| Operating Expenses | 495,300 | 600,400 | 595,500 | 559,300 | 559,300 |
| Grants Loans Benefits | 6,504,400 | 7,448,700 | 6,409,900 | 6,504,400 | 5,385,600 |
| TOTAL EXPENDITURES | 8,280,200 | 9,667,900 | 8,656,400 | 8,507,200 | 7,403,300 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 3,989,300 | 5,377,000 | 5,484,300 | 4,216,200 | 4,231,100 |
| Restricted Funds | 246,000 | 246,000 | 246,000 | 246,000 | 246,000 |
| Federal Fund | 4,044,900 | 4,044,900 | 2,926,100 | 4,045,000 | 2,926,200 |
| TOTAL EXPENDITURES | 8,280,200 | 9,667,900 | 8,656,400 | 8,507,200 | 7,403,300 |
| EXPENDITURES BY UNIT | | | | | |
| General Administration and Support | 1,375,300 | 1,818,700 | 1,846,000 | 1,602,200 | 1,617,100 |
| State Share of County Election Expenses | 1,490,700 | 1,904,300 | 1,904,300 | 1,490,700 | 1,490,700 |
| State Share of Voter Registration Expenses | 1,173,300 | 1,704,000 | 1,784,000 | 1,173,300 | 1,173,300 |
| Election Fund | 4,240,900 | 4,240,900 | 3,122,100 | 4,241,000 | 3,122,200 |
| TOTAL EXPENDITURES | 8,280,200 | 9,667,900 | 8,656,400 | 8,507,200 | 7,403,300 |

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.

**General Government
Registry of Election Finance**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 1,231,700 | 1,509,900 | 1,543,100 | 1,448,100 | 1,466,500 |
| Total General Fund | 1,231,700 | 1,509,900 | 1,543,100 | 1,448,100 | 1,466,500 |
| TOTAL SOURCE OF FUNDS | 1,231,700 | 1,509,900 | 1,543,100 | 1,448,100 | 1,466,500 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 1,157,900 | 1,386,300 | 1,419,500 | 1,373,400 | 1,391,800 |
| Operating Expenses | 73,800 | 123,600 | 123,600 | 74,700 | 74,700 |
| TOTAL EXPENDITURES | 1,231,700 | 1,509,900 | 1,543,100 | 1,448,100 | 1,466,500 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 1,231,700 | 1,509,900 | 1,543,100 | 1,448,100 | 1,466,500 |
| TOTAL EXPENDITURES | 1,231,700 | 1,509,900 | 1,543,100 | 1,448,100 | 1,466,500 |
| EXPENDITURES BY UNIT | | | | | |
| Registry of Election Finance | 1,231,700 | 1,509,900 | 1,543,100 | 1,448,100 | 1,466,500 |
| TOTAL EXPENDITURES | 1,231,700 | 1,509,900 | 1,543,100 | 1,448,100 | 1,466,500 |

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

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 11,034,400 | 15,539,900 | 16,177,200 | 12,081,100 | 12,239,600 |
| Budget Reduction-General Fund | -141,000 | | | | |
| Total General Fund | 10,893,400 | 15,539,900 | 16,177,200 | 12,081,100 | 12,239,600 |
| Restricted Funds | | | | | |
| Balance Forward | 9,578,300 | 6,015,000 | 3,137,900 | 6,015,000 | 2,975,000 |
| Current Receipts | 9,026,700 | 7,351,700 | 7,351,700 | 7,351,700 | 7,351,700 |
| Non-Revenue Receipts | 7,435,700 | 8,035,300 | 8,104,400 | 8,389,500 | 8,488,400 |
| Total Restricted Funds | 26,040,700 | 21,402,000 | 18,594,000 | 21,756,200 | 18,815,100 |
| Federal Fund | | | | | |
| Current Receipts | 6,178,900 | 5,707,900 | 5,465,800 | 5,707,900 | 5,393,400 |
| Total Federal Fund | 6,178,900 | 5,707,900 | 5,465,800 | 5,707,900 | 5,393,400 |
| TOTAL SOURCE OF FUNDS | 43,113,000 | 42,649,800 | 40,237,000 | 39,545,200 | 36,448,100 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 22,663,700 | 27,467,900 | 28,314,900 | 25,065,300 | 25,194,300 |
| Operating Expenses | 3,837,700 | 4,220,800 | 3,887,500 | 3,731,700 | 3,560,500 |
| Grants Loans Benefits | 10,596,600 | 7,773,200 | 7,693,300 | 7,773,200 | 7,693,300 |
| Capital Outlay | | 50,000 | | | |
| TOTAL EXPENDITURES | 37,098,000 | 39,511,900 | 39,895,700 | 36,570,200 | 36,448,100 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 10,893,400 | 15,539,900 | 16,177,200 | 12,081,100 | 12,239,600 |
| Restricted Funds | 20,025,700 | 18,264,100 | 18,252,700 | 18,781,200 | 18,815,100 |
| Federal Fund | 6,178,900 | 5,707,900 | 5,465,800 | 5,707,900 | 5,393,400 |
| TOTAL EXPENDITURES | 37,098,000 | 39,511,900 | 39,895,700 | 36,570,200 | 36,448,100 |
| EXPENDITURES BY UNIT | | | | | |
| Administrative Services | 2,630,700 | 3,481,800 | 3,384,400 | 2,960,200 | 3,032,000 |
| Criminal Services | 8,769,000 | 10,737,600 | 10,884,900 | 9,667,500 | 9,653,600 |
| Uninsured Employers Fund | 6,948,100 | 7,524,900 | 7,473,200 | 7,509,400 | 7,443,800 |
| Advocacy Services | 10,259,600 | 8,340,800 | 8,547,000 | 7,268,600 | 7,059,800 |
| Civil Services | 8,490,600 | 9,426,800 | 9,606,200 | 9,164,500 | 9,258,900 |
| TOTAL EXPENDITURES | 37,098,000 | 39,511,900 | 39,895,700 | 36,570,200 | 36,448,100 |

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 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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|--------------------|----------------------|----------------------|------------------------|------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 49,024,300 | 68,322,100 | 69,894,800 | 60,597,900 | 61,513,300 |
| Total General Fund | 49,024,300 | 68,322,100 | 69,894,800 | 60,597,900 | 61,513,300 |
| Restricted Funds | | | | | |
| Balance Forward | 2,406,000 | 2,409,344 | 1,854,744 | 2,409,300 | 1,854,700 |
| Current Receipts | 3,906,200 | 1,915,000 | 1,825,000 | 1,915,000 | 1,825,000 |
| Total Restricted Funds | 6,312,200 | 4,324,344 | 3,679,744 | 4,324,300 | 3,679,700 |
| Federal Fund | | | | | |
| Balance Forward | -81,100 | | 7,000 | | 7,000 |
| Current Receipts | 121,400 | 54,300 | 55,100 | 47,300 | 47,700 |
| Total Federal Fund | 40,300 | 54,300 | 62,100 | 47,300 | 54,700 |
| TOTAL SOURCE OF FUNDS | 55,376,800 | 72,700,744 | 73,636,644 | 64,969,500 | 65,247,700 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 48,690,600 | 66,093,500 | 67,287,100 | 58,804,700 | 59,290,600 |
| Operating Expenses | 4,235,900 | 4,653,300 | 4,603,300 | 4,235,900 | 4,235,900 |
| Grants Loans Benefits | 41,000 | 67,200 | 60,000 | 42,200 | 35,000 |
| Capital Outlay | | 25,000 | 25,000 | 25,000 | 25,000 |
| TOTAL EXPENDITURES | 52,967,500 | 70,839,000 | 71,975,400 | 63,107,800 | 63,586,500 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 49,024,300 | 68,322,100 | 69,894,800 | 60,597,900 | 61,513,300 |
| Restricted Funds | 3,902,900 | 2,469,600 | 2,032,900 | 2,469,600 | 2,032,900 |
| Federal Fund | 40,300 | 47,300 | 47,700 | 40,300 | 40,300 |
| TOTAL EXPENDITURES | 52,967,500 | 70,839,000 | 71,975,400 | 63,107,800 | 63,586,500 |
| EXPENDITURES BY UNIT | | | | | |
| Commonwealth's Attorneys | 52,967,500 | 70,839,000 | 71,975,400 | 63,107,800 | 63,586,500 |
| TOTAL EXPENDITURES | 52,967,500 | 70,839,000 | 71,975,400 | 63,107,800 | 63,586,500 |

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 Executive Budget provides \$3,000,000 General Fund appropriation in each fiscal year for additional personnel to address increasing caseload.

**General Government
County Attorneys**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 42,647,000 | 61,655,900 | 63,213,500 | 54,590,600 | 55,484,400 |
| Total General Fund | 42,647,000 | 61,655,900 | 63,213,500 | 54,590,600 | 55,484,400 |
| Restricted Funds | | | | | |
| Balance Forward | 781,100 | 716,249 | 366,549 | 716,200 | 427,300 |
| Current Receipts | 739,700 | 493,300 | 526,700 | 493,300 | 526,700 |
| Total Restricted Funds | 1,520,800 | 1,209,549 | 893,249 | 1,209,500 | 954,000 |
| Federal Fund | | | | | |
| Balance Forward | 81,100 | 81,100 | 81,100 | 81,100 | 81,100 |
| Current Receipts | 503,700 | 993,800 | 1,003,700 | 993,800 | 1,003,700 |
| Total Federal Fund | 584,800 | 1,074,900 | 1,084,800 | 1,074,900 | 1,084,800 |
| TOTAL SOURCE OF FUNDS | 44,752,600 | 63,940,349 | 65,191,549 | 56,875,000 | 57,523,200 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 43,163,300 | 61,118,400 | 62,551,000 | 54,827,200 | 55,591,100 |
| Operating Expenses | 792,000 | 2,374,300 | 2,374,300 | 1,539,400 | 1,539,700 |
| TOTAL EXPENDITURES | 43,955,300 | 63,492,700 | 64,925,300 | 56,366,600 | 57,130,800 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 42,647,000 | 61,655,900 | 63,213,500 | 54,590,600 | 55,484,400 |
| Restricted Funds | 804,600 | 843,000 | 708,100 | 782,200 | 642,700 |
| Federal Fund | 503,700 | 993,800 | 1,003,700 | 993,800 | 1,003,700 |
| TOTAL EXPENDITURES | 43,955,300 | 63,492,700 | 64,925,300 | 56,366,600 | 57,130,800 |
| EXPENDITURES BY UNIT | | | | | |
| County Attorneys | 43,955,300 | 63,492,700 | 64,925,300 | 56,366,600 | 57,130,800 |
| TOTAL EXPENDITURES | 43,955,300 | 63,492,700 | 64,925,300 | 56,366,600 | 57,130,800 |

Established in Section 99;100 of the Kentucky, 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 Executive Budget provides \$4,250,000 General Fund appropriation in each fiscal year for additional personnel to address increasing caseload.

General Government

Treasury

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 1,989,900 | 2,406,700 | 2,471,300 | 2,225,600 | 2,261,200 |
| Budget Reduction-General Fund | -25,400 | | | | |
| Total General Fund | 1,964,500 | 2,406,700 | 2,471,300 | 2,225,600 | 2,261,200 |
| Restricted Funds | | | | | |
| Balance Forward | 411,700 | 121,100 | 100,400 | 121,100 | 20,700 |
| Current Receipts | 34,300 | 34,300 | 34,300 | 34,300 | 34,300 |
| Non-Revenue Receipts | 1,523,700 | 1,913,300 | 1,931,900 | 1,793,600 | 1,793,600 |
| Total Restricted Funds | 1,969,700 | 2,068,700 | 2,066,600 | 1,949,000 | 1,848,600 |
| Road Fund | | | | | |
| Regular Appropriation | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Total Road Fund | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| TOTAL SOURCE OF FUNDS | 4,184,200 | 4,725,400 | 4,787,900 | 4,424,600 | 4,359,800 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 3,117,300 | 3,639,300 | 3,737,200 | 3,416,700 | 3,387,300 |
| Operating Expenses | 894,800 | 973,200 | 958,500 | 974,700 | 960,000 |
| Capital Outlay | 51,000 | 12,500 | 12,500 | 12,500 | 12,500 |
| TOTAL EXPENDITURES | 4,063,100 | 4,625,000 | 4,708,200 | 4,403,900 | 4,359,800 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 1,964,500 | 2,406,700 | 2,471,300 | 2,225,600 | 2,261,200 |
| Restricted Funds | 1,848,600 | 1,968,300 | 1,986,900 | 1,928,300 | 1,848,600 |
| Road Fund | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| TOTAL EXPENDITURES | 4,063,100 | 4,625,000 | 4,708,200 | 4,403,900 | 4,359,800 |
| EXPENDITURES BY UNIT | | | | | |
| General Administration and Support | 1,354,500 | 1,616,800 | 1,654,400 | 1,485,400 | 1,504,000 |
| Disbursements and Accounting | 915,000 | 1,094,900 | 1,121,900 | 1,124,900 | 1,062,200 |
| Abandoned Property Administration | 1,793,600 | 1,913,300 | 1,931,900 | 1,793,600 | 1,793,600 |
| TOTAL EXPENDITURES | 4,063,100 | 4,625,000 | 4,708,200 | 4,403,900 | 4,359,800 |

