

# TEAM KENTUCKY



## 2020-2021 Budget of the Commonwealth

**Andy Beshear**  
GOVERNOR

**John Hicks**  
STATE BUDGET DIRECTOR

**Volume I**



***Commonwealth of Kentucky***  
**2020 – 2021**  
**Budget of the Commonwealth**  
***Volume I***

# TABLE OF CONTENTS

PAGE

<b>COMMONWEALTH OF KENTUCKY</b> .....	1
<b>EXECUTIVE BRANCH</b> .....	3
<b>GENERAL GOVERNMENT</b> .....	5
Office of the Governor .....	7
Office of State Budget Director .....	9
Homeland Security .....	11
Veterans' Affairs .....	12
Governor's Office of Agricultural Policy .....	14
Kentucky Infrastructure Authority .....	16
Military Affairs .....	18
Commission on Human Rights .....	20
Department for Local Government .....	21
Local Government Economic Assistance Fund .....	23
Local Government Economic Development Fund .....	25
Local Government Regional Development Agency Assistance Fund .....	27
Executive Branch Ethics Commission .....	28
Secretary of State .....	29
Board of Elections .....	31
Registry of Election Finance .....	33
Attorney General .....	34
Commonwealth's Attorneys .....	37
County Attorneys .....	38
Treasury .....	39
Agriculture .....	41
Auditor of Public Accounts .....	43
Personnel Board .....	45
Kentucky Retirement Systems .....	46
Occupational and Professional Boards and Commissions .....	47
Kentucky River Authority .....	49
School Facilities Construction Commission .....	50
Teachers' Retirement System .....	51
Judgements .....	53
Appropriations Not Otherwise Classified .....	54
KY Communications Network Authority .....	56

**ECONOMIC DEVELOPMENT** ..... 58  
Economic Development ..... 58

**DEPARTMENT OF EDUCATION**..... 59  
Support Education Excellence in Kentucky (SEEK)..... 60  
Operations and Support Services ..... 62  
    Commissioner’s Office/Board of Education ..... 63  
    Finance and Operations ..... 64  
    Legal Services ..... 66  
    Education Technology ..... 67  
Learning and Results Services ..... 68  
    Continuous Improvement & Support ..... 69  
    Special Education & Early Learning ..... 71  
    Educator Licensure and Effectiveness ..... 72  
    Standards, Assessment & Accountability ..... 73  
    State Schools ..... 75  
    Career & Technical Education & Student Transition ..... 76  
    Local District Health and Life Insurance ..... 77

**EDUCATION AND WORKFORCE DEVELOPMENT**..... 78  
General Administration and Program Support ..... 80  
Proprietary Education ..... 83  
Deaf and Hard of Hearing ..... 84  
Kentucky Educational Television ..... 85  
Environmental Education Council ..... 87  
Libraries and Archives ..... 88  
    Libraries and Archives ..... 89  
    Direct Local Aid ..... 92  
Workforce Investment ..... 94  
    Career Development ..... 95  
    Vocational Rehabilitation ..... 96  
    Office of Employer & Apprenticeship Services ..... 99  
    Division of Adult Education ..... 100  
    Unemployment Insurance ..... 101  
    Workforce Innovation and Opportunity Act ..... 103

<b>ENERGY AND ENVIRONMENT</b> .....	104
Secretary.....	106
Office of Administrative Services .....	108
Environmental Protection .....	109
Commissioner.....	110
Water.....	111
Waste Management .....	112
Air Quality .....	114
Environmental Program Support .....	115
Enforcement .....	116
Compliance Assistance.....	117
Petroleum Storage Tank Environmental Assurance Fund .....	118
Natural Resources.....	119
Commissioner.....	121
Forestry.....	122
Conservation.....	123
Oil and Gas.....	124
Mine Permits.....	125
Mine Reclamation and Enforcement .....	126
Abandoned Mine Lands .....	127
Mine Safety.....	128
Reclamation Guaranty Fund.....	129
Abandoned Mine Land Reclamation Projects .....	130
Mine Safety Review Commission .....	131
Office of Energy Policy.....	132
Office of Kentucky Nature Preserves .....	133
Public Service Commission.....	134
<b>FINANCE AND ADMINISTRATION</b> .....	135
General Administration .....	137
Controller .....	139
Office of Inspector General .....	141
Debt Service .....	142
Facilities and Support Services.....	143
County Costs .....	146
Commonwealth Office of Technology.....	148
Revenue.....	150

Property Valuation Administrators ..... 152

**HEALTH AND FAMILY SERVICES ..... 153**

    General Administration and Program Support ..... 155

        Administrative Support ..... 157

        Inspector General ..... 159

    Office for Children with Special Health Care Needs ..... 160

    Medicaid Services ..... 162

        Medicaid Administration ..... 163

        Medicaid Benefits ..... 164

    Behavioral Health, Developmental and Intellectual Disabilities ..... 167

        Community Behavioral Health ..... 168

        Community Developmental and Intellectual Disabilities ..... 170

        General Support ..... 171

        Residential ..... 172

    Public Health ..... 174

        General Health Support ..... 176

        Women’s Health ..... 178

        Prevention and Quality Improvement ..... 180

        Epidemiology and Health Planning ..... 182

        Maternal and Child Health ..... 184

        Laboratory Services ..... 186

        Public Health Protection and Safety ..... 188

    Family Resource Centers and Volunteer Services ..... 190

        Family Resource and Youth Services Center ..... 191

        Serve Kentucky ..... 192

    Income Support ..... 193

        Disability Determinations ..... 194

        Child Support ..... 195

    Community Based Services ..... 197

        Family Support ..... 198

        Energy ..... 201

        Child Care ..... 202

        Family and Community Services ..... 205

    Aging and Independent Living ..... 210

        Aging and Independent Living ..... 211

        Guardianship ..... 214

	<u>PAGE</u>
Office of Health Data and Analytics .....	215
Division of Health Benefit Exchange.....	216
Division of Health Information .....	217
Division of Analytics .....	218
<b>JUSTICE AND PUBLIC SAFETY .....</b>	<b>219</b>
Justice Administration.....	221
Criminal Justice Training .....	225
Juvenile Justice .....	227
State Police.....	230
Corrections.....	232
Corrections Management.....	234
Adult Correctional Institutions .....	235
Community Services and Local Facilities.....	238
Local Jail Support .....	240
Public Advocacy .....	242
<b>LABOR.....</b>	<b>244</b>
Secretary.....	245
Workplace Standards .....	246
Workers' Claims.....	248
Occupational Safety and Health Review Commission.....	249
Workers' Compensation Funding Commission .....	250
Workers' Compensation Nominating Committee .....	252
<b>PERSONNEL .....</b>	<b>253</b>
General Operations .....	254
Public Employees Deferred Compensation Authority.....	256
Workers' Compensation Benefits and Reserve .....	257
<b>POSTSECONDARY EDUCATION.....</b>	<b>258</b>
Council on Postsecondary Education.....	259
Agency Operations.....	261
Licensure .....	262
Pass Through Programs .....	263
Federal Programs.....	265
Strategic Investment and Incentive Funding Program.....	266
Ovarian Cancer Screening .....	267

Cancer Research and Screening .....	268
Kentucky Higher Education Assistance Authority .....	269
Postsecondary Education Institutions .....	272
Eastern Kentucky University .....	273
Kentucky State University .....	275
Morehead State University .....	277
Murray State University .....	279
Northern Kentucky University .....	281
University of Kentucky .....	283
University of Louisville .....	285
Western Kentucky University .....	287
Kentucky Community and Technical College System .....	289
Postsecondary Education Performance Fund .....	291
<b>PUBLIC PROTECTION .....</b>	<b>292</b>
Secretary .....	294
Kentucky Claims Commission .....	295
Professional Licensing .....	296
Boxing and Wrestling Commission .....	298
Alcoholic Beverage Control .....	299
Charitable Gaming .....	300
Financial Institutions .....	301
Horse Racing Commission .....	302
Housing, Buildings and Construction .....	304
Insurance .....	306
<b>TOURISM, ARTS AND HERITAGE .....</b>	<b>308</b>
Secretary .....	310
Artisans Center .....	311
Kentucky Department of Tourism .....	312
Parks .....	314
Horse Park Commission .....	317
State Fair Board .....	318
Fish and Wildlife Resources .....	320
Historical Society .....	322
Arts Council .....	324
Heritage Council .....	325
Kentucky Center for the Arts .....	326



<b>TRANSPORTATION</b> .....	327
General Administration and Support.....	329
Aviation .....	331
Debt Service .....	333
Highways .....	335
Research.....	337
Construction.....	338
Maintenance .....	340
Engineering Administration .....	341
Planning.....	342
Highway Operations.....	343
Equipment Services .....	344
Highway Safety.....	345
Public Transportation.....	346
Revenue Sharing.....	348
Vehicle Regulation.....	349
<b>STATEWIDE</b>	
Budget Reserve Trust Fund.....	351
Capital Construction .....	352
<b>LEGISLATIVE BRANCH</b> .....	353
<b>JUDICIAL BRANCH</b> .....	354

**Commonwealth of Kentucky**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	11,316,078,900	11,542,766,100	11,820,106,900	11,766,278,100
Surplus Expenditure Plan		15,763,250	130,094,500	
Special Appropriation	10,939,000			3,069,000
Current Year Appropriation	29,592,000		45,749,300	
Continuing Approp-General Fund	201,476,269	168,038,187	222,841,944	318,962,300
Budget Reduction-General Fund	-128,985,200	-9,832,700		
Reorganization Adjustment		55,200		
Mandated Allotments	80,787,233	33,213,434		
Other	-58,015,491	34,823,821	792,000	
<b>Total General Fund</b>	<b>11,451,872,711</b>	<b>11,784,827,292</b>	<b>12,219,584,644</b>	<b>12,088,309,400</b>
<b>Tobacco Fund</b>				
Tobacco Settlement - Phase I	95,018,000	121,531,400	120,087,500	108,226,600
Continuing Approp-Tob Settlement	64,283,196	49,981,174	62,788,700	18,773,500
Budget Reduction-Tobacco			-7,200,000	
Other		-1,913,225		
<b>Total Tobacco Fund</b>	<b>159,301,196</b>	<b>169,599,349</b>	<b>175,676,200</b>	<b>127,000,100</b>
<b>Restricted Funds</b>				
Balance Forward	747,958,021	790,793,905	895,800,226	765,733,334
Current Receipts	6,775,533,272	6,885,365,485	8,151,253,331	8,573,122,600
Non-Revenue Receipts	790,776,881	842,284,743	992,413,058	946,604,900
Fund Transfers	-67,146,700	-78,693,712	-50,917,800	-101,623,500
<b>Total Restricted Funds</b>	<b>8,247,121,474</b>	<b>8,439,750,421</b>	<b>9,988,548,815</b>	<b>10,183,837,334</b>
<b>Federal Fund</b>				
Balance Forward	61,384,494	-43,097,522	-22,710,104	17,285,700
Current Receipts	12,342,018,630	12,553,813,201	14,084,861,031	14,126,029,100
Non-Revenue Receipts	-67,137,329	67,857,103	2,140,800	-2,522,300
SFSF Receipts	79			
<b>Total Federal Fund</b>	<b>12,336,265,874</b>	<b>12,578,572,782</b>	<b>14,064,291,727</b>	<b>14,140,792,500</b>
<b>Road Fund</b>				
Regular Appropriation	1,483,636,300	1,538,060,900	1,513,697,600	1,586,160,200
Surplus Expenditure Plan	57,237,112	19,582,190	75,328,000	
Current Year Appropriation			5,065,500	
Continuing Approp-Road Fund	336,329,257	408,175,824		
Other	7,466,004	6,968,866	9,046,100	
<b>Total Road Fund</b>	<b>1,884,668,673</b>	<b>1,972,787,780</b>	<b>1,603,137,200</b>	<b>1,586,160,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>34,079,229,927</b>	<b>34,945,537,624</b>	<b>38,051,238,586</b>	<b>38,126,099,534</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	7,286,982,975	7,659,351,963	8,024,102,363	8,242,227,704
Operating Expenses	2,993,054,367	3,101,919,326	3,770,608,617	3,981,464,796
Grants Loans Benefits	19,729,681,437	19,852,917,639	22,322,385,300	22,429,480,700
Debt Service	1,181,581,578	1,150,383,391	1,159,336,700	1,150,728,900
Capital Outlay	238,289,781	287,854,668	285,269,000	300,132,500
Construction	1,007,684,355	1,107,663,566	1,206,124,600	1,044,858,400
<b>TOTAL EXPENDITURES</b>	<b>32,437,274,493</b>	<b>33,160,090,553</b>	<b>36,767,826,580</b>	<b>37,148,893,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	11,234,291,748	11,542,151,911	11,749,356,944	11,752,146,900
Tobacco Fund	107,255,021	104,779,140	154,915,200	106,300,000
Restricted Funds	7,299,286,842	7,373,497,086	9,222,815,436	9,585,404,400
Federal Fund	12,344,221,897	12,587,677,634	14,047,006,000	14,122,487,000

**EXPENDITURES BY FUND SOURCE**

Road Fund	<u>1,452,218,985</u>	<u>1,551,984,782</u>	<u>1,593,733,000</u>	<u>1,582,554,700</u>
<b>TOTAL EXPENDITURES</b>	<b>32,437,274,493</b>	<b>33,160,090,553</b>	<b>36,767,826,580</b>	<b>37,148,893,000</b>

**EXPENDITURES BY UNIT**

Executive Branch	31,989,691,727	32,676,623,883	36,248,778,500	36,628,881,300
Legislative Branch	60,076,855	62,384,947	68,068,500	72,061,400
Judicial Branch	<u>387,505,910</u>	<u>421,081,723</u>	<u>450,979,580</u>	<u>447,950,300</u>
<b>TOTAL EXPENDITURES</b>	<b>32,437,274,493</b>	<b>33,160,090,553</b>	<b>36,767,826,580</b>	<b>37,148,893,000</b>