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

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

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|---|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 17,041,200 | 20,462,600 | 21,001,000 | 17,791,200 | 18,010,800 |
| Continuing Approp-General Fund | 203,700 | | | | |
| Budget Reduction-General Fund | -217,800 | | | | |
| Total General Fund | 17,027,100 | 20,462,600 | 21,001,000 | 17,791,200 | 18,010,800 |
| Tobacco Fund | | | | | |
| Tobacco Settlement - Phase I | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 |
| Current Year Appropriation | 198,300 | | | | |
| Total Tobacco Fund | 798,300 | 600,000 | 600,000 | 600,000 | 600,000 |
| Restricted Funds | | | | | |
| Balance Forward | 13,787,395 | 12,366,630 | 10,415,630 | 12,366,595 | 10,415,595 |
| Current Receipts | 6,700,600 | 6,837,600 | 6,824,800 | 6,837,600 | 6,824,800 |
| Non-Revenue Receipts | 2,070,000 | 2,070,000 | 2,070,000 | 2,070,000 | 2,070,000 |
| Total Restricted Funds | 22,557,995 | 21,274,230 | 19,310,430 | 21,274,195 | 19,310,395 |
| Federal Fund | | | | | |
| Current Receipts | 7,068,400 | 7,068,400 | 7,068,400 | 7,068,400 | 7,068,400 |
| Total Federal Fund | 7,068,400 | 7,068,400 | 7,068,400 | 7,068,400 | 7,068,400 |
| TOTAL SOURCE OF FUNDS | 47,451,795 | 49,405,230 | 47,979,830 | 46,733,795 | 44,989,595 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 20,399,600 | 23,899,600 | 24,433,000 | 22,043,600 | 22,243,400 |
| Operating Expenses | 5,881,000 | 6,043,600 | 6,038,200 | 5,695,600 | 5,705,000 |
| Grants Loans Benefits | 8,033,700 | 7,956,600 | 7,956,600 | 7,489,200 | 7,489,200 |
| Capital Outlay | 770,900 | 1,089,800 | 1,089,800 | 1,089,800 | 1,089,800 |
| TOTAL EXPENDITURES | 35,085,200 | 38,989,600 | 39,517,600 | 36,318,200 | 36,527,400 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 17,027,100 | 20,462,600 | 21,001,000 | 17,791,200 | 18,010,800 |
| Tobacco Fund | 798,300 | 600,000 | 600,000 | 600,000 | 600,000 |
| Restricted Funds | 10,191,400 | 10,858,600 | 10,848,200 | 10,858,600 | 10,848,200 |
| Federal Fund | 7,068,400 | 7,068,400 | 7,068,400 | 7,068,400 | 7,068,400 |
| TOTAL EXPENDITURES | 35,085,200 | 38,989,600 | 39,517,600 | 36,318,200 | 36,527,400 |
| EXPENDITURES BY UNIT | | | | | |
| Strategic Planning and Administration | 6,213,500 | 6,682,700 | 6,790,000 | 6,315,900 | 6,391,000 |
| Motor Fuel Inspection and Testing | 203,700 | 204,700 | 204,700 | 204,700 | 204,700 |
| Consumer and Environmental Programs | 15,300,300 | 17,108,100 | 17,326,100 | 15,992,700 | 16,067,000 |
| State Veterinarian | 3,764,900 | 4,380,500 | 4,462,500 | 4,123,800 | 4,159,700 |
| Animal Control | 100,800 | 96,000 | 96,000 | 95,700 | 95,700 |
| Farmland Preservation | 582,300 | 582,300 | 582,300 | 582,300 | 582,300 |
| Agriculture Marketing and Product Promotion | 8,326,000 | 9,515,300 | 9,633,000 | 8,605,500 | 8,629,400 |
| Small Winery Support Fund | 593,700 | 420,000 | 423,000 | 397,600 | 397,600 |
| TOTAL EXPENDITURES | 35,085,200 | 38,989,600 | 39,517,600 | 36,318,200 | 36,527,400 |

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

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

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

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

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

Policy

The Executive Budget provides no General Fund for the Farmers Market Senior Program or County Fair Improvement grants.

**General Government
Auditor of Public Accounts**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 4,948,600 | 9,064,700 | 9,461,400 | 5,634,200 | 5,735,700 |
| Budget Reduction-General Fund | -63,300 | | | | |
| Total General Fund | 4,885,300 | 9,064,700 | 9,461,400 | 5,634,200 | 5,735,700 |
| Restricted Funds | | | | | |
| Balance Forward | 450,100 | | | 450,100 | 225,000 |
| Current Receipts | 9,766,500 | 9,766,500 | 9,766,500 | 9,766,500 | 9,766,500 |
| Total Restricted Funds | 10,216,600 | 9,766,500 | 9,766,500 | 10,216,600 | 9,991,500 |
| TOTAL SOURCE OF FUNDS | 15,101,900 | 18,831,200 | 19,227,900 | 15,850,800 | 15,727,200 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 13,483,800 | 17,661,000 | 18,057,600 | 14,655,400 | 14,756,800 |
| Operating Expenses | 1,168,000 | 1,170,200 | 1,170,300 | 970,400 | 970,400 |
| TOTAL EXPENDITURES | 14,651,800 | 18,831,200 | 19,227,900 | 15,625,800 | 15,727,200 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 4,885,300 | 9,064,700 | 9,461,400 | 5,634,200 | 5,735,700 |
| Restricted Funds | 9,766,500 | 9,766,500 | 9,766,500 | 9,991,600 | 9,991,500 |
| TOTAL EXPENDITURES | 14,651,800 | 18,831,200 | 19,227,900 | 15,625,800 | 15,727,200 |
| EXPENDITURES BY UNIT | | | | | |
| Auditor of Public Accounts | 1,502,300 | 1,808,800 | 1,854,500 | 1,747,900 | 1,778,800 |
| Financial Audit | 11,348,200 | 14,716,800 | 15,016,300 | 11,804,400 | 11,838,000 |
| Technology and Specialized Audits | 1,801,300 | 2,305,600 | 2,357,100 | 2,073,500 | 2,110,400 |
| TOTAL EXPENDITURES | 14,651,800 | 18,831,200 | 19,227,900 | 15,625,800 | 15,727,200 |

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

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| Restricted Funds | | | | | |
| Balance Forward | 480,100 | 451,900 | 236,700 | 451,900 | 242,100 |
| Current Receipts | 885,600 | 800,000 | 800,000 | 800,000 | 800,000 |
| Total Restricted Funds | 1,365,700 | 1,251,900 | 1,036,700 | 1,251,900 | 1,042,100 |
| TOTAL SOURCE OF FUNDS | 1,365,700 | 1,251,900 | 1,036,700 | 1,251,900 | 1,042,100 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 772,900 | 874,300 | 889,700 | 868,900 | 877,600 |
| Operating Expenses | 140,900 | 140,900 | 140,900 | 140,900 | 140,900 |
| TOTAL EXPENDITURES | 913,800 | 1,015,200 | 1,030,600 | 1,009,800 | 1,018,500 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| Restricted Funds | 913,800 | 1,015,200 | 1,030,600 | 1,009,800 | 1,018,500 |
| TOTAL EXPENDITURES | 913,800 | 1,015,200 | 1,030,600 | 1,009,800 | 1,018,500 |
| EXPENDITURES BY UNIT | | | | | |
| Personnel Board | 913,800 | 1,015,200 | 1,030,600 | 1,009,800 | 1,018,500 |
| TOTAL EXPENDITURES | 913,800 | 1,015,200 | 1,030,600 | 1,009,800 | 1,018,500 |

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

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|--------------------|----------------------|----------------------|------------------------|------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 87,574,300 | | | | |
| Total General Fund | 87,574,300 | | | | |
| Restricted Funds | | | | | |
| Non-Revenue Receipts | 42,960,400 | 47,613,500 | 48,327,600 | 47,307,300 | 47,702,500 |
| Total Restricted Funds | 42,960,400 | 47,613,500 | 48,327,600 | 47,307,300 | 47,702,500 |
| TOTAL SOURCE OF FUNDS | 130,534,700 | 47,613,500 | 48,327,600 | 47,307,300 | 47,702,500 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 122,762,300 | 39,036,200 | 39,930,400 | 38,708,400 | 39,283,600 |
| Operating Expenses | 7,772,400 | 8,527,300 | 8,397,200 | 8,548,900 | 8,418,900 |
| Capital Outlay | | 50,000 | | 50,000 | |
| TOTAL EXPENDITURES | 130,534,700 | 47,613,500 | 48,327,600 | 47,307,300 | 47,702,500 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 87,574,300 | | | | |
| Restricted Funds | 42,960,400 | 47,613,500 | 48,327,600 | 47,307,300 | 47,702,500 |
| TOTAL EXPENDITURES | 130,534,700 | 47,613,500 | 48,327,600 | 47,307,300 | 47,702,500 |
| EXPENDITURES BY UNIT | | | | | |
| Kentucky Retirement Systems | 130,534,700 | 47,613,500 | 48,327,600 | 47,307,300 | 47,702,500 |
| TOTAL EXPENDITURES | 130,534,700 | 47,613,500 | 48,327,600 | 47,307,300 | 47,702,500 |

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 Executive Budget 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.

General Government
Occupational & Professional Boards & Commissions

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|--|--------------------|----------------------|----------------------|------------------------|------------------------|
| SOURCE OF FUNDS | | | | | |
| Restricted Funds | | | | | |
| Balance Forward | 23,280,800 | 23,616,500 | 22,193,600 | 23,616,500 | 22,021,600 |
| Current Receipts | 22,213,400 | 23,592,100 | 22,682,600 | 23,592,100 | 22,682,600 |
| Total Restricted Funds | 45,494,200 | 47,208,600 | 44,876,200 | 47,208,600 | 44,704,200 |
| TOTAL SOURCE OF FUNDS | 45,494,200 | 47,208,600 | 44,876,200 | 47,208,600 | 44,704,200 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 17,485,100 | 20,678,600 | 21,073,200 | 20,615,000 | 20,836,700 |
| Operating Expenses | 3,896,400 | 4,004,500 | 3,996,200 | 4,075,800 | 4,067,400 |
| Grants Loans Benefits | 495,700 | 495,700 | 495,700 | 495,700 | 495,700 |
| Capital Outlay | 500 | 500 | 500 | 500 | 500 |
| TOTAL EXPENDITURES | 21,877,700 | 25,179,300 | 25,565,600 | 25,187,000 | 25,400,300 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| Restricted Funds | 21,877,700 | 25,179,300 | 25,565,600 | 25,187,000 | 25,400,300 |
| TOTAL EXPENDITURES | 21,877,700 | 25,179,300 | 25,565,600 | 25,187,000 | 25,400,300 |
| EXPENDITURES BY UNIT | | | | | |
| Accountancy | 581,400 | 650,000 | 660,800 | 649,500 | 655,500 |
| Certification of Alcohol and Drug Counselors | 102,200 | 150,200 | 150,200 | 150,200 | 150,200 |
| Applied Behavior Analysis Licensing | 30,600 | 30,600 | 30,600 | 30,600 | 30,600 |
| Architects | 463,700 | 549,600 | 559,700 | 547,300 | 552,400 |
| Certification for Professional Art Therapists | 11,200 | 11,200 | 11,200 | 11,200 | 11,200 |
| Barbering | 340,800 | 376,400 | 382,800 | 423,100 | 426,000 |
| Chiropractic Examiners | 336,500 | 376,600 | 385,400 | 374,400 | 377,900 |
| Dentistry | 940,200 | 1,015,500 | 1,027,200 | 1,011,100 | 1,017,500 |
| Diabetes Educators | 26,800 | 26,800 | 26,800 | 26,800 | 26,800 |
| Licensure & Cert. for Dietitians & Nutritionists | 73,900 | 73,900 | 73,900 | 73,900 | 73,900 |
| Embalmers and Funeral Directors | 427,800 | 486,000 | 495,300 | 483,500 | 488,600 |
| Licensure for Prof. Engineers and Land Surveyors | 1,393,000 | 1,585,000 | 1,614,600 | 1,578,100 | 1,594,500 |
| Certification of Fee-Based Pastoral Counselors | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 |
| Registration for Professional Geologists | 95,000 | 95,000 | 95,000 | 95,000 | 95,000 |
| Hairdressers and Cosmetologists | 1,451,800 | 1,719,600 | 1,746,500 | 1,719,300 | 1,733,700 |
| Specialists in Hearing Instruments | 58,000 | 58,000 | 58,000 | 58,000 | 58,000 |
| Interpreters for the Deaf and Hard of Hearing | 38,200 | 38,200 | 38,200 | 38,200 | 38,200 |
| Examiners & Registration of Landscape Architects | 69,300 | 77,300 | 78,700 | 76,800 | 77,500 |
| Licensure of Marriage and Family Therapists | 133,600 | 133,600 | 133,600 | 133,600 | 133,600 |
| Licensure for Massage Therapy | 169,900 | 169,900 | 169,900 | 169,900 | 169,900 |
| Medical Imaging and Radiation Therapy | 314,400 | 436,400 | 442,800 | 435,300 | 438,300 |
| Medical Licensure | 3,088,200 | 3,409,100 | 3,450,300 | 3,407,900 | 3,426,800 |
| Nursing | 7,266,000 | 8,327,600 | 8,485,700 | 8,266,800 | 8,355,200 |
| Licensure for Nursing Home Administrators | 61,100 | 61,100 | 61,100 | 61,100 | 61,100 |

EXPENDITURES BY UNIT

| | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Licensure for Occupational Therapy | 176,600 | 191,600 | 191,600 | 191,600 | 191,600 |
| Ophthalmic Dispensers | 49,700 | 68,200 | 68,200 | 68,200 | 68,200 |
| Optometric Examiners | 208,700 | 231,600 | 235,500 | 231,300 | 233,300 |
| Pharmacy | 1,740,000 | 2,376,000 | 2,414,500 | 2,437,400 | 2,465,300 |
| Physical Therapy | 583,700 | 649,100 | 660,000 | 647,000 | 652,700 |
| Podiatry | 39,900 | 40,300 | 40,300 | 40,000 | 40,000 |
| Private Investigators | 73,700 | 73,700 | 73,700 | 73,700 | 73,700 |
| Licensed Professional Counselors | 215,800 | 260,800 | 260,800 | 260,800 | 260,800 |
| Prosthetics, Orthotics and Pedorthics | 46,200 | 46,200 | 46,200 | 46,200 | 46,200 |
| Examiners of Psychology | 256,400 | 256,400 | 256,400 | 256,400 | 256,400 |
| Respiratory Care | 223,600 | 251,800 | 256,300 | 240,300 | 242,900 |
| Social Work | 338,300 | 424,500 | 432,300 | 421,000 | 425,300 |
| Speech-Language Pathology and Audiology | 172,900 | 172,900 | 172,900 | 172,900 | 172,900 |
| Veterinary Examiners | 275,000 | 275,000 | 275,000 | 275,000 | 275,000 |
| TOTAL EXPENDITURES | 21,877,700 | 25,179,300 | 25,565,600 | 25,187,000 | 25,400,300 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|---|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 258,200 | 306,000 | 313,800 | 282,700 | 286,400 |
| Budget Reduction-General Fund | -13,200 | | | | |
| Total General Fund | 245,000 | 306,000 | 313,800 | 282,700 | 286,400 |
| Restricted Funds | | | | | |
| Balance Forward | 5,013,000 | 5,570,200 | 4,405,700 | 5,570,200 | 4,405,700 |
| Current Receipts | 4,158,500 | 7,221,000 | 7,231,900 | 7,125,000 | 7,131,000 |
| Non-Revenue Receipts | | -1,000,000 | -2,000,000 | -1,000,000 | -2,000,000 |
| Total Restricted Funds | 9,171,500 | 11,791,200 | 9,637,600 | 11,695,200 | 9,536,700 |
| TOTAL SOURCE OF FUNDS | 9,416,500 | 12,097,200 | 9,951,400 | 11,977,900 | 9,823,100 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 823,300 | 1,024,100 | 1,045,100 | 1,004,800 | 1,016,800 |
| Operating Expenses | 283,800 | 333,500 | 333,500 | 333,500 | 333,500 |
| Grants Loans Benefits | 259,200 | 259,200 | 259,200 | 259,200 | 259,200 |
| Debt Service | 2,480,000 | 5,760,000 | 5,760,000 | 5,760,000 | 5,760,000 |
| Capital Outlay | 0 | 314,700 | 306,200 | 214,700 | 206,200 |
| TOTAL EXPENDITURES | 3,846,300 | 7,691,500 | 7,704,000 | 7,572,200 | 7,575,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 245,000 | 306,000 | 313,800 | 282,700 | 286,400 |
| Restricted Funds | 3,601,300 | 7,385,500 | 7,390,200 | 7,289,500 | 7,289,300 |
| TOTAL EXPENDITURES | 3,846,300 | 7,691,500 | 7,704,000 | 7,572,200 | 7,575,700 |
| EXPENDITURES BY UNIT | | | | | |
| General Operations | 1,055,100 | 1,243,600 | 1,256,800 | 1,147,600 | 1,155,900 |
| Locks and Dams Construction/ Maintenance | 2,500,000 | 5,905,000 | 5,905,000 | 5,905,000 | 5,905,000 |
| Locks and Dams Operations | 291,200 | 542,900 | 542,200 | 519,600 | 514,800 |
| TOTAL EXPENDITURES | 3,846,300 | 7,691,500 | 7,704,000 | 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

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|---|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 134,918,000 | 129,925,400 | 130,502,600 | 129,286,000 | 127,846,700 |
| Total General Fund | 134,918,000 | 129,925,400 | 130,502,600 | 129,286,000 | 127,846,700 |
| Restricted Funds | | | | | |
| Balance Forward | 13,119,400 | 13,119,400 | 13,119,400 | 26,412,700 | 412,700 |
| Non-Revenue Receipts | 13,293,300 | | | | |
| Fund Transfers | | | | -26,000,000 | |
| Total Restricted Funds | 26,412,700 | 13,119,400 | 13,119,400 | 412,700 | 412,700 |
| TOTAL SOURCE OF FUNDS | 161,330,700 | 143,044,800 | 143,622,000 | 129,698,700 | 128,259,400 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 333,700 | 358,900 | 367,900 | 355,100 | 360,100 |
| Operating Expenses | 40,000 | 38,900 | 38,900 | 38,800 | 38,800 |
| Debt Service | 134,544,300 | 129,527,600 | 130,095,800 | 128,892,100 | 127,447,800 |
| TOTAL EXPENDITURES | 134,918,000 | 129,925,400 | 130,502,600 | 129,286,000 | 127,846,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 134,918,000 | 129,925,400 | 130,502,600 | 129,286,000 | 127,846,700 |
| TOTAL EXPENDITURES | 134,918,000 | 129,925,400 | 130,502,600 | 129,286,000 | 127,846,700 |
| EXPENDITURES BY UNIT | | | | | |
| School Facilities Construction Commission | 134,918,000 | 129,925,400 | 130,502,600 | 129,286,000 | 127,846,700 |
| TOTAL EXPENDITURES | 134,918,000 | 129,925,400 | 130,502,600 | 129,286,000 | 127,846,700 |

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 Executive Budget 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 Executive Budget 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.

The Executive Budget 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 Executive Budget 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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 744,837,200 | 837,660,500 | 795,974,400 | 768,660,500 | 719,474,400 |
| Total General Fund | 744,837,200 | 837,660,500 | 795,974,400 | 768,660,500 | 719,474,400 |
| Restricted Funds | | | | | |
| Balance Forward | 5,025,589 | | | | |
| Non-Revenue Receipts | 8,489,411 | 15,625,200 | 15,857,800 | 13,949,200 | 13,989,000 |
| Total Restricted Funds | 13,515,000 | 15,625,200 | 15,857,800 | 13,949,200 | 13,989,000 |
| TOTAL SOURCE OF FUNDS | 758,352,200 | 853,285,700 | 811,832,200 | 782,609,700 | 733,463,400 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 11,070,600 | 13,072,900 | 13,297,200 | 11,504,300 | 11,543,600 |
| Operating Expenses | 2,318,500 | 2,426,400 | 2,434,700 | 2,319,000 | 2,319,500 |
| Grants Loans Benefits | 647,689,200 | 758,794,500 | 735,396,000 | 689,794,500 | 658,896,000 |
| Debt Service | 97,148,000 | 78,866,000 | 60,578,400 | 78,866,000 | 60,578,400 |
| Capital Outlay | 125,900 | 125,900 | 125,900 | 125,900 | 125,900 |
| TOTAL EXPENDITURES | 758,352,200 | 853,285,700 | 811,832,200 | 782,609,700 | 733,463,400 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 744,837,200 | 837,660,500 | 795,974,400 | 768,660,500 | 719,474,400 |
| Restricted Funds | 13,515,000 | 15,625,200 | 15,857,800 | 13,949,200 | 13,989,000 |
| TOTAL EXPENDITURES | 758,352,200 | 853,285,700 | 811,832,200 | 782,609,700 | 733,463,400 |
| EXPENDITURES BY UNIT | | | | | |
| Teachers' Retirement System | 758,352,200 | 853,285,700 | 811,832,200 | 782,609,700 | 733,463,400 |
| TOTAL EXPENDITURES | 758,352,200 | 853,285,700 | 811,832,200 | 782,609,700 | 733,463,400 |

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

The Executive Budget does not include any General Fund Support for Retiree Health Insurance.

General Government
Appropriations Not Otherwise Classified

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|-------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 5,026,400 | 18,526,400 | 18,526,400 | 14,526,400 | 14,526,400 |
| Mandated Allotments | 12,000,000 | | | | |
| Total General Fund | 17,026,400 | 18,526,400 | 18,526,400 | 14,526,400 | 14,526,400 |
| TOTAL SOURCE OF FUNDS | 17,026,400 | 18,526,400 | 18,526,400 | 14,526,400 | 14,526,400 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 14,639,900 | 14,639,900 | 14,639,900 | 12,139,900 | 12,139,900 |
| Operating Expenses | 2,383,400 | 3,883,400 | 3,883,400 | 2,383,400 | 2,383,400 |
| Grants Loans Benefits | 3,100 | 3,100 | 3,100 | 3,100 | 3,100 |
| TOTAL EXPENDITURES | 17,026,400 | 18,526,400 | 18,526,400 | 14,526,400 | 14,526,400 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 17,026,400 | 18,526,400 | 18,526,400 | 14,526,400 | 14,526,400 |
| TOTAL EXPENDITURES | 17,026,400 | 18,526,400 | 18,526,400 | 14,526,400 | 14,526,400 |
| EXPENDITURES BY UNIT | | | | | |
| Attorney General Expense | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 |
| Board of Claims Award | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Guardian Ad Litem | 14,124,900 | 14,124,900 | 14,124,900 | 11,624,900 | 11,624,900 |
| Prior Year Claims | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Unredeemed Checks Refunded | 1,252,400 | 2,752,400 | 2,752,400 | 1,252,400 | 1,252,400 |
| Involuntary Commitments-ICF/MR | 65,000 | 65,000 | 65,000 | 65,000 | 65,000 |
| Frankfort In Lieu of Taxes | 195,000 | 195,000 | 195,000 | 195,000 | 195,000 |
| Frankfort Cemetery | 3,100 | 3,100 | 3,100 | 3,100 | 3,100 |
| Survivor Benefits | 488,900 | 488,900 | 488,900 | 488,900 | 488,900 |
| Med Malpractice Liability Ins Reimb | 97,100 | 97,100 | 97,100 | 97,100 | 97,100 |
| Blanket Employee Bonds | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| TOTAL EXPENDITURES | 17,026,400 | 18,526,400 | 18,526,400 | 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 Executive Budget 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

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|--------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | | 33,439,300 | 34,337,200 | 33,387,400 | 34,268,300 |
| Current Year Appropriation | 2,820,200 | | | | |
| Other | 22,754,000 | | | | |
| Total General Fund | 25,574,200 | 33,439,300 | 34,337,200 | 33,387,400 | 34,268,300 |
| Restricted Funds | | | | | |
| Balance Forward | 4,247,100 | | | | |
| Current Receipts | | 3,500,000 | 1,500,000 | 3,500,000 | 1,500,000 |
| Non-Revenue Receipts | 243,600 | | | | |
| Total Restricted Funds | 4,490,700 | 3,500,000 | 1,500,000 | 3,500,000 | 1,500,000 |
| Federal Fund | | | | | |
| Current Receipts | 186,500 | | | | |
| Non-Revenue Receipts | -1,600 | | | | |
| Total Federal Fund | 184,900 | | | | |
| TOTAL SOURCE OF FUNDS | 30,249,800 | 36,939,300 | 35,837,200 | 36,887,400 | 35,768,300 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 2,923,300 | 3,567,100 | 3,608,900 | 3,514,300 | 3,543,900 |
| Operating Expenses | 24,526,900 | 30,827,200 | 31,183,300 | 30,828,100 | 31,179,400 |
| Grants Loans Benefits | 630,100 | | | | |
| Capital Outlay | 2,169,500 | 2,545,000 | 1,045,000 | 2,545,000 | 1,045,000 |
| TOTAL EXPENDITURES | 30,249,800 | 36,939,300 | 35,837,200 | 36,887,400 | 35,768,300 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 25,574,200 | 33,439,300 | 34,337,200 | 33,387,400 | 34,268,300 |
| Restricted Funds | 4,490,700 | 3,500,000 | 1,500,000 | 3,500,000 | 1,500,000 |
| Federal Fund | 184,900 | | | | |
| TOTAL EXPENDITURES | 30,249,800 | 36,939,300 | 35,837,200 | 36,887,400 | 35,768,300 |
| EXPENDITURES BY UNIT | | | | | |
| KY Communications Network Authority | 28,793,600 | 36,939,300 | 35,837,200 | 36,887,400 | 35,768,300 |
| Regional Strategic Development Funds | 1,456,200 | | | | |
| TOTAL EXPENDITURES | 30,249,800 | 36,939,300 | 35,837,200 | 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.

Policy

Additional General Fund resources in the amount of \$2,820,200 are provided 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. General Fund resources in fiscal years 2018-2019 and 2019-2020 are provided to fund both the Authority's ongoing operations and required availability payments.

Economic Development

Economic Development

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|--------------------|----------------------|----------------------|------------------------|------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 18,031,200 | 25,248,800 | 25,456,800 | 28,386,300 | 29,434,800 |
| Continuing Approp-General Fund | 3,251,400 | | | | |
| Total General Fund | 21,282,600 | 25,248,800 | 25,456,800 | 28,386,300 | 29,434,800 |
| Restricted Funds | | | | | |
| Balance Forward | 937,900 | 338,200 | 338,200 | 338,200 | 338,200 |
| Current Receipts | 2,413,600 | 2,888,800 | 2,950,000 | 2,888,800 | 2,950,000 |
| Total Restricted Funds | 3,351,500 | 3,227,000 | 3,288,200 | 3,227,000 | 3,288,200 |
| Federal Fund | | | | | |
| Balance Forward | 13,000 | | | | |
| Non-Revenue Receipts | 440,900 | 397,500 | | 397,500 | |
| Total Federal Fund | 453,900 | 397,500 | | 397,500 | |
| TOTAL SOURCE OF FUNDS | 25,088,000 | 28,873,300 | 28,745,000 | 32,010,800 | 32,723,000 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 10,925,600 | 14,391,200 | 14,661,100 | 13,659,400 | 13,830,800 |
| Operating Expenses | 2,810,200 | 2,958,300 | 2,558,900 | 6,827,600 | 6,428,200 |
| Grants Loans Benefits | 11,014,000 | 11,185,600 | 11,186,800 | 11,185,600 | 11,186,800 |
| Debt Service | | | | | 939,000 |
| TOTAL EXPENDITURES | 24,749,800 | 28,535,100 | 28,406,800 | 31,672,600 | 32,384,800 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 21,282,600 | 25,248,800 | 25,456,800 | 28,386,300 | 29,434,800 |
| Restricted Funds | 3,013,300 | 2,888,800 | 2,950,000 | 2,888,800 | 2,950,000 |
| Federal Fund | 453,900 | 397,500 | | 397,500 | |
| TOTAL EXPENDITURES | 24,749,800 | 28,535,100 | 28,406,800 | 31,672,600 | 32,384,800 |
| EXPENDITURES BY UNIT | | | | | |
| Economic Development | 24,749,800 | 28,535,100 | 28,406,800 | 31,672,600 | 32,384,800 |
| TOTAL EXPENDITURES | 24,749,800 | 28,535,100 | 28,406,800 | 31,672,600 | 32,384,800 |

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 Executive Budget includes General Fund of \$4,000,000 in fiscal year 2018-2019 and \$4,000,000 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.