**Executive Branch**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	10,887,659,600	11,089,261,300	11,361,566,700	11,301,875,000
Surplus Expenditure Plan		15,763,250	130,094,500	
Special Appropriation	10,939,000			3,069,000
Current Year Appropriation	29,592,000		45,749,300	
Continuing Approp-General Fund	188,358,972	149,184,576	202,891,000	304,990,800
Budget Reduction-General Fund	-126,634,800			
Reorganization Adjustment		55,200		
Mandated Allotments	80,787,233	33,213,434		
Other	-58,015,491	34,823,821	792,000	
<b>Total General Fund</b>	<b>11,012,686,514</b>	<b>11,322,301,581</b>	<b>11,741,093,500</b>	<b>11,609,934,800</b>
<b>Tobacco Fund</b>				
Tobacco Settlement - Phase I	95,018,000	121,531,400	120,087,500	108,226,600
Continuing Approp-Tob Settlement	64,283,196	49,981,174	62,788,700	18,773,500
Budget Reduction-Tobacco			-7,200,000	
Other		-1,913,225		
<b>Total Tobacco Fund</b>	<b>159,301,196</b>	<b>169,599,349</b>	<b>175,676,200</b>	<b>127,000,100</b>
<b>Restricted Funds</b>				
Balance Forward	736,275,209	769,145,193	862,479,051	744,085,540
Current Receipts	6,752,974,875	6,858,522,491	8,126,239,431	8,548,208,700
Non-Revenue Receipts	776,548,383	818,491,808	969,844,958	924,036,800
Fund Transfers	-67,146,700	-78,693,712	-50,917,800	-101,623,500
<b>Total Restricted Funds</b>	<b>8,198,651,767</b>	<b>8,367,465,780</b>	<b>9,907,645,640</b>	<b>10,114,707,540</b>
<b>Federal Fund</b>				
Balance Forward	61,384,494	-43,097,522	-22,710,104	17,285,700
Current Receipts	12,338,104,248	12,549,593,748	14,079,818,931	14,122,839,100
Non-Revenue Receipts	-67,137,329	67,857,103	2,140,800	-2,522,300
SFSF Receipts	79			
<b>Total Federal Fund</b>	<b>12,332,351,492</b>	<b>12,574,353,329</b>	<b>14,059,249,627</b>	<b>14,137,602,500</b>
<b>Road Fund</b>				
Regular Appropriation	1,483,636,300	1,538,060,900	1,513,697,600	1,586,160,200
Surplus Expenditure Plan	57,237,112	19,582,190	75,328,000	
Current Year Appropriation			5,065,500	
Continuing Approp-Road Fund	336,329,257	408,175,824		
Other	7,466,004	6,968,866	9,046,100	
<b>Total Road Fund</b>	<b>1,884,668,673</b>	<b>1,972,787,780</b>	<b>1,603,137,200</b>	<b>1,586,160,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>33,587,659,641</b>	<b>34,406,507,819</b>	<b>37,486,802,167</b>	<b>37,575,405,140</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	7,007,402,213	7,346,177,728	7,686,706,600	7,909,213,804
Operating Expenses	2,825,234,487	2,934,182,191	3,592,325,000	3,797,806,996
Grants Loans Benefits	19,729,681,437	19,852,917,639	22,322,385,300	22,429,480,700
Debt Service	1,181,581,578	1,150,383,391	1,159,336,700	1,150,728,900
Capital Outlay	238,107,657	285,299,367	281,900,300	296,792,500
Construction	1,007,684,355	1,107,663,566	1,206,124,600	1,044,858,400
<b>TOTAL EXPENDITURES</b>	<b>31,989,691,727</b>	<b>32,676,623,883</b>	<b>36,248,778,500</b>	<b>36,628,881,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	10,817,444,359	11,101,868,185	11,294,606,300	11,287,743,800
Tobacco Fund	107,255,021	104,779,140	154,915,200	106,300,000
Restricted Funds	7,272,465,848	7,334,533,595	9,163,560,100	9,532,985,800
Federal Fund	12,340,307,515	12,583,458,181	14,041,963,900	14,119,297,000

**EXPENDITURES BY FUND SOURCE**

Road Fund	1,452,218,985	1,551,984,782	1,593,733,000	1,582,554,700
<b>TOTAL EXPENDITURES</b>	<b>31,989,691,727</b>	<b>32,676,623,883</b>	<b>36,248,778,500</b>	<b>36,628,881,300</b>

**EXPENDITURES BY UNIT**

General Government	1,627,721,974	1,703,335,913	1,832,884,200	1,794,495,300
Economic Development	27,126,458	22,958,306	38,523,100	33,063,600
Department of Education	4,981,770,039	5,064,715,359	5,054,653,100	5,123,942,200
Education and Workforce Development	582,501,456	526,390,393	635,803,200	614,363,800
Energy and Environment	202,867,188	231,736,674	287,082,700	292,311,000
Finance and Administration	838,020,390	917,742,132	945,392,500	959,852,600
Health and Family Services	12,914,833,428	12,998,372,431	14,783,672,600	14,945,374,300
Justice and Public Safety	1,099,610,659	1,241,809,609	1,276,297,700	1,308,658,400
Labor	198,643,295	186,526,345	205,714,400	193,479,800
Personnel	54,286,460	54,876,937	61,891,700	62,500,200
Postsecondary Education	6,788,909,832	6,868,157,241	8,151,482,100	8,509,248,800
Public Protection	96,687,899	110,036,467	134,598,700	126,589,800
Tourism, Arts and Heritage	244,299,648	252,925,028	261,866,200	272,910,000
Transportation	2,332,413,001	2,497,041,049	2,569,476,300	2,377,451,500
Statewide			9,440,000	14,640,000
<b>TOTAL EXPENDITURES</b>	<b>31,989,691,727</b>	<b>32,676,623,883</b>	<b>36,248,778,500</b>	<b>36,628,881,300</b>

# General Government

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**General Government**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	1,221,725,222	1,271,495,313	1,158,282,500	1,238,634,200
Surplus Expenditure Plan		15,763,250	130,094,500	
Current Year Appropriation	2,820,200		21,535,000	
Continuing Approp-General Fund	203,669	137,257	15,144,400	
Budget Reduction-General Fund	-1,939,600			
Reorganization Adjustment		151,800	151,800	
Mandated Allotments	19,392,897	15,784,643		
Other	9,449,784	17,705,104	662,000	
<b>Total General Fund</b>	<b>1,251,652,171</b>	<b>1,321,037,368</b>	<b>1,325,870,200</b>	<b>1,238,634,200</b>
<b>Tobacco Fund</b>				
Tobacco Settlement - Phase I	29,050,200	41,053,300	40,929,300	35,244,800
Continuing Approp-Tob Settlement	35,811,529	19,392,531	24,801,800	18,773,500
Budget Reduction-Tobacco			-3,279,000	
Reorganization Adjustment			-2,050,000	
Other		-956,613		
<b>Total Tobacco Fund</b>	<b>64,861,729</b>	<b>59,489,218</b>	<b>60,402,100</b>	<b>54,018,300</b>
<b>Restricted Funds</b>				
Balance Forward	139,782,035	151,197,930	131,011,407	117,737,740
Current Receipts	154,799,801	162,882,192	172,770,400	197,783,400
Non-Revenue Receipts	65,020,904	64,150,502	104,276,233	109,516,900
Fund Transfers	-2,507,800	-27,500,000	-1,500,000	-6,400,000
<b>Total Restricted Funds</b>	<b>357,094,940</b>	<b>350,730,624</b>	<b>406,558,040</b>	<b>418,638,040</b>
<b>Federal Fund</b>				
Balance Forward	15,562,484	6,300,138	3,914,400	4,531,900
Current Receipts	126,751,019	145,104,807	176,620,600	184,063,700
Non-Revenue Receipts	-10,851,034			
<b>Total Federal Fund</b>	<b>131,462,469</b>	<b>151,404,945</b>	<b>180,535,000</b>	<b>188,595,600</b>
<b>Road Fund</b>				
Regular Appropriation	520,400	557,900	562,000	571,600
<b>Total Road Fund</b>	<b>520,400</b>	<b>557,900</b>	<b>562,000</b>	<b>571,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,805,591,710</b>	<b>1,883,220,054</b>	<b>1,973,927,340</b>	<b>1,900,457,740</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	341,497,213	397,781,358	419,634,400	437,828,504
Operating Expenses	100,863,745	118,570,832	144,189,300	164,887,596
Grants Loans Benefits	942,636,027	960,550,092	1,022,834,600	961,202,500
Debt Service	237,821,866	214,078,095	225,012,800	212,714,200
Capital Outlay	4,698,168	8,536,573	21,213,100	17,862,500
Construction	204,955	3,818,964		
<b>TOTAL EXPENDITURES</b>	<b>1,627,721,974</b>	<b>1,703,335,913</b>	<b>1,832,884,200</b>	<b>1,794,495,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	1,250,508,669	1,304,318,491	1,325,870,200	1,238,634,200
Tobacco Fund	45,720,163	34,687,352	41,628,600	35,244,800
Restricted Funds	205,720,054	219,561,982	288,820,300	333,526,500
Federal Fund	125,260,126	144,213,277	176,003,100	186,518,200
Road Fund	512,963	554,810	562,000	571,600
<b>TOTAL EXPENDITURES</b>	<b>1,627,721,974</b>	<b>1,703,335,913</b>	<b>1,832,884,200</b>	<b>1,794,495,300</b>
<b>EXPENDITURES BY UNIT</b>				
Office of the Governor	5,763,663	6,606,822	7,112,400	7,293,700