The Executive Budget includes General Fund debt service in the amount of \$939,000 in fiscal year 2019-2020 for debt service on new bonds included in the capital budget.

Notwithstanding KRS 164.6011 to KRS 164.6041 the Executive Budget authorizes the Cabinet for Economic Development to carry out provisions of KRS 164.6011 to KRS 164.6041. Included in the General Fund is \$5,112,300 in each fiscal year to carry out the Science and Technology program.

Department of Education

Department of Education

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|---|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 4,121,630,500 | 4,564,134,600 | 4,569,276,500 | 3,893,183,200 | 3,893,239,600 |
| Continuing Approp-General Fund | 12,090,700 | | | | |
| Budget Reduction-General Fund | -20,522,100 | | | | |
| Total General Fund | 4,113,199,100 | 4,564,134,600 | 4,569,276,500 | 3,893,183,200 | 3,893,239,600 |
| Tobacco Fund | | | | | |
| Tobacco Settlement - Phase I | | | | 1,300,000 | 1,300,000 |
| Total Tobacco Fund | | | | 1,300,000 | 1,300,000 |
| Restricted Funds | | | | | |
| Balance Forward | 7,216,915 | | | | |
| Current Receipts | 34,471,985 | 21,286,600 | 21,292,800 | 42,213,600 | 42,446,600 |
| Non-Revenue Receipts | | 20,927,000 | 21,153,800 | | |
| Total Restricted Funds | 41,688,900 | 42,213,600 | 42,446,600 | 42,213,600 | 42,446,600 |
| Federal Fund | | | | | |
| Current Receipts | 948,493,100 | 948,822,500 | 948,934,400 | 948,822,500 | 948,934,400 |
| Total Federal Fund | 948,493,100 | 948,822,500 | 948,934,400 | 948,822,500 | 948,934,400 |
| TOTAL SOURCE OF FUNDS | 5,103,381,100 | 5,555,170,700 | 5,560,657,500 | 4,885,519,300 | 4,885,920,600 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 116,235,800 | 137,744,600 | 138,357,500 | 116,154,700 | 116,543,500 |
| Operating Expenses | 40,103,300 | 46,503,500 | 46,400,300 | 37,569,200 | 37,704,800 |
| Grants Loans Benefits | 4,925,338,400 | 5,370,922,600 | 5,375,899,700 | 4,731,795,400 | 4,731,672,300 |
| TOTAL EXPENDITURES | 5,081,677,500 | 5,555,170,700 | 5,560,657,500 | 4,885,519,300 | 4,885,920,600 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 4,091,495,500 | 4,564,134,600 | 4,569,276,500 | 3,893,183,200 | 3,893,239,600 |
| Tobacco Fund | | | | 1,300,000 | 1,300,000 |
| Restricted Funds | 41,688,900 | 42,213,600 | 42,446,600 | 42,213,600 | 42,446,600 |
| Federal Fund | 948,493,100 | 948,822,500 | 948,934,400 | 948,822,500 | 948,934,400 |
| TOTAL EXPENDITURES | 5,081,677,500 | 5,555,170,700 | 5,560,657,500 | 4,885,519,300 | 4,885,920,600 |
| EXPENDITURES BY UNIT | | | | | |
| Support Education Excellence in Kentucky (SEEK) | 3,015,599,200 | 3,343,804,300 | 3,334,815,000 | 2,899,573,700 | 2,899,367,900 |
| Operations and Support Services | 451,913,000 | 459,808,100 | 460,097,200 | 451,164,900 | 451,293,300 |
| Learning and Results Services | 1,614,165,300 | 1,751,558,300 | 1,765,745,300 | 1,534,780,700 | 1,535,259,400 |
| TOTAL EXPENDITURES | 5,081,677,500 | 5,555,170,700 | 5,560,657,500 | 4,885,519,300 | 4,885,920,600 |

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)

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|--|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 3,024,776,100 | 3,343,804,300 | 3,334,815,000 | 2,899,573,700 | 2,899,367,900 |
| Continuing Approp-General Fund | 10,776,700 | | | | |
| Total General Fund | 3,035,552,800 | 3,343,804,300 | 3,334,815,000 | 2,899,573,700 | 2,899,367,900 |
| TOTAL SOURCE OF FUNDS | 3,035,552,800 | 3,343,804,300 | 3,334,815,000 | 2,899,573,700 | 2,899,367,900 |
| EXPENDITURES BY CLASS | | | | | |
| Grants Loans Benefits | 3,015,599,200 | 3,343,804,300 | 3,334,815,000 | 2,899,573,700 | 2,899,367,900 |
| TOTAL EXPENDITURES | 3,015,599,200 | 3,343,804,300 | 3,334,815,000 | 2,899,573,700 | 2,899,367,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 3,015,599,200 | 3,343,804,300 | 3,334,815,000 | 2,899,573,700 | 2,899,367,900 |
| TOTAL EXPENDITURES | 3,015,599,200 | 3,343,804,300 | 3,334,815,000 | 2,899,573,700 | 2,899,367,900 |
| EXPENDITURES BY UNIT | | | | | |
| Base Funding | 2,070,081,900 | 2,237,064,900 | 2,225,586,700 | 2,065,477,600 | 2,054,139,300 |
| Pupil Transportation | 225,529,500 | 347,786,800 | 347,786,800 | 86,946,700 | 86,946,700 |
| Equalized Facilities | 124,345,100 | 143,207,700 | 139,842,300 | 143,207,700 | 139,842,300 |
| Tier I Equalization | 170,111,400 | 179,196,100 | 175,950,400 | 179,196,100 | 175,950,400 |
| 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 | 397,482,500 | 408,500,000 | 417,600,000 | 396,696,800 | 414,440,400 |
| TOTAL EXPENDITURES | 3,015,599,200 | 3,343,804,300 | 3,334,815,000 | 2,899,573,700 | 2,899,367,900 |

Policy

The Executive Budget 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 \$3,981 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 Executive Budget provides funding of \$86,946,700 in each fiscal year for the pupil transportation program. The budget includes \$179,196,100 in fiscal year 2018-2019 and \$175,950,400 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 Executive Budget provides funding for the Facilities Support Program of Kentucky (FSPK) in the amounts of \$143,207,700 in fiscal year 2018-2019 and \$139,842,300 in fiscal year 2019-2020 to provide equalization funding for local district revenues from the equivalent nickel levy.

The Executive Budget 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 Executive Budget includes funds \$396,696,800 in fiscal year 2018-2019 and \$414,440,400 in fiscal year 2019-2020 for the Teachers' Retirement employer match on behalf of local school districts.

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

Not less than \$19,953,600 of unexpended SEEK funds in fiscal year 2017-2018 shall lapse. The Executive Budget does not include any General Fund Support for Retiree Health Insurance.

**Department of Education
Operations and Support Services**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|--|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 57,628,800 | 63,274,300 | 63,517,600 | 54,631,100 | 54,713,700 |
| Continuing Approp-General Fund | 609,600 | | | | |
| Budget Reduction-General Fund | -943,300 | | | | |
| Total General Fund | 57,295,100 | 63,274,300 | 63,517,600 | 54,631,100 | 54,713,700 |
| Restricted Funds | | | | | |
| Balance Forward | 1,718,857 | | | | |
| Current Receipts | 5,682,643 | 7,065,100 | 7,065,100 | 7,401,500 | 7,401,500 |
| Non-Revenue Receipts | | 336,400 | 336,400 | | |
| Total Restricted Funds | 7,401,500 | 7,401,500 | 7,401,500 | 7,401,500 | 7,401,500 |
| Federal Fund | | | | | |
| Current Receipts | 388,966,400 | 389,132,300 | 389,178,100 | 389,132,300 | 389,178,100 |
| Total Federal Fund | 388,966,400 | 389,132,300 | 389,178,100 | 389,132,300 | 389,178,100 |
| TOTAL SOURCE OF FUNDS | 453,663,000 | 459,808,100 | 460,097,200 | 451,164,900 | 451,293,300 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 19,718,800 | 22,046,000 | 22,326,000 | 19,387,300 | 19,517,800 |
| Operating Expenses | 22,905,000 | 23,112,100 | 23,123,900 | 21,811,100 | 21,811,700 |
| Grants Loans Benefits | 409,289,200 | 414,650,000 | 414,647,300 | 409,966,500 | 409,963,800 |
| TOTAL EXPENDITURES | 451,913,000 | 459,808,100 | 460,097,200 | 451,164,900 | 451,293,300 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 55,545,100 | 63,274,300 | 63,517,600 | 54,631,100 | 54,713,700 |
| Restricted Funds | 7,401,500 | 7,401,500 | 7,401,500 | 7,401,500 | 7,401,500 |
| Federal Fund | 388,966,400 | 389,132,300 | 389,178,100 | 389,132,300 | 389,178,100 |
| TOTAL EXPENDITURES | 451,913,000 | 459,808,100 | 460,097,200 | 451,164,900 | 451,293,300 |
| EXPENDITURES BY UNIT | | | | | |
| Commissioner's Office/Board of Education | 775,800 | 989,700 | 1,004,500 | 925,100 | 930,100 |
| Administration and Support | 410,576,400 | 411,484,100 | 411,691,300 | 410,250,000 | 410,336,700 |
| Guiding Support Services | 1,909,300 | 2,461,600 | 2,513,000 | 1,911,600 | 1,922,700 |
| Knowledge, Information and Data Services | 38,651,500 | 44,872,700 | 44,888,400 | 38,078,200 | 38,103,800 |
| TOTAL EXPENDITURES | 451,913,000 | 459,808,100 | 460,097,200 | 451,164,900 | 451,293,300 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 931,100 | 989,700 | 1,004,500 | 925,100 | 930,100 |
| Budget Reduction-General Fund | -155,300 | | | | |
| Total General Fund | 775,800 | 989,700 | 1,004,500 | 925,100 | 930,100 |
| TOTAL SOURCE OF FUNDS | 775,800 | 989,700 | 1,004,500 | 925,100 | 930,100 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 760,400 | 972,000 | 986,800 | 907,400 | 912,400 |
| Operating Expenses | 15,400 | 17,700 | 17,700 | 17,700 | 17,700 |
| TOTAL EXPENDITURES | 775,800 | 989,700 | 1,004,500 | 925,100 | 930,100 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 775,800 | 989,700 | 1,004,500 | 925,100 | 930,100 |
| TOTAL EXPENDITURES | 775,800 | 989,700 | 1,004,500 | 925,100 | 930,100 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|--------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 14,280,300 | 15,055,200 | 15,216,600 | 13,821,100 | 13,862,000 |
| Continuing Approp-General Fund | 609,600 | | | | |
| Budget Reduction-General Fund | -576,500 | | | | |
| Total General Fund | 14,313,400 | 15,055,200 | 15,216,600 | 13,821,100 | 13,862,000 |
| Restricted Funds | | | | | |
| Balance Forward | 1,718,388 | | | | |
| Current Receipts | 5,578,212 | 6,960,200 | 6,960,200 | 7,296,600 | 7,296,600 |
| Non-Revenue Receipts | | 336,400 | 336,400 | | |
| Total Restricted Funds | 7,296,600 | 7,296,600 | 7,296,600 | 7,296,600 | 7,296,600 |
| Federal Fund | | | | | |
| Current Receipts | 388,966,400 | 389,132,300 | 389,178,100 | 389,132,300 | 389,178,100 |
| Total Federal Fund | 388,966,400 | 389,132,300 | 389,178,100 | 389,132,300 | 389,178,100 |
| TOTAL SOURCE OF FUNDS | 410,576,400 | 411,484,100 | 411,691,300 | 410,250,000 | 410,336,700 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 14,196,800 | 14,618,500 | 14,822,300 | 13,426,800 | 13,516,200 |
| Operating Expenses | 4,164,900 | 4,290,100 | 4,296,200 | 4,247,700 | 4,247,700 |
| Grants Loans Benefits | 392,214,700 | 392,575,500 | 392,572,800 | 392,575,500 | 392,572,800 |
| TOTAL EXPENDITURES | 410,576,400 | 411,484,100 | 411,691,300 | 410,250,000 | 410,336,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 14,313,400 | 15,055,200 | 15,216,600 | 13,821,100 | 13,862,000 |
| Restricted Funds | 7,296,600 | 7,296,600 | 7,296,600 | 7,296,600 | 7,296,600 |
| Federal Fund | 388,966,400 | 389,132,300 | 389,178,100 | 389,132,300 | 389,178,100 |
| TOTAL EXPENDITURES | 410,576,400 | 411,484,100 | 411,691,300 | 410,250,000 | 410,336,700 |
| EXPENDITURES BY UNIT | | | | | |
| Administration & Resource Management | 11,261,000 | 12,383,600 | 12,489,100 | 11,751,300 | 11,773,700 |
| District Support | 6,431,700 | 6,050,900 | 6,106,800 | 5,677,800 | 5,695,200 |
| School & Community Nutrition | 392,883,700 | 393,049,600 | 393,095,400 | 392,820,900 | 392,867,800 |
| TOTAL EXPENDITURES | 410,576,400 | 411,484,100 | 411,691,300 | 410,250,000 | 410,336,700 |

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.