**EXPENDITURES BY UNIT**

Office of State Budget Director	3,210,285	3,394,974	3,795,200	3,768,600
Homeland Security	4,143,628	4,243,954	6,025,200	6,032,200
Department of Veterans' Affairs	73,443,623	85,607,171	92,503,000	97,638,400
Governor's Office of Agricultural Policy	45,234,748	34,230,264	41,228,600	34,694,800
Kentucky Infrastructure Authority	25,298,490	31,735,904	64,246,900	63,593,000
Military Affairs	105,856,330	116,099,924	140,127,800	149,831,300
Commission on Human Rights	1,958,895	2,141,032	2,260,600	2,181,600
Commission on Women	218,067			
Department for Local Government	44,587,405	34,148,581	39,942,900	56,531,500
Local Government Economic Assistance Fund	31,889,409	28,826,186	38,624,200	21,830,900
Local Government Economic Development Fund	11,400,000	17,923,300	13,570,500	12,814,300
Area Development Fund	408,900			
Local Government Regional Development Agency Assistance Fund		2,000,000		6,000,000
Executive Branch Ethics Commission	726,643	864,493	975,700	981,600
Secretary of State	3,376,508	4,124,286	5,155,100	5,399,000
Board of Elections	7,143,536	8,406,324	13,176,800	8,946,800
Registry of Election Finance	1,231,700	1,481,440	1,529,400	1,541,300
Attorney General	31,399,127	31,786,789	34,903,400	35,664,300
Unified Prosecutorial System	96,997,913	116,107,146	119,244,300	122,790,200
Treasury	4,302,778	5,121,013	5,781,900	5,765,600
Agriculture	31,776,839	36,387,893	37,956,300	40,366,100
Auditor of Public Accounts	13,435,697	15,088,417	17,698,900	19,713,600
Personnel Board	780,393	814,547	845,900	875,000
Kentucky Retirement Systems	119,936,418	52,442,771	108,883,200	49,272,200
Occupational & Professional Boards & Commissions	20,247,826	22,630,045	25,516,600	26,750,800
Kentucky River Authority	4,735,264	5,190,834	7,550,000	7,975,100
School Facilities Construction Commission	134,918,000	129,898,300	129,071,300	125,243,600
Teachers' Retirement System	757,734,692	841,956,894	803,463,400	797,720,300
Judgments	531,627	4,384,814	16,900,000	22,500,000
Appropriations Not Otherwise Classified	19,734,554	25,764,718	19,026,400	14,526,400
KY Communications Network Authority	25,299,019	33,927,075	35,768,300	46,253,100
<b>TOTAL EXPENDITURES</b>	<b>1,627,721,974</b>	<b>1,703,335,913</b>	<b>1,832,884,200</b>	<b>1,794,495,300</b>



**General Government  
Office of the Governor**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	5,516,800	6,170,900	6,258,000	6,099,000
Budget Reduction-General Fund	-282,600			
<b>Total General Fund</b>	5,234,200	6,170,900	6,258,000	6,099,000
<b>Tobacco Fund</b>				
Tobacco Settlement - Phase I			2,050,000	
Reorganization Adjustment			-2,050,000	
<b>Total Tobacco Fund</b>				
<b>Restricted Funds</b>				
Balance Forward	505,280	359,799	60,800	11,500
Current Receipts	232,500		245,400	283,200
<b>Total Restricted Funds</b>	737,780	359,799	306,200	294,700
<b>Federal Fund</b>				
Balance Forward		-252,693	-397,400	
Current Receipts	289,790	551,173	957,100	900,000
Non-Revenue Receipts	-120,547			
<b>Total Federal Fund</b>	169,243	298,480	559,700	900,000
<b>TOTAL SOURCE OF FUNDS</b>	6,141,223	6,829,179	7,123,900	7,293,700
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	4,797,307	5,541,139	6,111,100	5,315,700
Operating Expenses	966,356	1,065,683	1,001,300	1,078,000
Grants Loans Benefits				900,000
<b>TOTAL EXPENDITURES</b>	5,763,663	6,606,822	7,112,400	7,293,700
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	5,234,200	5,675,820	6,258,000	6,099,000
Restricted Funds	201,024	141,589	294,700	294,700
Federal Fund	328,438	789,413	559,700	900,000
<b>TOTAL EXPENDITURES</b>	5,763,663	6,606,822	7,112,400	7,293,700
<b>EXPENDITURES BY UNIT</b>				
Governor	4,222,968	4,531,425	5,355,200	5,071,700
Governor's Office Expense Allowance	27,986	33,617	34,400	34,600
Lieutenant Governor	682,218	738,017	589,700	549,700
Lieutenant Governor's Expense Allowance	15,662	18,782	19,200	19,300
Secretary of the Cabinet	302,496	294,739	297,200	298,800
Kentucky Commission on Military Affairs	510,226	990,242	816,700	1,319,600
Office of Minority Empowerment	2,107			
<b>TOTAL EXPENDITURES</b>	5,763,663	6,606,822	7,112,400	7,293,700

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

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

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

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

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

## **Policy**

The Budget of the Commonwealth includes a cut to the General Fund base budget in the Governor's Office of \$467,200 or nearly 7.5%.

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	3,165,500	3,486,400	3,533,700	3,604,100
Budget Reduction-General Fund	-162,200			
<b>Total General Fund</b>	<b>3,003,300</b>	<b>3,486,400</b>	<b>3,533,700</b>	<b>3,604,100</b>
<b>Restricted Funds</b>				
Balance Forward	246,872	282,187	309,800	174,200
Current Receipts		27,609		
Non-Revenue Receipts	242,300		125,900	125,900
<b>Total Restricted Funds</b>	<b>489,172</b>	<b>309,796</b>	<b>435,700</b>	<b>300,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,492,472</b>	<b>3,796,196</b>	<b>3,969,400</b>	<b>3,904,200</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	2,918,514	3,045,122	3,474,800	3,418,500
Operating Expenses	291,771	349,852	320,400	350,100
<b>TOTAL EXPENDITURES</b>	<b>3,210,285</b>	<b>3,394,974</b>	<b>3,795,200</b>	<b>3,768,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	3,003,300	3,394,974	3,533,700	3,604,100
Restricted Funds	206,985		261,500	164,500
<b>TOTAL EXPENDITURES</b>	<b>3,210,285</b>	<b>3,394,974</b>	<b>3,795,200</b>	<b>3,768,600</b>
<b>EXPENDITURES BY UNIT</b>				
Budget & Policy Analysis	2,519,529	2,610,013	2,701,100	2,678,000
Policy Research	322,695	423,576	475,600	473,200
Economic Analysis	368,061	361,385	618,500	617,400
<b>TOTAL EXPENDITURES</b>	<b>3,210,285</b>	<b>3,394,974</b>	<b>3,795,200</b>	<b>3,768,600</b>

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

The Governor's Office for Policy and Management (GOPM) prepares the Executive Budget, the Governor's financial plan for Kentucky state government and submits it to the General Assembly by the tenth legislative day. The preparation of the budget includes the transmittal of information and necessary budget request forms and instructions to state agencies, assisting agencies in the preparation of their budget requests, analyzing the requests, and making recommendations to the Governor. The Governor's budget recommendation is prepared by GOPM and consists of several volumes of detailed financial and programmatic information that transparently presents the Governor's operating and capital budget decisions and provides substantial amounts of historical spending and revenue information. Following enactment of the budget by the General Assembly, GOPM prepares the Budget of the Commonwealth, another multiple set of volumes which compiles the entirety of the Commonwealth's enacted biennial budget. GOPM is also responsible for the budget execution requirements for the Executive branch in accordance with provisions of KRS chapter 48. The implementation of the Executive branch's capital projects, in accordance with KRS 45.750-800, is assisted by GOPM for all project increases, new project establishments, and associated monthly reporting to the Capital Projects and Bond Oversight Committee. The continuous monitoring of the Commonwealth's financial situation is performed by GOPM in concert with the Governor's Office of Economic Analysis in accordance with KRS 48.400.

The Governor's Office for Policy Research (GOPR) performs research and analysis on public policy issues important to the Commonwealth. In accordance with KRS 154.30-030, the Office provides input into the methodology and assumptions used in the independent consultant's reports for the tax increment financing program and for tourism development projects, pursuant to KRS 148.885, and supports the Office of State Budget Director's certification for each project. The Phase I Tobacco Master Settlement Agreement calculations are monitored and prepared by this Office, and GOPR convenes the state agency participants involved in the enforcement mechanisms necessary to stay in compliance with the Settlement Agreement. Expenditure forecasting for several key areas of state government are led or are contributed to by GOPR, including the incarcerated felon population, Medicaid benefit expenditures, and the elementary and secondary education funding formula inputs.

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. In accordance with KRS 48.400, GOEA prepares a Quarterly Economic and Revenue report which provides a forecast of state tax revenues for the next three quarters as well as a forecast of the Commonwealth's economic conditions. The Commonwealth's Tax Expenditure analysis is prepared by GOEA on a biennial basis, incorporating the entirety of all statutory tax expenditures with specific computations of the amount of tax revenues foregone.

**General Government  
Homeland Security**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	231,800	251,900	255,200	257,000
Budget Reduction-General Fund	-11,900			
<b>Total General Fund</b>	<b>219,900</b>	<b>251,900</b>	<b>255,200</b>	<b>257,000</b>
<b>Restricted Funds</b>				
Balance Forward	2,636,575	2,667,886	3,628,500	3,662,300
Current Receipts	1,386,961	1,624,770	1,395,600	1,521,500
Non-Revenue Receipts	-263,387	6,324		
<b>Total Restricted Funds</b>	<b>3,760,149</b>	<b>4,298,980</b>	<b>5,024,100</b>	<b>5,183,800</b>
<b>Federal Fund</b>				
Balance Forward	73,176	44,122	27,700	
Current Receipts	2,532,501	2,997,213	4,068,500	4,093,400
<b>Total Federal Fund</b>	<b>2,605,677</b>	<b>3,041,335</b>	<b>4,096,200</b>	<b>4,093,400</b>
<b>Road Fund</b>				
Regular Appropriation	270,400	307,900	312,000	321,000
<b>Total Road Fund</b>	<b>270,400</b>	<b>307,900</b>	<b>312,000</b>	<b>321,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,856,126</b>	<b>7,900,115</b>	<b>9,687,500</b>	<b>9,855,200</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	1,776,172	1,843,623	1,880,300	2,186,200
Operating Expenses	150,061	234,141	895,500	581,600
Grants Loans Benefits	2,095,779	2,157,852	3,249,400	3,263,200
Capital Outlay	118,847	4,927		1,200
Construction	2,769	3,412		
<b>TOTAL EXPENDITURES</b>	<b>4,143,628</b>	<b>4,243,954</b>	<b>6,025,200</b>	<b>6,032,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	219,900	251,900	255,200	257,000
Restricted Funds	1,092,263	670,511	1,361,800	1,360,800
Federal Fund	2,561,555	3,013,643	4,096,200	4,093,400
Road Fund	269,910	307,900	312,000	321,000
<b>TOTAL EXPENDITURES</b>	<b>4,143,628</b>	<b>4,243,954</b>	<b>6,025,200</b>	<b>6,032,200</b>
<b>EXPENDITURES BY UNIT</b>				
Office of Homeland Security	3,051,365	3,573,443	4,663,400	4,671,400
Law Enforcement Protection Program	381,029	118,253	519,300	519,300
Commerical Mobile Radio Service	711,235	552,258	842,500	841,500
<b>TOTAL EXPENDITURES</b>	<b>4,143,628</b>	<b>4,243,954</b>	<b>6,025,200</b>	<b>6,032,200</b>

The Kentucky Office of Homeland Security (KOHS), administratively attached to the Office of the Governor in accordance with KRS 39G.010, was created to coordinate efforts with public and private partners on issues affecting homeland security. KOHS focuses on preparing Kentucky for acts of terrorism. 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 prepare, respond, mitigate, and recover from acts of terrorism.

The Kentucky 911 Services Board is administratively attached to the Kentucky Office of Homeland Security pursuant to KRS 65.7623, and KOHS maintains responsibility and oversight of the Board's daily operations. The 911 Services Board collects more than \$30 million annually in 911 user fees from wireless prepaid, postpaid, and Lifeline subscribers of the approximately 35 telecommunication carriers providing wireless telephone service in Kentucky. These fees are used to fund operations and technology upgrades at Kentucky's 116 Board-certified 911 emergency call centers and to.

**General Government**  
**Veterans' Affairs**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	19,083,000	25,098,600	25,810,200	26,060,400
<b>Total General Fund</b>	<b>19,083,000</b>	<b>25,098,600</b>	<b>25,810,200</b>	<b>26,060,400</b>
<b>Restricted Funds</b>				
Balance Forward	23,733,363	20,495,450	17,349,900	11,001,200
Current Receipts	53,672,827	57,564,785	60,344,100	62,615,900
Non-Revenue Receipts	-1,557,817	-201,760		
Fund Transfers	-992,300			
<b>Total Restricted Funds</b>	<b>74,856,073</b>	<b>77,858,475</b>	<b>77,694,000</b>	<b>73,617,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>93,939,073</b>	<b>102,957,075</b>	<b>103,504,200</b>	<b>99,677,500</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	55,421,613	67,010,685	69,161,700	76,124,700
Operating Expenses	12,616,052	12,919,652	13,386,200	13,548,600
Grants Loans Benefits	5,320,982	5,344,935	5,300,100	5,490,100
Debt Service				
Capital Outlay	82,304	329,327	4,655,000	2,475,000
Construction	2,671	2,572		
<b>TOTAL EXPENDITURES</b>	<b>73,443,623</b>	<b>85,607,171</b>	<b>92,503,000</b>	<b>97,638,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	19,083,000	25,098,600	25,810,200	26,060,400
Restricted Funds	54,360,623	60,508,571	66,692,800	71,578,000
<b>TOTAL EXPENDITURES</b>	<b>73,443,623</b>	<b>85,607,171</b>	<b>92,503,000</b>	<b>97,638,400</b>
<b>EXPENDITURES BY UNIT</b>				
Field Services and Cemeteries	6,125,117	7,085,015	7,853,900	7,546,100
Kentucky Veterans' Centers	67,318,505	78,522,156	84,649,100	90,092,300
<b>TOTAL EXPENDITURES</b>	<b>73,443,623</b>	<b>85,607,171</b>	<b>92,503,000</b>	<b>97,638,400</b>

The Kentucky Department of Veterans' Affairs (KDVA), established by KRS 40.300, assists over 295,000 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.