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

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 1,804,400 | 2,356,700 | 2,408,100 | 1,806,700 | 1,817,800 |
| Total General Fund | 1,804,400 | 2,356,700 | 2,408,100 | 1,806,700 | 1,817,800 |
| Restricted Funds | | | | | |
| Balance Forward | 469 | | | | |
| Current Receipts | 104,431 | 104,900 | 104,900 | 104,900 | 104,900 |
| Total Restricted Funds | 104,900 | 104,900 | 104,900 | 104,900 | 104,900 |
| TOTAL SOURCE OF FUNDS | 1,909,300 | 2,461,600 | 2,513,000 | 1,911,600 | 1,922,700 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 1,889,300 | 2,386,500 | 2,432,800 | 1,891,600 | 1,902,700 |
| Operating Expenses | 20,000 | 75,100 | 80,200 | 20,000 | 20,000 |
| TOTAL EXPENDITURES | 1,909,300 | 2,461,600 | 2,513,000 | 1,911,600 | 1,922,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 1,804,400 | 2,356,700 | 2,408,100 | 1,806,700 | 1,817,800 |
| Restricted Funds | 104,900 | 104,900 | 104,900 | 104,900 | 104,900 |
| TOTAL EXPENDITURES | 1,909,300 | 2,461,600 | 2,513,000 | 1,911,600 | 1,922,700 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 40,613,000 | 44,872,700 | 44,888,400 | 38,078,200 | 38,103,800 |
| Budget Reduction-General Fund | -211,500 | | | | |
| Total General Fund | 40,401,500 | 44,872,700 | 44,888,400 | 38,078,200 | 38,103,800 |
| TOTAL SOURCE OF FUNDS | 40,401,500 | 44,872,700 | 44,888,400 | 38,078,200 | 38,103,800 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 2,872,300 | 4,069,000 | 4,084,100 | 3,161,500 | 3,186,500 |
| Operating Expenses | 18,704,700 | 18,729,200 | 18,729,800 | 17,525,700 | 17,526,300 |
| Grants Loans Benefits | 17,074,500 | 22,074,500 | 22,074,500 | 17,391,000 | 17,391,000 |
| TOTAL EXPENDITURES | 38,651,500 | 44,872,700 | 44,888,400 | 38,078,200 | 38,103,800 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 38,651,500 | 44,872,700 | 44,888,400 | 38,078,200 | 38,103,800 |
| TOTAL EXPENDITURES | 38,651,500 | 44,872,700 | 44,888,400 | 38,078,200 | 38,103,800 |

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.

**Department of Education
Learning and Results Services**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 1,039,225,600 | 1,157,056,000 | 1,170,943,900 | 938,978,400 | 939,158,000 |
| Continuing Approp-General Fund | 704,400 | | | | |
| Budget Reduction-General Fund | -19,578,800 | | | | |
| Total General Fund | 1,020,351,200 | 1,157,056,000 | 1,170,943,900 | 938,978,400 | 939,158,000 |
| Tobacco Fund | | | | | |
| Tobacco Settlement - Phase I | | | | 1,300,000 | 1,300,000 |
| Total Tobacco Fund | | | | 1,300,000 | 1,300,000 |
| Restricted Funds | | | | | |
| Balance Forward | 5,498,058 | | | | |
| Current Receipts | 28,789,342 | 14,221,500 | 14,227,700 | 34,812,100 | 35,045,100 |
| Non-Revenue Receipts | | 20,590,600 | 20,817,400 | | |
| Total Restricted Funds | 34,287,400 | 34,812,100 | 35,045,100 | 34,812,100 | 35,045,100 |
| Federal Fund | | | | | |
| Current Receipts | 559,526,700 | 559,690,200 | 559,756,300 | 559,690,200 | 559,756,300 |
| Total Federal Fund | 559,526,700 | 559,690,200 | 559,756,300 | 559,690,200 | 559,756,300 |
| TOTAL SOURCE OF FUNDS | 1,614,165,300 | 1,751,558,300 | 1,765,745,300 | 1,534,780,700 | 1,535,259,400 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 96,517,000 | 115,698,600 | 116,031,500 | 96,767,400 | 97,025,700 |
| Operating Expenses | 17,198,300 | 23,391,400 | 23,276,400 | 15,758,100 | 15,893,100 |
| Grants Loans Benefits | 1,500,450,000 | 1,612,468,300 | 1,626,437,400 | 1,422,255,200 | 1,422,340,600 |
| TOTAL EXPENDITURES | 1,614,165,300 | 1,751,558,300 | 1,765,745,300 | 1,534,780,700 | 1,535,259,400 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 1,020,351,200 | 1,157,056,000 | 1,170,943,900 | 938,978,400 | 939,158,000 |
| Tobacco Fund | | | | 1,300,000 | 1,300,000 |
| Restricted Funds | 34,287,400 | 34,812,100 | 35,045,100 | 34,812,100 | 35,045,100 |
| Federal Fund | 559,526,700 | 559,690,200 | 559,756,300 | 559,690,200 | 559,756,300 |
| TOTAL EXPENDITURES | 1,614,165,300 | 1,751,558,300 | 1,765,745,300 | 1,534,780,700 | 1,535,259,400 |
| EXPENDITURES BY UNIT | | | | | |
| Next Generation Schools | 320,120,700 | 321,299,200 | 321,372,900 | 317,158,100 | 317,192,900 |
| Next Generation Learners | 473,107,100 | 570,151,300 | 569,870,800 | 441,650,900 | 441,705,600 |
| Assessment and Accountability | 23,539,500 | 40,024,000 | 39,354,000 | 22,820,900 | 22,826,600 |
| State Schools | 18,189,400 | 20,158,300 | 20,424,800 | 18,418,100 | 18,520,500 |
| Career & Technical Education | 82,961,100 | 89,753,000 | 90,346,800 | 82,000,700 | 82,281,800 |
| Local District Health Insurance | 696,247,500 | 710,172,500 | 724,376,000 | 652,732,000 | 652,732,000 |
| TOTAL EXPENDITURES | 1,614,165,300 | 1,751,558,300 | 1,765,745,300 | 1,534,780,700 | 1,535,259,400 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|---|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 6,717,800 | 7,350,500 | 7,398,700 | 3,209,400 | 3,218,700 |
| Budget Reduction-General Fund | -471,600 | | | | |
| Total General Fund | 6,246,200 | 7,350,500 | 7,398,700 | 3,209,400 | 3,218,700 |
| Restricted Funds | | | | | |
| Balance Forward | 684,962 | | | | |
| Current Receipts | -79,962 | 605,000 | 605,000 | 605,000 | 605,000 |
| Total Restricted Funds | 605,000 | 605,000 | 605,000 | 605,000 | 605,000 |
| Federal Fund | | | | | |
| Current Receipts | 313,269,500 | 313,343,700 | 313,369,200 | 313,343,700 | 313,369,200 |
| Total Federal Fund | 313,269,500 | 313,343,700 | 313,369,200 | 313,343,700 | 313,369,200 |
| TOTAL SOURCE OF FUNDS | 320,120,700 | 321,299,200 | 321,372,900 | 317,158,100 | 317,192,900 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 4,970,500 | 5,419,300 | 5,493,000 | 5,251,100 | 5,269,500 |
| Operating Expenses | 1,563,700 | 1,565,200 | 1,565,200 | 1,481,900 | 1,481,900 |
| Grants Loans Benefits | 313,586,500 | 314,314,700 | 314,314,700 | 310,425,100 | 310,441,500 |
| TOTAL EXPENDITURES | 320,120,700 | 321,299,200 | 321,372,900 | 317,158,100 | 317,192,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 6,246,200 | 7,350,500 | 7,398,700 | 3,209,400 | 3,218,700 |
| Restricted Funds | 605,000 | 605,000 | 605,000 | 605,000 | 605,000 |
| Federal Fund | 313,269,500 | 313,343,700 | 313,369,200 | 313,343,700 | 313,369,200 |
| TOTAL EXPENDITURES | 320,120,700 | 321,299,200 | 321,372,900 | 317,158,100 | 317,192,900 |
| EXPENDITURES BY UNIT | | | | | |
| Consolidated Plans & Audits | 270,000,000 | 270,072,800 | 270,095,100 | 270,072,800 | 270,095,100 |
| Federal Programs & Educator Effectiveness | 39,961,400 | 40,283,400 | 40,298,600 | 38,854,400 | 38,856,600 |
| Next Generation Schools | 10,159,300 | 10,943,000 | 10,979,200 | 8,230,900 | 8,241,200 |
| TOTAL EXPENDITURES | 320,120,700 | 321,299,200 | 321,372,900 | 317,158,100 | 317,192,900 |

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 Executive Budget provides no funding for the Virtual Learning program and Teacher Quality and Diversity program.

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

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

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 264,888,700 | 344,185,400 | 343,863,800 | 214,385,000 | 214,398,600 |
| Continuing Approp-General Fund | 704,400 | | | | |
| Budget Reduction-General Fund | -18,361,100 | | | | |
| Total General Fund | 247,232,000 | 344,185,400 | 343,863,800 | 214,385,000 | 214,398,600 |
| Tobacco Fund | | | | | |
| Tobacco Settlement - Phase I | | | | 1,300,000 | 1,300,000 |
| Total Tobacco Fund | | | | 1,300,000 | 1,300,000 |
| Restricted Funds | | | | | |
| Balance Forward | 1,058,976 | | | | |
| Current Receipts | 5,558,924 | 6,621,600 | 6,627,800 | 6,621,600 | 6,627,800 |
| Total Restricted Funds | 6,617,900 | 6,621,600 | 6,627,800 | 6,621,600 | 6,627,800 |
| Federal Fund | | | | | |
| Current Receipts | 219,257,200 | 219,344,300 | 219,379,200 | 219,344,300 | 219,379,200 |
| Total Federal Fund | 219,257,200 | 219,344,300 | 219,379,200 | 219,344,300 | 219,379,200 |
| TOTAL SOURCE OF FUNDS | 473,107,100 | 570,151,300 | 569,870,800 | 441,650,900 | 441,705,600 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 10,247,300 | 10,788,900 | 10,875,400 | 10,806,100 | 10,860,800 |
| Operating Expenses | 2,996,300 | 3,117,200 | 3,002,200 | 2,557,300 | 2,692,300 |
| Grants Loans Benefits | 459,863,500 | 556,245,200 | 555,993,200 | 428,287,500 | 428,152,500 |
| TOTAL EXPENDITURES | 473,107,100 | 570,151,300 | 569,870,800 | 441,650,900 | 441,705,600 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 247,232,000 | 344,185,400 | 343,863,800 | 214,385,000 | 214,398,600 |
| Tobacco Fund | | | | 1,300,000 | 1,300,000 |
| Restricted Funds | 6,617,900 | 6,621,600 | 6,627,800 | 6,621,600 | 6,627,800 |
| Federal Fund | 219,257,200 | 219,344,300 | 219,379,200 | 219,344,300 | 219,379,200 |
| TOTAL EXPENDITURES | 473,107,100 | 570,151,300 | 569,870,800 | 441,650,900 | 441,705,600 |

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 Executive Budget provides no funding for the Appalachian Tutoring program, Georgia Chaffee Teenage Parent program, Lexington Hearing and Speech Center program, Heuser Hearing and Speech program, Instructional Materials/Textbook program, and Teach for America program.

Notwithstanding KRS 156.095, the Executive Budget provides no funding for the Professional Development program.

Notwithstanding KRS 164.0207, the Executive Budget provides no funding for the Collaborative Center for Literacy Development program.

Notwithstanding KRS 157.390, the Executive Budget provides no funding for the Leadership and Mentoring program.

Notwithstanding KRS 156.555, the Executive Budget provides no funding for the Middle School Academic Achievement Center program.

Notwithstanding KRS 156.095(10), the Executive Budget provides no funding for the Teacher Academies program.

Notwithstanding KRS 158.770 and KRS 158.775, the Executive Budget provides no funding for the Writing program.

Notwithstanding KRS 156.553, the Executive Budget provides no funding for the Teacher's Professional Growth program.

The Executive Budget includes Phase I Tobacco Settlement Funds in the amount of \$1,300,000 each fiscal year for the Save the Children program.

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

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 14,679,000 | 31,024,000 | 30,354,000 | 13,820,900 | 13,826,600 |
| Budget Reduction-General Fund | -139,500 | | | | |
| Total General Fund | 14,539,500 | 31,024,000 | 30,354,000 | 13,820,900 | 13,826,600 |
| Federal Fund | | | | | |
| Current Receipts | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 |
| Total Federal Fund | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 |
| TOTAL SOURCE OF FUNDS | 23,539,500 | 40,024,000 | 39,354,000 | 22,820,900 | 22,826,600 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 23,084,000 | 33,564,000 | 32,894,000 | 22,360,900 | 22,366,600 |
| Operating Expenses | 455,500 | 6,460,000 | 6,460,000 | 460,000 | 460,000 |
| TOTAL EXPENDITURES | 23,539,500 | 40,024,000 | 39,354,000 | 22,820,900 | 22,826,600 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 14,539,500 | 31,024,000 | 30,354,000 | 13,820,900 | 13,826,600 |
| Federal Fund | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 |
| TOTAL EXPENDITURES | 23,539,500 | 40,024,000 | 39,354,000 | 22,820,900 | 22,826,600 |