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 provide a more personalized care for its residents and brings the total capacity to 156 beds. 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 Radcliff 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. The Veterans Cemetery-Southeast in Leslie County opened in April 2018. Each facility includes an administration building, a maintenance building with service area, committal facility, a columbarium, appropriate parking, road network, walking path and landscaping.

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.

## **Policy**

The Budget of the Commonwealth includes General Fund in the amount of \$93,700 in fiscal year 2021 for grants to the Brain Injury Alliance of Kentucky and \$93,700 in fiscal year 2021 for grants to the Epilepsy Foundation of Kentuckiana.

The Budget of the Commonwealth includes General Fund in the amount of \$187,500 in fiscal year 2021 for grants to Veterans' Service Organization programs.

The Budget of the Commonwealth includes Restricted Funds in the amount of \$240,000 in fiscal year 2021 for the Nurse Student Loan Repayment program to assist in recruitment and retention of nursing staff at the Veterans' Centers.

The Budget of the Commonwealth includes Restricted Funds in the amount of \$3,132,200 in fiscal year 2021 to fund nursing staff vacant positions at the Veterans' Centers.

The General Assembly approved a non-sum specific contingent General Fund appropriation for debt service to support \$10,000,000 in bonds authorized for the Bowling Green Veterans' Center project, if any debt service is required in fiscal year 2020-2021.

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

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>Tobacco Fund</b>				
Tobacco Settlement - Phase I	28,450,200	40,553,300	38,379,300	34,594,800
Continuing Approp-Tob Settlement	35,811,529	19,392,531	24,801,800	18,773,500
Budget Reduction-Tobacco			-3,279,000	
Other		-956,613		
<b>Total Tobacco Fund</b>	<b>64,261,729</b>	<b>58,989,218</b>	<b>59,902,100</b>	<b>53,368,300</b>
<b>Restricted Funds</b>				
Balance Forward	384,979	396,644	363,200	272,700
Current Receipts	126,250	9,500	9,500	
<b>Total Restricted Funds</b>	<b>511,229</b>	<b>406,144</b>	<b>372,700</b>	<b>272,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>64,772,958</b>	<b>59,395,362</b>	<b>60,274,800</b>	<b>53,641,000</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	1,185,809	1,485,423	1,587,600	1,601,600
Operating Expenses	486,249	530,939	530,700	529,400
Grants Loans Benefits	43,562,690	29,790,643	31,110,300	26,563,800
Capital Outlay		2,423,260	8,000,000	6,000,000
<b>TOTAL EXPENDITURES</b>	<b>45,234,748</b>	<b>34,230,264</b>	<b>41,228,600</b>	<b>34,694,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
Tobacco Fund	45,120,163	34,187,352	41,128,600	34,594,800
Restricted Funds	114,586	42,912	100,000	100,000
<b>TOTAL EXPENDITURES</b>	<b>45,234,748</b>	<b>34,230,264</b>	<b>41,228,600</b>	<b>34,694,800</b>
<b>EXPENDITURES BY UNIT</b>				
Governor's Office of Agricultural Policy	45,234,748	34,230,264	41,228,600	34,694,800
<b>TOTAL EXPENDITURES</b>	<b>45,234,748</b>	<b>34,230,264</b>	<b>41,228,600</b>	<b>34,694,800</b>

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

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

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

Pursuant to KRS 248.703 half of Kentucky's tobacco settlement receipts are allocated to the Agricultural Development Fund. That amount is further divided between a counties account for county level grants and a state account for investments that have a regional or statewide purpose. From the state account, the General Assembly has appropriated debt service for bonds to support farmland preservation and safe drinking water, water and sewer infrastructure projects, livestock diagnostic lab design and construction, improvements to 4-H camps and FFA Leadership Center, and funding for land conservation programs. A portion of funds received into the Agriculture Development Fund are allocated for projects at the county level. The specific funding level of a county is dependent upon its tobacco-production dependency in



relation to other counties within the state as described in KRS 248.703(3). One hundred and eighteen of Kentucky's 120 counties receive a portion of county allocation. Each county has a council of local agriculture leaders who consider applications for grants from the county's share of funds and prioritizes them for the Agricultural Development Board, which has the final grant authority for each county's funds. The Board has developed several programs in which counties may participate. Funds are provided as matching grants.

In addition to their work with the Kentucky Agricultural Development Fund, personnel at GOAP provide staffing for the Kentucky Agricultural Finance Corporation. The Kentucky Agricultural Finance Corporation is a de jure municipal corporation created in KRS 247.944 to provide access to capital for farmers and other agricultural enterprises. The mission of the Corporation board is to strengthen Kentucky agriculture by providing access to low interest loan programs through joint partnerships with local lending institutions. 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**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	2,087,000	1,398,800	1,140,800	1,117,200
Budget Reduction-General Fund	-62,300			
<b>Total General Fund</b>	<b>2,024,700</b>	<b>1,398,800</b>	<b>1,140,800</b>	<b>1,117,200</b>
<b>Restricted Funds</b>				
Balance Forward	112,627	319,078	481,600	
Current Receipts	11,029	10,207		
Non-Revenue Receipts	1,356,837	1,285,028	33,242,600	33,095,700
<b>Total Restricted Funds</b>	<b>1,480,493</b>	<b>1,614,313</b>	<b>33,724,200</b>	<b>33,095,700</b>
<b>Federal Fund</b>				
Balance Forward	1	1		
Current Receipts	22,124,995	29,205,833	29,381,900	29,380,100
<b>Total Federal Fund</b>	<b>22,124,997</b>	<b>29,205,834</b>	<b>29,381,900</b>	<b>29,380,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>25,630,190</b>	<b>32,218,947</b>	<b>64,246,900</b>	<b>63,593,000</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	2,168,476	2,548,677	2,834,000	2,818,604
Operating Expenses	134,436	144,555	378,600	161,696
Grants Loans Benefits	22,124,995	28,766,064	31,004,300	30,222,700
Debt Service	870,100	258,000	30,030,000	30,390,000
Construction	483	18,608		
<b>TOTAL EXPENDITURES</b>	<b>25,298,490</b>	<b>31,735,904</b>	<b>64,246,900</b>	<b>63,593,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	2,012,079	1,397,352	1,140,800	1,117,200
Restricted Funds	1,161,415	1,132,719	33,724,200	33,095,700
Federal Fund	22,124,995	29,205,833	29,381,900	29,380,100
<b>TOTAL EXPENDITURES</b>	<b>25,298,490</b>	<b>31,735,904</b>	<b>64,246,900</b>	<b>63,593,000</b>
<b>EXPENDITURES BY UNIT</b>				
Kentucky Infrastructure Authority	25,298,490	31,735,904	64,246,900	63,593,000
<b>TOTAL EXPENDITURES</b>	<b>25,298,490</b>	<b>31,735,904</b>	<b>64,246,900</b>	<b>63,593,000</b>

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

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

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

**Fund A Wastewater Revolving Loan Program** – Local wastewater treatment facilities that qualify under the U.S. Environmental Protection Agency (EPA) standards are financed through this program. Jointly administered by the Authority and the Kentucky Division of Water in the Energy and Environment Cabinet, loans are provided to governmental agencies at below-market interest rates.

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

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

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

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

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

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

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

## **Policy**

The Budget of the Commonwealth includes General Fund appropriation of \$154,500 in fiscal year 2020-2021 for debt service to support \$4,086,000 in bonds to match an estimated \$20,428,400 in Federal Funds for the Federally Assisted Wastewater Revolving Loan Fund program (Fund A), and \$190,000 for debt service to support \$4,561,000 in bond funds to match an estimated \$18,303,000 in Federal Funds for the Safe Drinking Water State Revolving Loan Fund program (Fund F).

**General Government**  
**Military Affairs**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	9,912,800	15,036,400	15,155,400	14,991,400
Mandated Allotments	3,935,182			
<b>Total General Fund</b>	<b>13,847,982</b>	<b>15,036,400</b>	<b>15,155,400</b>	<b>14,991,400</b>
<b>Restricted Funds</b>				
Balance Forward	24,467,936	22,582,290	21,982,400	22,677,100
Current Receipts	34,823,034	36,350,760	41,270,000	51,218,100
Non-Revenue Receipts	-1,498,837	-2,275,914	-1,932,800	-1,972,600
Fund Transfers	-515,500			
<b>Total Restricted Funds</b>	<b>57,276,633</b>	<b>56,657,136</b>	<b>61,319,600</b>	<b>71,922,600</b>
<b>Federal Fund</b>				
Balance Forward		-6,336,012	-8,116,800	
Current Receipts	60,131,975	65,523,110	94,446,700	86,249,300
Non-Revenue Receipts	-9,153,983			
<b>Total Federal Fund</b>	<b>50,977,992</b>	<b>59,187,098</b>	<b>86,329,900</b>	<b>86,249,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>122,102,608</b>	<b>130,880,634</b>	<b>162,804,900</b>	<b>173,163,300</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	40,214,847	44,766,280	47,406,500	48,913,800
Operating Expenses	30,193,972	27,988,495	29,361,200	37,578,100
Grants Loans Benefits	29,356,984	37,126,630	54,063,700	54,043,000
Debt Service	1,800,615	1,583,161	1,600,000	1,600,000
Capital Outlay	4,285,112	4,594,471	7,696,400	7,696,400
Construction	4,800	40,887		
<b>TOTAL EXPENDITURES</b>	<b>105,856,330</b>	<b>116,099,924</b>	<b>140,127,800</b>	<b>149,831,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	13,847,982	14,121,295	15,155,400	14,991,400
Restricted Funds	34,694,343	34,674,782	38,642,500	48,590,600
Federal Fund	57,314,004	67,303,847	86,329,900	86,249,300
<b>TOTAL EXPENDITURES</b>	<b>105,856,330</b>	<b>116,099,924</b>	<b>140,127,800</b>	<b>149,831,300</b>
<b>EXPENDITURES BY UNIT</b>				
Statutory State Operations	31,340,952	33,140,170	30,705,200	30,559,100
Emergency Management	37,061,040	46,997,502	63,933,900	63,947,100
National Guard Operations	201,168	186,568	171,500	
Emergency & Public Safety Operations	2,209,317	1,250,392	2,250,000	2,309,800
Bluegrass Station	11,409,930	11,382,859	13,578,600	13,578,600
Central Clothing Distribution	21,616,161	20,730,201	21,374,000	31,394,800
Federal & Grant Operations	2,017,762	2,412,233	8,114,600	8,041,900
<b>TOTAL EXPENDITURES</b>	<b>105,856,330</b>	<b>116,099,924</b>	<b>140,127,800</b>	<b>149,831,300</b>

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

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

Pursuant to KRS 36.010 and KRS 36.255, 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 Budget of the Commonwealth includes additional General Fund in the amount of \$4,500,000 in fiscal year 2021 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**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	1,781,800	1,874,800	2,005,600	1,926,600
Budget Reduction-General Fund	-91,300			
<b>Total General Fund</b>	<b>1,690,500</b>	<b>1,874,800</b>	<b>2,005,600</b>	<b>1,926,600</b>
<b>Restricted Funds</b>				
Balance Forward	3,400	1,839	5,700	5,700
Current Receipts	5,353	6,550	10,000	10,000
<b>Total Restricted Funds</b>	<b>8,754</b>	<b>8,390</b>	<b>15,700</b>	<b>15,700</b>
<b>Federal Fund</b>				
Balance Forward	10,697	214,973	287,600	287,600
Current Receipts	465,760	336,160	245,000	245,000
<b>Total Federal Fund</b>	<b>476,457</b>	<b>551,133</b>	<b>532,600</b>	<b>532,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,175,710</b>	<b>2,434,323</b>	<b>2,553,900</b>	<b>2,474,900</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	1,644,056	1,859,078	1,931,100	1,919,100
Operating Expenses	314,839	281,954	329,500	262,500
<b>TOTAL EXPENDITURES</b>	<b>1,958,895</b>	<b>2,141,032</b>	<b>2,260,600</b>	<b>2,181,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	1,690,498	1,874,800	2,005,600	1,926,600
Restricted Funds	6,914	2,748	10,000	10,000
Federal Fund	261,483	263,484	245,000	245,000
<b>TOTAL EXPENDITURES</b>	<b>1,958,895</b>	<b>2,141,032</b>	<b>2,260,600</b>	<b>2,181,600</b>
<b>EXPENDITURES BY UNIT</b>				
General Administration and Support	744,314	679,762	817,400	882,400
Enforcement Branch	555,783	718,050	585,000	549,900
Research and Information	365,098	402,154	408,500	356,000
Legal Affairs	293,700	341,066	449,700	393,300
<b>TOTAL EXPENDITURES</b>	<b>1,958,895</b>	<b>2,141,032</b>	<b>2,260,600</b>	<b>2,181,600</b>

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

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

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

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

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

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

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	15,705,300	9,207,400	9,326,700	9,415,300
Budget Reduction-General Fund	-804,500			
<b>Total General Fund</b>	<b>14,900,800</b>	<b>9,207,400</b>	<b>9,326,700</b>	<b>9,415,300</b>
<b>Restricted Funds</b>				
Balance Forward	2,258,397	2,436,299	2,545,100	2,426,000
Current Receipts	947,898	466,023	769,600	769,600
Non-Revenue Receipts	200,000	13,328		
Fund Transfers				-1,000,000
<b>Total Restricted Funds</b>	<b>3,406,296</b>	<b>2,915,650</b>	<b>3,314,700</b>	<b>2,195,600</b>
<b>Federal Fund</b>				
Balance Forward	639,192	-894,581	-460,700	
Current Receipts	28,536,467	25,005,830	30,188,200	46,227,500
Non-Revenue Receipts	-1,268,953			
<b>Total Federal Fund</b>	<b>27,906,707</b>	<b>24,111,248</b>	<b>29,727,500</b>	<b>46,227,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>46,213,803</b>	<b>36,234,298</b>	<b>42,368,900</b>	<b>57,838,400</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	5,017,754	5,451,267	4,906,700	6,063,100
Operating Expenses	711,775	2,268,046	2,154,600	1,152,900
Grants Loans Benefits	38,845,155	26,428,896	32,881,600	49,315,500
Capital Outlay	12,721			
Construction		372		
<b>TOTAL EXPENDITURES</b>	<b>44,587,405</b>	<b>34,148,581</b>	<b>39,942,900</b>	<b>56,531,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	14,816,120	9,206,062	9,326,700	9,415,300
Restricted Funds	969,997	370,538	888,700	888,700
Federal Fund	28,801,288	24,571,981	29,727,500	46,227,500
<b>TOTAL EXPENDITURES</b>	<b>44,587,405</b>	<b>34,148,581</b>	<b>39,942,900</b>	<b>56,531,500</b>
<b>EXPENDITURES BY UNIT</b>				
Operations	13,034,202	7,489,615	7,717,200	7,351,400
Grants	31,553,203	26,658,966	32,225,700	49,180,100
<b>TOTAL EXPENDITURES</b>	<b>44,587,405</b>	<b>34,148,581</b>	<b>39,942,900</b>	<b>56,531,500</b>

The Department for Local Government (DLG), pursuant to KRS 147A.002, is an independent agency attached to the Office of the Governor. As the liaison between the Governor and local units of government, DLG coordinates and resolves local government issues and concerns, and administers grants-in-aid.

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 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.