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**

| SOURCE OF FUNDS | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| General Fund | | | | | |
| Regular Appropriation | 16,692,600 | 18,571,500 | 18,838,000 | 16,831,300 | 16,933,700 |
| Budget Reduction-General Fund | -90,000 | | | | |
| Total General Fund | 16,602,600 | 18,571,500 | 18,838,000 | 16,831,300 | 16,933,700 |
| Restricted Funds | | | | | |
| Balance Forward | 395,898 | | | | |
| Current Receipts | 1,190,902 | 1,586,800 | 1,586,800 | 1,586,800 | 1,586,800 |
| Total Restricted Funds | 1,586,800 | 1,586,800 | 1,586,800 | 1,586,800 | 1,586,800 |
| TOTAL SOURCE OF FUNDS | 18,189,400 | 20,158,300 | 20,424,800 | 18,418,100 | 18,520,500 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 14,725,000 | 16,649,300 | 16,915,800 | 15,899,200 | 16,001,600 |
| Operating Expenses | 3,464,400 | 3,509,000 | 3,509,000 | 2,518,900 | 2,518,900 |
| TOTAL EXPENDITURES | 18,189,400 | 20,158,300 | 20,424,800 | 18,418,100 | 18,520,500 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 16,602,600 | 18,571,500 | 18,838,000 | 16,831,300 | 16,933,700 |
| Restricted Funds | 1,586,800 | 1,586,800 | 1,586,800 | 1,586,800 | 1,586,800 |
| TOTAL EXPENDITURES | 18,189,400 | 20,158,300 | 20,424,800 | 18,418,100 | 18,520,500 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 40,000,000 | 45,752,100 | 46,113,400 | 37,999,800 | 38,048,400 |
| Budget Reduction-General Fund | -516,600 | | | | |
| Total General Fund | 39,483,400 | 45,752,100 | 46,113,400 | 37,999,800 | 38,048,400 |
| Restricted Funds | | | | | |
| Balance Forward | 3,358,222 | | | | |
| Current Receipts | 22,119,478 | 5,408,100 | 5,408,100 | 25,998,700 | 26,225,500 |
| Non-Revenue Receipts | 0 | 20,590,600 | 20,817,400 | | |
| Total Restricted Funds | 25,477,700 | 25,998,700 | 26,225,500 | 25,998,700 | 26,225,500 |
| Federal Fund | | | | | |
| Current Receipts | 18,000,000 | 18,002,200 | 18,007,900 | 18,002,200 | 18,007,900 |
| Total Federal Fund | 18,000,000 | 18,002,200 | 18,007,900 | 18,002,200 | 18,007,900 |
| TOTAL SOURCE OF FUNDS | 82,961,100 | 89,753,000 | 90,346,800 | 82,000,700 | 82,281,800 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 43,490,200 | 49,277,100 | 49,853,300 | 42,450,100 | 42,527,200 |
| Operating Expenses | 8,718,400 | 8,740,000 | 8,740,000 | 8,740,000 | 8,740,000 |
| Grants Loans Benefits | 30,752,500 | 31,735,900 | 31,753,500 | 30,810,600 | 31,014,600 |
| TOTAL EXPENDITURES | 82,961,100 | 89,753,000 | 90,346,800 | 82,000,700 | 82,281,800 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 39,483,400 | 45,752,100 | 46,113,400 | 37,999,800 | 38,048,400 |
| Restricted Funds | 25,477,700 | 25,998,700 | 26,225,500 | 25,998,700 | 26,225,500 |
| Federal Fund | 18,000,000 | 18,002,200 | 18,007,900 | 18,002,200 | 18,007,900 |
| TOTAL EXPENDITURES | 82,961,100 | 89,753,000 | 90,346,800 | 82,000,700 | 82,281,800 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 696,247,500 | 710,172,500 | 724,376,000 | 652,732,000 | 652,732,000 |
| Total General Fund | 696,247,500 | 710,172,500 | 724,376,000 | 652,732,000 | 652,732,000 |
| TOTAL SOURCE OF FUNDS | 696,247,500 | 710,172,500 | 724,376,000 | 652,732,000 | 652,732,000 |
| EXPENDITURES BY CLASS | | | | | |
| Grants Loans Benefits | 696,247,500 | 710,172,500 | 724,376,000 | 652,732,000 | 652,732,000 |
| TOTAL EXPENDITURES | 696,247,500 | 710,172,500 | 724,376,000 | 652,732,000 | 652,732,000 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 696,247,500 | 710,172,500 | 724,376,000 | 652,732,000 | 652,732,000 |
| TOTAL EXPENDITURES | 696,247,500 | 710,172,500 | 724,376,000 | 652,732,000 | 652,732,000 |

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 Executive Budget includes \$652,732,000 in each fiscal year for local district health insurance. Notwithstanding KRS 18A.226, KRS 161.158 or any other provision of the Kentucky Revised Statutes to the contrary, local school districts shall be responsible for any additional amount in excess of the above appropriation of the employer contribution for local district health insurance.

Education and Workforce Development

Education and Workforce Development

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|--|--------------------|----------------------|----------------------|------------------------|------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 52,877,200 | 72,501,200 | 76,864,600 | 58,514,800 | 63,923,900 |
| Budget Reduction-General Fund | -2,708,800 | | | | |
| Total General Fund | 50,168,400 | 72,501,200 | 76,864,600 | 58,514,800 | 63,923,900 |
| Restricted Funds | | | | | |
| Balance Forward | 48,988,200 | 6,558,600 | 5,317,000 | 5,930,400 | 5,085,300 |
| Current Receipts | 14,653,700 | 13,049,600 | 11,878,700 | 14,392,900 | 13,452,300 |
| Non-Revenue Receipts | -17,500 | 49,819,900 | 50,278,000 | 49,354,600 | 49,767,600 |
| Total Restricted Funds | 63,624,400 | 69,428,100 | 67,473,700 | 69,677,900 | 68,305,200 |
| Federal Fund | | | | | |
| Balance Forward | 3,756,300 | | | | |
| Current Receipts | 493,395,100 | 501,356,400 | 500,744,100 | 507,546,300 | 507,175,500 |
| Non-Revenue Receipts | 248,900 | | | | |
| Total Federal Fund | 497,400,300 | 501,356,400 | 500,744,100 | 507,546,300 | 507,175,500 |
| TOTAL SOURCE OF FUNDS | 611,193,100 | 643,285,700 | 645,082,400 | 635,739,000 | 639,404,600 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 97,911,500 | 113,275,300 | 115,236,900 | 109,186,400 | 109,383,800 |
| Operating Expenses | 30,101,500 | 31,314,900 | 30,864,800 | 32,108,200 | 31,182,200 |
| Grants Loans Benefits | 439,066,900 | 492,074,300 | 493,155,000 | 485,752,400 | 486,839,100 |
| Debt Service | 36,619,200 | | 365,000 | 2,303,500 | 6,728,000 |
| Capital Outlay | 1,415,500 | 1,304,200 | 1,110,800 | 1,304,200 | 1,110,800 |
| TOTAL EXPENDITURES | 605,114,600 | 637,968,700 | 640,732,500 | 630,654,700 | 635,243,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 50,168,400 | 72,501,200 | 76,864,600 | 58,514,800 | 63,923,900 |
| Restricted Funds | 57,545,900 | 64,111,100 | 63,123,800 | 64,592,600 | 64,207,000 |
| Federal Fund | 497,400,300 | 501,356,400 | 500,744,100 | 507,546,300 | 507,175,500 |
| TOTAL EXPENDITURES | 605,114,600 | 637,968,700 | 640,732,500 | 630,653,700 | 635,306,400 |
| EXPENDITURES BY UNIT | | | | | |
| General Administration and Program Support | 16,048,500 | 16,762,400 | 16,942,100 | 24,533,600 | 28,846,900 |
| Commission on Proprietary Education | 288,600 | 312,900 | 316,600 | 320,900 | 323,900 |
| Deaf and Hard of Hearing | 1,966,000 | 2,698,500 | 2,731,800 | 2,132,800 | 2,149,700 |
| Kentucky Educational Television | 14,655,400 | 18,818,400 | 20,222,300 | 16,566,200 | 16,925,900 |
| Environmental Education Council | 262,400 | 288,300 | 284,800 | | |
| Libraries and Archives | 16,660,900 | 20,536,500 | 20,517,300 | 15,125,700 | 15,032,200 |
| Office for the Blind | 10,262,200 | 13,121,500 | 13,284,400 | 13,002,800 | 13,090,700 |
| Employment and Training | 477,607,400 | 486,515,800 | 487,214,900 | 487,132,200 | 487,086,400 |
| Vocational Rehabilitation | 59,373,500 | 67,611,900 | 68,012,200 | 66,997,000 | 67,136,700 |
| Education Professional Standards Board | 7,989,700 | 11,302,500 | 11,206,100 | 4,842,500 | 4,714,000 |
| TOTAL EXPENDITURES | 605,114,600 | 637,968,700 | 640,732,500 | 630,653,700 | 635,306,400 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 4,927,600 | 6,450,400 | 7,289,800 | 13,285,000 | 18,173,100 |
| Budget Reduction-General Fund | -34,200 | | | | |
| Total General Fund | 4,893,400 | 6,450,400 | 7,289,800 | 13,285,000 | 18,173,100 |
| Restricted Funds | | | | | |
| Balance Forward | 754,200 | 389,700 | 300,000 | 389,700 | 300,000 |
| Current Receipts | 300,000 | 100,000 | 100,000 | 1,021,000 | 1,104,500 |
| Non-Revenue Receipts | 6,306,400 | 6,270,900 | 6,070,900 | 6,270,900 | 6,070,900 |
| Total Restricted Funds | 7,360,600 | 6,760,600 | 6,470,900 | 7,681,600 | 7,475,400 |
| Federal Fund | | | | | |
| Current Receipts | 4,184,200 | 3,851,400 | 3,181,400 | 3,867,000 | 3,198,400 |
| Total Federal Fund | 4,184,200 | 3,851,400 | 3,181,400 | 3,867,000 | 3,198,400 |
| TOTAL SOURCE OF FUNDS | 16,438,200 | 17,062,400 | 16,942,100 | 24,833,600 | 28,846,900 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 11,476,800 | 12,610,000 | 12,782,900 | 12,340,700 | 12,405,200 |
| Operating Expenses | 1,780,600 | 1,961,300 | 1,968,100 | 1,998,100 | 2,004,900 |
| Grants Loans Benefits | 2,791,100 | 2,191,100 | 2,191,100 | 8,073,800 | 8,073,800 |
| Debt Service | | | | 2,121,000 | 6,363,000 |
| TOTAL EXPENDITURES | 16,048,500 | 16,762,400 | 16,942,100 | 24,533,600 | 28,846,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 4,893,400 | 6,450,400 | 7,289,800 | 13,285,000 | 18,173,100 |
| Restricted Funds | 6,970,900 | 6,460,600 | 6,470,900 | 7,381,600 | 7,475,400 |
| Federal Fund | 4,184,200 | 3,851,400 | 3,181,400 | 3,867,000 | 3,198,400 |
| TOTAL EXPENDITURES | 16,048,500 | 16,762,400 | 16,942,100 | 24,533,600 | 28,846,900 |
| EXPENDITURES BY UNIT | | | | | |
| Secretary | 9,001,200 | 10,050,700 | 10,257,800 | 18,121,800 | 22,494,100 |
| Governor's Scholars | 1,875,900 | 1,875,900 | 1,875,900 | 1,758,600 | 1,758,600 |
| Education and Workforce Statistics | 5,171,400 | 4,835,800 | 4,808,400 | 4,653,200 | 4,594,200 |
| TOTAL EXPENDITURES | 16,048,500 | 16,762,400 | 16,942,100 | 24,533,600 | 28,846,900 |

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.

Policy

The Executive Budget provides General Fund in the amount of \$2,121,000 in fiscal year 2019 and \$6,363,000 in fiscal year 2020 for debt service on new bonds for the Workforce Development Construction Pool.

The Executive Budget provides General Fund in the amount of \$2,000,000 in fiscal year 2019 and 2020 for performance incentives for Local Workforce Development Boards and Career Centers.

The Executive Budget provides General Fund in the amount of \$4,000,000 in fiscal year 2019 and 2020 for at risk dropout prevention.

Education and Workforce Development

Proprietary Education

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| Restricted Funds | | | | | |
| Balance Forward | 517,300 | 451,500 | 386,400 | 451,500 | 378,400 |
| Current Receipts | 247,800 | 247,800 | 247,800 | 247,800 | 247,800 |
| Non-Revenue Receipts | -25,000 | | | | |
| Total Restricted Funds | 740,100 | 699,300 | 634,200 | 699,300 | 626,200 |
| TOTAL SOURCE OF FUNDS | 740,100 | 699,300 | 634,200 | 699,300 | 626,200 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 269,900 | 294,200 | 297,900 | 302,200 | 305,200 |
| Operating Expenses | 18,700 | 18,700 | 18,700 | 18,700 | 18,700 |
| TOTAL EXPENDITURES | 288,600 | 312,900 | 316,600 | 320,900 | 323,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| Restricted Funds | 288,600 | 312,900 | 316,600 | 320,900 | 323,900 |
| TOTAL EXPENDITURES | 288,600 | 312,900 | 316,600 | 320,900 | 323,900 |
| EXPENDITURES BY UNIT | | | | | |
| Proprietary Education | 288,600 | 312,900 | 316,600 | 320,900 | 323,900 |
| TOTAL EXPENDITURES | 288,600 | 312,900 | 316,600 | 320,900 | 323,900 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|--|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 873,900 | 959,100 | 1,077,100 | 959,000 | 970,000 |
| Budget Reduction-General Fund | -17,100 | | | | |
| Total General Fund | 856,800 | 959,100 | 1,077,100 | 959,000 | 970,000 |
| Restricted Funds | | | | | |
| Balance Forward | 16,100 | 86,900 | | 86,900 | |
| Current Receipts | 1,180,000 | 1,652,500 | 1,654,700 | 1,086,900 | 1,179,700 |
| Total Restricted Funds | 1,196,100 | 1,739,400 | 1,654,700 | 1,173,800 | 1,179,700 |
| TOTAL SOURCE OF FUNDS | 2,052,900 | 2,698,500 | 2,731,800 | 2,132,800 | 2,149,700 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 1,184,300 | 1,913,400 | 1,946,700 | 1,347,100 | 1,364,000 |
| Operating Expenses | 781,700 | 785,100 | 785,100 | 785,700 | 785,700 |
| TOTAL EXPENDITURES | 1,966,000 | 2,698,500 | 2,731,800 | 2,132,800 | 2,149,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 856,800 | 959,100 | 1,077,100 | 959,000 | 970,000 |
| Restricted Funds | 1,109,200 | 1,739,400 | 1,654,700 | 1,173,800 | 1,179,700 |
| TOTAL EXPENDITURES | 1,966,000 | 2,698,500 | 2,731,800 | 2,132,800 | 2,149,700 |
| EXPENDITURES BY UNIT | | | | | |
| Commission on the Deaf and Hard of Hearing | 1,966,000 | 2,698,500 | 2,731,800 | 2,132,800 | 2,149,700 |
| TOTAL EXPENDITURES | 1,966,000 | 2,698,500 | 2,731,800 | 2,132,800 | 2,149,700 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 13,923,200 | 17,367,400 | 18,771,300 | 15,047,600 | 15,401,100 |
| Budget Reduction-General Fund | -718,800 | | | | |
| Total General Fund | 13,204,400 | 17,367,400 | 18,771,300 | 15,047,600 | 15,401,100 |
| Restricted Funds | | | | | |
| Current Receipts | 1,451,000 | 1,451,000 | 1,451,000 | 1,518,600 | 1,524,800 |
| Total Restricted Funds | 1,451,000 | 1,451,000 | 1,451,000 | 1,518,600 | 1,524,800 |
| TOTAL SOURCE OF FUNDS | 14,655,400 | 18,818,400 | 20,222,300 | 16,566,200 | 16,925,900 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 10,750,300 | 14,430,200 | 15,486,000 | 12,392,700 | 12,673,500 |
| Operating Expenses | 3,830,100 | 4,313,200 | 4,296,300 | 3,916,000 | 3,812,400 |
| Debt Service | | | 365,000 | 182,500 | 365,000 |
| Capital Outlay | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| TOTAL EXPENDITURES | 14,655,400 | 18,818,400 | 20,222,300 | 16,566,200 | 16,925,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 13,204,400 | 17,367,400 | 18,771,300 | 15,047,600 | 15,401,100 |
| Restricted Funds | 1,451,000 | 1,451,000 | 1,451,000 | 1,518,600 | 1,524,800 |
| TOTAL EXPENDITURES | 14,655,400 | 18,818,400 | 20,222,300 | 16,566,200 | 16,925,900 |
| EXPENDITURES BY UNIT | | | | | |
| General Administration and Support | 2,786,500 | 3,278,900 | 3,703,500 | 3,263,500 | 3,479,400 |
| Broadcasting and Education | 9,831,800 | 13,251,800 | 14,203,700 | 10,996,600 | 11,120,000 |
| Engineering | 2,037,100 | 2,287,700 | 2,315,100 | 2,306,100 | 2,326,500 |
| TOTAL EXPENDITURES | 14,655,400 | 18,818,400 | 20,222,300 | 16,566,200 | 16,925,900 |

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 Executive Budget 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

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| Restricted Funds | | | | | |
| Balance Forward | 103,200 | 148,100 | 129,800 | | |
| Current Receipts | 13,100 | 16,300 | 16,300 | | |
| Non-Revenue Receipts | 72,400 | 180,000 | 180,000 | | |
| Total Restricted Funds | 188,700 | 344,400 | 326,100 | | |
| Federal Fund | | | | | |
| Current Receipts | 73,700 | 73,700 | 66,000 | | |
| Total Federal Fund | 73,700 | 73,700 | 66,000 | | |
| TOTAL SOURCE OF FUNDS | 262,400 | 418,100 | 392,100 | | |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 189,700 | 231,300 | 228,100 | | |
| Operating Expenses | 49,900 | 46,000 | 51,700 | | |
| Grants Loans Benefits | 22,800 | 11,000 | 5,000 | | |
| TOTAL EXPENDITURES | 262,400 | 288,300 | 284,800 | | |
| EXPENDITURES BY FUND SOURCE | | | | | |
| Restricted Funds | 188,700 | 214,600 | 218,800 | | |
| Federal Fund | 73,700 | 73,700 | 66,000 | | |
| TOTAL EXPENDITURES | 262,400 | 288,300 | 284,800 | | |
| EXPENDITURES BY UNIT | | | | | |
| Ky Environmental Education Council | 262,400 | 288,300 | 284,800 | | |
| TOTAL EXPENDITURES | 262,400 | 288,300 | 284,800 | | |

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

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

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

Policy

Notwithstanding KRS 157.910 and KRS 224.43-050(2)(b), the Executive Budget provides no funding for the Kentucky Environmental Education Council program.

**Education and Workforce Development
Libraries and Archives**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 13,001,800 | 16,022,500 | 16,184,300 | 10,324,600 | 10,386,100 |
| Budget Reduction-General Fund | -1,213,100 | | | | |
| Total General Fund | 11,788,700 | 16,022,500 | 16,184,300 | 10,324,600 | 10,386,100 |
| Restricted Funds | | | | | |
| Balance Forward | 2,670,800 | 2,255,400 | 1,953,700 | 2,255,400 | 1,953,700 |
| Current Receipts | 1,862,900 | 1,893,300 | 1,893,300 | 1,932,000 | 1,935,500 |
| Total Restricted Funds | 4,533,700 | 4,148,700 | 3,847,000 | 4,187,400 | 3,889,200 |
| Federal Fund | | | | | |
| Current Receipts | 2,345,000 | 2,319,000 | 2,319,000 | 2,567,400 | 2,589,900 |
| Non-Revenue Receipts | 248,900 | | | | |
| Total Federal Fund | 2,593,900 | 2,319,000 | 2,319,000 | 2,567,400 | 2,589,900 |
| TOTAL SOURCE OF FUNDS | 18,916,300 | 22,490,200 | 22,350,300 | 17,079,400 | 16,865,200 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 5,180,100 | 6,953,800 | 7,063,600 | 6,521,200 | 6,556,700 |
| Operating Expenses | 3,144,700 | 3,638,600 | 3,506,600 | 3,659,500 | 3,527,500 |
| Grants Loans Benefits | 8,309,100 | 9,944,100 | 9,947,100 | 4,945,000 | 4,948,000 |
| Capital Outlay | 27,000 | | | | |
| TOTAL EXPENDITURES | 16,660,900 | 20,536,500 | 20,517,300 | 15,125,700 | 15,032,200 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 11,788,700 | 16,022,500 | 16,184,300 | 10,324,600 | 10,386,100 |
| Restricted Funds | 2,278,300 | 2,195,000 | 2,014,000 | 2,233,700 | 2,056,200 |
| Federal Fund | 2,593,900 | 2,319,000 | 2,319,000 | 2,567,400 | 2,589,900 |
| TOTAL EXPENDITURES | 16,660,900 | 20,536,500 | 20,517,300 | 15,125,700 | 15,032,200 |
| EXPENDITURES BY UNIT | | | | | |
| Libraries and Archives | 9,010,600 | 10,886,200 | 10,867,000 | 10,474,500 | 10,381,000 |
| Direct Local Aid | 7,650,300 | 9,650,300 | 9,650,300 | 4,651,200 | 4,651,200 |
| TOTAL EXPENDITURES | 16,660,900 | 20,536,500 | 20,517,300 | 15,125,700 | 15,032,200 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 5,943,700 | 6,964,400 | 7,126,200 | 6,265,600 | 6,327,100 |
| Budget Reduction-General Fund | -1,213,100 | | | | |
| Total General Fund | 4,730,600 | 6,964,400 | 7,126,200 | 6,265,600 | 6,327,100 |
| Restricted Funds | | | | | |
| Balance Forward | 2,015,800 | 1,630,800 | 1,329,100 | 1,630,800 | 1,329,100 |
| Current Receipts | 1,301,100 | 1,301,100 | 1,301,100 | 1,339,800 | 1,343,300 |
| Total Restricted Funds | 3,316,900 | 2,931,900 | 2,630,200 | 2,970,600 | 2,672,400 |
| Federal Fund | | | | | |
| Current Receipts | 2,345,000 | 2,319,000 | 2,319,000 | 2,567,400 | 2,589,900 |
| Non-Revenue Receipts | 248,900 | | | | |
| Total Federal Fund | 2,593,900 | 2,319,000 | 2,319,000 | 2,567,400 | 2,589,900 |
| TOTAL SOURCE OF FUNDS | 10,641,400 | 12,215,300 | 12,075,400 | 11,803,600 | 11,589,400 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 5,180,100 | 6,953,800 | 7,063,600 | 6,521,200 | 6,556,700 |
| Operating Expenses | 3,144,500 | 3,638,600 | 3,506,600 | 3,659,500 | 3,527,500 |
| Grants Loans Benefits | 659,000 | 293,800 | 296,800 | 293,800 | 296,800 |
| Capital Outlay | 27,000 | | | | |
| TOTAL EXPENDITURES | 9,010,600 | 10,886,200 | 10,867,000 | 10,474,500 | 10,381,000 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 4,730,600 | 6,964,400 | 7,126,200 | 6,265,600 | 6,327,100 |
| Restricted Funds | 1,686,100 | 1,602,800 | 1,421,800 | 1,641,500 | 1,464,000 |
| Federal Fund | 2,593,900 | 2,319,000 | 2,319,000 | 2,567,400 | 2,589,900 |
| TOTAL EXPENDITURES | 9,010,600 | 10,886,200 | 10,867,000 | 10,474,500 | 10,381,000 |
| EXPENDITURES BY UNIT | | | | | |
| Administrative Services | 1,294,600 | 2,602,200 | 2,492,700 | 2,374,600 | 2,249,000 |
| Field Services | 2,176,100 | 2,123,500 | 2,170,400 | 2,118,700 | 2,160,400 |
| Library Services | 1,566,200 | 1,875,800 | 1,902,000 | 1,927,200 | 1,937,200 |
| Archives & Records Management | 3,973,700 | 4,284,700 | 4,301,900 | 4,054,000 | 4,034,400 |
| TOTAL EXPENDITURES | 9,010,600 | 10,886,200 | 10,867,000 | 10,474,500 | 10,381,000 |

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

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 7,058,100 | 9,058,100 | 9,058,100 | 4,059,000 | 4,059,000 |
| Total General Fund | 7,058,100 | 9,058,100 | 9,058,100 | 4,059,000 | 4,059,000 |
| Restricted Funds | | | | | |
| Balance Forward | 655,000 | 624,600 | 624,600 | 624,600 | 624,600 |
| Current Receipts | 561,800 | 592,200 | 592,200 | 592,200 | 592,200 |
| Total Restricted Funds | 1,216,800 | 1,216,800 | 1,216,800 | 1,216,800 | 1,216,800 |
| TOTAL SOURCE OF FUNDS | 8,274,900 | 10,274,900 | 10,274,900 | 5,275,800 | 5,275,800 |
| EXPENDITURES BY CLASS | | | | | |
| Operating Expenses | 200 | | | | |
| Grants Loans Benefits | 7,650,100 | 9,650,300 | 9,650,300 | 4,651,200 | 4,651,200 |
| TOTAL EXPENDITURES | 7,650,300 | 9,650,300 | 9,650,300 | 4,651,200 | 4,651,200 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 7,058,100 | 9,058,100 | 9,058,100 | 4,059,000 | 4,059,000 |
| Restricted Funds | 592,200 | 592,200 | 592,200 | 592,200 | 592,200 |
| TOTAL EXPENDITURES | 7,650,300 | 9,650,300 | 9,650,300 | 4,651,200 | 4,651,200 |
| EXPENDITURES BY UNIT | | | | | |
| Libraries Support | 7,058,100 | 9,058,100 | 9,058,100 | 4,059,000 | 4,059,000 |
| Library Technology | 30,400 | | | | |
| Public Records | 561,800 | 592,200 | 592,200 | 592,200 | 592,200 |
| TOTAL EXPENDITURES | 7,650,300 | 9,650,300 | 9,650,300 | 4,651,200 | 4,651,200 |

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

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

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

Policy

Notwithstanding KRS 171.201, the Executive Budget provides no funding for non-construction state aid to local libraries.

Education and Workforce Development

Office for the Blind

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 1,438,700 | 2,931,000 | 3,099,200 | 1,880,900 | 1,890,800 |
| Total General Fund | 1,438,700 | 2,931,000 | 3,099,200 | 1,880,900 | 1,890,800 |
| Restricted Funds | | | | | |
| Balance Forward | 517,600 | 220,600 | 148,900 | 218,000 | 77,300 |
| Current Receipts | 849,700 | 849,700 | 849,700 | 870,400 | 938,100 |
| Total Restricted Funds | 1,367,300 | 1,070,300 | 998,600 | 1,088,400 | 1,015,400 |
| Federal Fund | | | | | |
| Balance Forward | -2,100 | | | | |
| Current Receipts | 7,676,300 | 9,269,100 | 9,269,100 | 10,110,800 | 10,184,500 |
| Total Federal Fund | 7,674,200 | 9,269,100 | 9,269,100 | 10,110,800 | 10,184,500 |
| TOTAL SOURCE OF FUNDS | 10,480,200 | 13,270,400 | 13,366,900 | 13,080,100 | 13,090,700 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 6,678,100 | 7,812,700 | 7,982,200 | 7,661,300 | 7,756,600 |
| Operating Expenses | 1,421,600 | 1,421,900 | 1,420,200 | 1,454,600 | 1,452,100 |
| Grants Loans Benefits | 1,598,900 | 3,323,300 | 3,318,400 | 3,323,300 | 3,318,400 |
| Capital Outlay | 563,600 | 563,600 | 563,600 | 563,600 | 563,600 |
| TOTAL EXPENDITURES | 10,262,200 | 13,121,500 | 13,284,400 | 13,002,800 | 13,090,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 1,438,700 | 2,931,000 | 3,099,200 | 1,880,900 | 1,890,800 |
| Restricted Funds | 1,149,300 | 921,400 | 916,100 | 1,011,100 | 1,015,400 |
| Federal Fund | 7,674,200 | 9,269,100 | 9,269,100 | 10,110,800 | 10,184,500 |
| TOTAL EXPENDITURES | 10,262,200 | 13,121,500 | 13,284,400 | 13,002,800 | 13,090,700 |
| EXPENDITURES BY UNIT | | | | | |
| General Blind Services | 8,803,000 | 11,474,800 | 11,623,300 | 11,365,000 | 11,447,700 |
| Business Enterprise Program | 800,800 | 882,400 | 879,700 | 880,000 | 876,000 |
| Center for Independent Living | 658,400 | 764,300 | 781,400 | 757,800 | 767,000 |
| TOTAL EXPENDITURES | 10,262,200 | 13,121,500 | 13,284,400 | 13,002,800 | 13,090,700 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|--|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | | 4,113,300 | 4,854,000 | | |
| Total General Fund | | 4,113,300 | 4,854,000 | | |
| Restricted Funds | | | | | |
| Balance Forward | 42,614,400 | 684,400 | 553,700 | 684,400 | 553,700 |
| Current Receipts | 4,290,500 | 2,380,300 | 1,357,200 | 3,282,200 | 2,235,600 |
| Non-Revenue Receipts | -6,519,400 | 43,369,000 | 44,027,100 | 43,083,700 | 43,696,700 |
| Total Restricted Funds | 40,385,500 | 46,433,700 | 45,938,000 | 47,050,300 | 46,486,000 |
| Federal Fund | | | | | |
| Balance Forward | 3,756,000 | | | | |
| Current Receipts | 434,150,300 | 436,522,500 | 436,587,900 | 440,635,600 | 440,765,400 |
| Total Federal Fund | 437,906,300 | 436,522,500 | 436,587,900 | 440,635,600 | 440,765,400 |
| TOTAL SOURCE OF FUNDS | 478,291,800 | 487,069,500 | 487,379,900 | 487,685,900 | 487,251,400 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 34,770,900 | 39,932,300 | 40,029,000 | 39,660,600 | 39,390,200 |
| Operating Expenses | 13,211,700 | 13,266,800 | 12,974,000 | 14,154,900 | 13,484,300 |
| Grants Loans Benefits | 392,255,700 | 432,651,100 | 433,739,700 | 432,651,100 | 433,739,700 |
| Debt Service | 36,619,200 | | | | |
| Capital Outlay | 749,900 | 665,600 | 472,200 | 665,600 | 472,200 |
| TOTAL EXPENDITURES | 477,607,400 | 486,515,800 | 487,214,900 | 487,132,200 | 487,086,400 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | | 4,113,300 | 4,854,000 | | |
| Restricted Funds | 39,701,100 | 45,880,000 | 45,773,000 | 46,496,600 | 46,321,000 |
| Federal Fund | 437,906,300 | 436,522,500 | 436,587,900 | 440,635,600 | 440,765,400 |
| TOTAL EXPENDITURES | 477,607,400 | 486,515,800 | 487,214,900 | 487,132,200 | 487,086,400 |
| EXPENDITURES BY UNIT | | | | | |
| Employer and Placement Services | 25,815,800 | 26,887,500 | 26,930,800 | 26,839,600 | 26,778,300 |
| Unemployment Insurance | 410,244,200 | 374,553,400 | 374,879,200 | 375,544,900 | 375,294,200 |
| Special Projects | | 44,180,000 | 44,266,400 | 43,894,700 | 43,936,000 |
| Workforce Innovation and Opportunity Act | 41,547,400 | 40,894,900 | 41,138,500 | 40,853,000 | 41,077,900 |
| TOTAL EXPENDITURES | 477,607,400 | 486,515,800 | 487,214,900 | 487,132,200 | 487,086,400 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | | 1,403,200 | 1,624,300 | | |
| Total General Fund | | 1,403,200 | 1,624,300 | | |
| Restricted Funds | | | | | |
| Balance Forward | 1,123,800 | 589,400 | 423,700 | 589,400 | 423,700 |
| Current Receipts | 4,240,200 | 2,360,300 | 1,337,200 | 2,360,300 | 1,337,200 |
| Non-Revenue Receipts | -2,816,900 | -826,000 | -254,300 | -826,000 | -254,300 |
| Total Restricted Funds | 2,547,100 | 2,123,700 | 1,506,600 | 2,123,700 | 1,506,600 |
| Federal Fund | | | | | |
| Current Receipts | 23,858,100 | 23,784,300 | 23,799,900 | 25,139,600 | 25,271,700 |
| Total Federal Fund | 23,858,100 | 23,784,300 | 23,799,900 | 25,139,600 | 25,271,700 |
| TOTAL SOURCE OF FUNDS | 26,405,200 | 27,311,200 | 26,930,800 | 27,263,300 | 26,778,300 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 10,403,200 | 11,007,300 | 11,243,200 | 10,951,900 | 11,084,000 |
| Operating Expenses | 3,531,800 | 4,142,800 | 4,143,600 | 4,150,300 | 4,150,300 |
| Grants Loans Benefits | 11,215,200 | 11,071,800 | 11,071,800 | 11,071,800 | 11,071,800 |
| Capital Outlay | 665,600 | 665,600 | 472,200 | 665,600 | 472,200 |
| TOTAL EXPENDITURES | 25,815,800 | 26,887,500 | 26,930,800 | 26,839,600 | 26,778,300 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | | 1,403,200 | 1,624,300 | | |
| Restricted Funds | 1,957,700 | 1,700,000 | 1,506,600 | 1,700,000 | 1,506,600 |
| Federal Fund | 23,858,100 | 23,784,300 | 23,799,900 | 25,139,600 | 25,271,700 |
| TOTAL EXPENDITURES | 25,815,800 | 26,887,500 | 26,930,800 | 26,839,600 | 26,778,300 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|---------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | | 2,491,400 | 2,976,300 | | |
| Total General Fund | | 2,491,400 | 2,976,300 | | |
| Restricted Funds | | | | | |
| Balance Forward | 41,490,600 | 95,000 | 130,000 | 95,000 | 130,000 |
| Current Receipts | 50,300 | 20,000 | 20,000 | 921,900 | 898,400 |
| Non-Revenue Receipts | -3,702,500 | 15,000 | 15,000 | 15,000 | 15,000 |
| Total Restricted Funds | 37,838,400 | 130,000 | 165,000 | 1,031,900 | 1,043,400 |
| Federal Fund | | | | | |
| Balance Forward | 3,718,300 | | | | |
| Current Receipts | 368,782,500 | 372,062,000 | 371,902,900 | 374,643,000 | 374,415,800 |
| Total Federal Fund | 372,500,800 | 372,062,000 | 371,902,900 | 374,643,000 | 374,415,800 |
| TOTAL SOURCE OF FUNDS | 410,339,200 | 374,683,400 | 375,044,200 | 375,674,900 | 375,459,200 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 22,233,100 | 24,208,700 | 24,641,100 | 24,319,600 | 24,552,500 |
| Operating Expenses | 8,853,800 | 7,890,900 | 7,784,300 | 8,771,500 | 8,287,900 |
| Grants Loans Benefits | 342,453,800 | 342,453,800 | 342,453,800 | 342,453,800 | 342,453,800 |
| Debt Service | 36,619,200 | | | | |
| Capital Outlay | 84,300 | | | | |
| TOTAL EXPENDITURES | 410,244,200 | 374,553,400 | 374,879,200 | 375,544,900 | 375,294,200 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | | 2,491,400 | 2,976,300 | | |
| Restricted Funds | 37,743,400 | | | 901,900 | 878,400 |
| Federal Fund | 372,500,800 | 372,062,000 | 371,902,900 | 374,643,000 | 374,415,800 |
| TOTAL EXPENDITURES | 410,244,200 | 374,553,400 | 374,879,200 | 375,544,900 | 375,294,200 |
| EXPENDITURES BY UNIT | | | | | |
| Unemployment Insurance Administration | 68,544,200 | 32,853,400 | 33,179,200 | 33,844,900 | 33,594,200 |
| Unemployment Insurance Benefits | 341,700,000 | 341,700,000 | 341,700,000 | 341,700,000 | 341,700,000 |
| TOTAL EXPENDITURES | 410,244,200 | 374,553,400 | 374,879,200 | 375,544,900 | 375,294,200 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | | 218,700 | 253,400 | | |
| Total General Fund | | 218,700 | 253,400 | | |
| Federal Fund | | | | | |
| Balance Forward | 37,700 | | | | |
| Current Receipts | 41,509,700 | 40,676,200 | 40,885,100 | 40,853,000 | 41,077,900 |
| Total Federal Fund | 41,547,400 | 40,676,200 | 40,885,100 | 40,853,000 | 41,077,900 |
| TOTAL SOURCE OF FUNDS | 41,547,400 | 40,894,900 | 41,138,500 | 40,853,000 | 41,077,900 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 2,134,600 | 2,956,300 | 2,298,300 | 2,914,400 | 2,237,700 |
| Operating Expenses | 826,100 | 1,013,100 | 826,100 | 1,013,100 | 826,100 |
| Grants Loans Benefits | 38,586,700 | 36,925,500 | 38,014,100 | 36,925,500 | 38,014,100 |
| TOTAL EXPENDITURES | 41,547,400 | 40,894,900 | 41,138,500 | 40,853,000 | 41,077,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | | 218,700 | 253,400 | | |
| Federal Fund | 41,547,400 | 40,676,200 | 40,885,100 | 40,853,000 | 41,077,900 |
| TOTAL EXPENDITURES | 41,547,400 | 40,894,900 | 41,138,500 | 40,853,000 | 41,077,900 |

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|--|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 11,872,700 | 14,545,000 | 15,422,800 | 13,393,000 | 13,459,000 |
| Total General Fund | 11,872,700 | 14,545,000 | 15,422,800 | 13,393,000 | 13,459,000 |
| Restricted Funds | | | | | |
| Balance Forward | -49,900 | 477,500 | | | |
| Current Receipts | 3,358,700 | 3,358,700 | 3,358,700 | 3,334,000 | 3,336,300 |
| Total Restricted Funds | 3,308,800 | 3,836,200 | 3,358,700 | 3,334,000 | 3,336,300 |
| Federal Fund | | | | | |
| Balance Forward | 2,400 | | | | |
| Current Receipts | 44,189,600 | 49,230,700 | 49,230,700 | 50,270,000 | 50,341,400 |
| Total Federal Fund | 44,192,000 | 49,230,700 | 49,230,700 | 50,270,000 | 50,341,400 |
| TOTAL SOURCE OF FUNDS | 59,373,500 | 67,611,900 | 68,012,200 | 66,997,000 | 67,136,700 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 23,494,800 | 25,211,900 | 25,611,300 | 25,096,100 | 25,239,800 |
| Operating Expenses | 5,086,400 | 5,086,300 | 5,087,200 | 5,294,800 | 5,290,800 |
| Grants Loans Benefits | 30,792,300 | 37,313,700 | 37,313,700 | 36,606,100 | 36,606,100 |
| TOTAL EXPENDITURES | 59,373,500 | 67,611,900 | 68,012,200 | 66,997,000 | 67,136,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 11,872,700 | 14,545,000 | 15,422,800 | 13,393,000 | 13,459,000 |
| Restricted Funds | 3,308,800 | 3,836,200 | 3,358,700 | 3,334,000 | 3,336,300 |
| Federal Fund | 44,192,000 | 49,230,700 | 49,230,700 | 50,270,000 | 50,341,400 |
| TOTAL EXPENDITURES | 59,373,500 | 67,611,900 | 68,012,200 | 66,997,000 | 67,136,700 |
| EXPENDITURES BY UNIT | | | | | |
| Carl D. Perkins Vocational Training Center | 7,443,900 | 7,908,000 | 8,008,700 | 8,067,800 | 8,138,800 |
| Program Services | 51,290,300 | 58,961,700 | 59,246,200 | 58,162,200 | 58,230,900 |
| Executive Director | 639,300 | 742,200 | 757,300 | 767,000 | 767,000 |
| TOTAL EXPENDITURES | 59,373,500 | 67,611,900 | 68,012,200 | 66,997,000 | 67,136,700 |

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. 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.

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**

| | Revised FY 2018 | Requested FY 2019 | Requested FY 2020 | Recommended FY 2019 | Recommended FY 2020 |
|-------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 6,839,300 | 10,112,500 | 10,166,100 | 3,624,700 | 3,643,800 |
| Budget Reduction-General Fund | -725,600 | | | | |
| Total General Fund | 6,113,700 | 10,112,500 | 10,166,100 | 3,624,700 | 3,643,800 |
| Restricted Funds | | | | | |
| Balance Forward | 1,844,500 | 1,844,500 | 1,844,500 | 1,844,500 | 1,822,200 |
| Current Receipts | 1,100,000 | 1,100,000 | 950,000 | 1,100,000 | 950,000 |
| Total Restricted Funds | 2,944,500 | 2,944,500 | 2,794,500 | 2,944,500 | 2,772,200 |
| Federal Fund | | | | | |
| Current Receipts | 776,000 | 90,000 | 90,000 | 95,500 | 95,900 |
| Total Federal Fund | 776,000 | 90,000 | 90,000 | 95,500 | 95,900 |
| TOTAL SOURCE OF FUNDS | 9,834,200 | 13,147,000 | 13,050,600 | 6,664,700 | 6,511,900 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 3,916,600 | 3,885,500 | 3,809,200 | 3,863,500 | 3,755,100 |
| Operating Expenses | 776,100 | 777,000 | 756,900 | 825,900 | 805,800 |
| Grants Loans Benefits | 3,297,000 | 6,640,000 | 6,640,000 | 153,100 | 153,100 |
| TOTAL EXPENDITURES | 7,989,700 | 11,302,500 | 11,206,100 | 4,842,500 | 4,714,000 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 6,113,700 | 10,112,500 | 10,166,100 | 3,624,700 | 3,643,800 |
| Restricted Funds | 1,100,000 | 1,100,000 | 950,000 | 1,122,300 | 974,300 |
| Federal Fund | 776,000 | 90,000 | 90,000 | 95,500 | 95,900 |
| TOTAL EXPENDITURES | 7,989,700 | 11,302,500 | 11,206,100 | 4,842,500 | 4,714,000 |
| EXPENDITURES BY UNIT | | | | | |
| Operations | 5,187,000 | 5,712,500 | 5,616,100 | 4,842,500 | 4,714,000 |
| Kentucky Teacher Internship Program | 2,802,700 | 5,590,000 | 5,590,000 | | |
| TOTAL EXPENDITURES | 7,989,700 | 11,302,500 | 11,206,100 | 4,842,500 | 4,714,000 |

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 Executive Budget provides no funding for the Kentucky Teacher Internship Program.