Within the Office of Financial Management and Administrative Services are the:

- Counties Branch: Relates to the statutory obligations of the State Local Finance Officer and the State Local Debt Officer. The branch annually certifies property tax rates for counties, Local Officials training hours, and the annual cost of living adjustment for all constitutional officers.
- Cities and Special Districts Branch: Provides technical assistance to cities and special districts throughout the Commonwealth so that those municipalities can meet their statutory obligations on ethics ordinances, audits, budgets, Uniform Financial Information Reports (UFIRs), annexations, etc. Additionally, all Special Purpose Governmental Entity reporting is processed through the Branch.

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

#### Policy

The Budget of the Commonwealth includes General Fund in the base budget for the following:

- \$1,984,000 for the Joint Funding Administration Program in support of the area development districts
- \$257,800 for the support of the Mary Kendall Homes
- \$257,800 for the support of Gateway Juvenile Diversion



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

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	45,193,400	26,257,600	22,825,700	21,830,900
Continuing Approp-General Fund			15,136,500	
Other	-13,303,991	17,705,104	662,000	
<b>Total General Fund</b>	<b>31,889,409</b>	<b>43,962,704</b>	<b>38,624,200</b>	<b>21,830,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>31,889,409</b>	<b>43,962,704</b>	<b>38,624,200</b>	<b>21,830,900</b>
<b>EXPENDITURES BY CLASS</b>				
Grants Loans Benefits	31,889,409	28,826,186	38,624,200	21,830,900
<b>TOTAL EXPENDITURES</b>	<b>31,889,409</b>	<b>28,826,186</b>	<b>38,624,200</b>	<b>21,830,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	31,889,409	28,826,186	38,624,200	21,830,900
<b>TOTAL EXPENDITURES</b>	<b>31,889,409</b>	<b>28,826,186</b>	<b>38,624,200</b>	<b>21,830,900</b>
<b>EXPENDITURES BY UNIT</b>				
County Coal Severance	13,636,762	9,952,929	24,153,600	9,787,800
Cities Coal Severance	1,507,922	1,102,900	2,685,000	1,085,900
County Mineral Severance	15,097,593	16,021,192	10,607,000	9,861,500
Cities Mineral Severance	1,647,132	1,749,165	1,178,600	1,095,700
<b>TOTAL EXPENDITURES</b>	<b>31,889,409</b>	<b>28,826,186</b>	<b>38,624,200</b>	<b>21,830,900</b>

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

The LGEAF coal severance tax program currently returns funds to an estimated 48 counties and approximately 128 cities at the end of each fiscal quarter. Kentucky statute that directs 15 percent of the coal severance tax receipts to the LGEAF be distributed 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 coal severance taxes collected from producers in the county.

Additionally, the LGEAF minerals severance tax program currently returns funds to an estimated 99 counties and approximately 250 cities at the end of each fiscal quarter. Kentucky law directs 50 percent of the other mineral tax receipts (oil, natural gas, and other minerals) to the LGEAF for distribution to local governments. Quarterly allocations are made to localities according to taxes collected from producers in 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. Kentucky statute directs that coal “impact” counties must expend 100 percent of funds in the transportation category in accordance with KRS 42.470(1)(c), and that thirty percent of all funds given to coal “producer” counties must be expended on the county coal haul road system.

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

## Policy

The Budget of the Commonwealth notwithstanding KRS 42.470(1)(a) suspending the statutory severance allocations formula and directs 70 percent of moneys in the Local Government Economic Assistance Fund to be distributed to each coal producing county on the basis of the ratio of coal severed in each respective county to the coal severed statewide. It also suspends KRS 42.470(1)(c), so that no allocation shall be distributed to non-coal producing counties, and suspends KRS 42.455(2) so that no funds appropriated to the Local Government Economic Assistance Fund are required to be spent on the coal haul road system.

Before allocations to either Local Government Economic Assistance Fund or Local Government Economic Development Fund, a number of specified uses of General Fund coal severance tax revenues are outlined on the following pages.

**Off-the-Top Funding Items:** funds are provided for specified uses from General Fund coal severance tax revenues, many resulting from the suspension of KRS 42.450 to 42.495:

- \$669,700 for the Department for Local Government to administer Local Government Economic Development Fund and Local Government Economic Assistance Fund programs
- \$26,210,600 for debt service to the Finance and Administration Cabinet equating to 100 percent of the debt service needed to support bonds authorized in the 2003, 2005, 2008, and 2010 sessions of the General Assembly

<b>General Government</b>				
<b>Local Government Economic Development Fund</b>				
	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	11,400,000	17,923,300	13,570,500	12,814,300
<b>Total General Fund</b>	<b>11,400,000</b>	<b>17,923,300</b>	<b>13,570,500</b>	<b>12,814,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>11,400,000</b>	<b>17,923,300</b>	<b>13,570,500</b>	<b>12,814,300</b>
<b>EXPENDITURES BY CLASS</b>				
Grants Loans Benefits	11,400,000	17,923,300	13,570,500	12,814,300
<b>TOTAL EXPENDITURES</b>	<b>11,400,000</b>	<b>17,923,300</b>	<b>13,570,500</b>	<b>12,814,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	11,400,000	17,923,300	13,570,500	12,814,300
<b>TOTAL EXPENDITURES</b>	<b>11,400,000</b>	<b>17,923,300</b>	<b>13,570,500</b>	<b>12,814,300</b>
<b>EXPENDITURES BY UNIT</b>				
Economic Development Fund	11,400,000	17,923,300	13,570,500	12,814,300
<b>TOTAL EXPENDITURES</b>	<b>11,400,000</b>	<b>17,923,300</b>	<b>13,570,500</b>	<b>12,814,300</b>

The Local Government Economic Development Fund (LGEDF) is a revenue-sharing program that was created by the 1992 General Assembly to provide coal-producing counties with a means to diversify their economies. The Budget of the Commonwealth provides \$12,814,300 in net General Fund coal severance tax revenues to the LGEDF in fiscal 2020-2021. 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. If concurrence is not achieved, the fiscal court of each county may apply for grants through the Department for Local Government pursuant to KRS 42.4588. Currently, 28 counties receive allocations to their Single-County account.

### Policy

The Budget of the Commonwealth notwithstanding KRS 42.450 to 42.495, so that 70 percent of the severance and processing taxes on coal collected annually is transferred to the Local Government Economic Development Fund and 30 percent of the severance and processing taxes on coal collected annually shall be transferred to the Local Government Economic Assistance Fund.

**Off-the-Top Funding Items:** funds are provided for specified uses from General Fund coal severance tax revenues, many resulting from the suspension of KRS 42.450 to 42.495:

- \$669,700 for the Department for Local Government to administer Local Government Economic Development Fund and Local Government Economic Assistance Fund programs
- \$26,210,600 for debt service to the Finance and Administration Cabinet equating to 100 percent of the debt service needed to support bonds authorized in the 2003, 2005, 2008, and 2010 sessions of the General Assembly

An amount of \$1,000,000 is retained in the General Fund.

**Severance Tax Dedicated Programs 2020-2021**

Using Consensus Forecast Estimate

	FY 2020 Revised	FY 2021 Enacted
<b>Coal Severance Tax Resources</b>		
<b>Coal Severance Tax</b>	<b>69,819,500</b>	<b>46,186,400</b>
Less: KIA LGEDF Admin cost	(370,000)	
Less: DLG LGEDF Admin cost	(669,700)	(669,700)
Less: Debt Service (Past Bond Appropriations)	(27,456,700)	(26,210,600)
Less: General Fund transfer		(1,000,000)
<b>Total coal severance tax resources to be distributed</b>	<b>41,323,100</b>	<b>18,306,100</b>

<b>Local Government Economic Assistance Fund (LGEAF) Total Funds</b>		
Coal Severance Tax Revenue	6,198,500	5,491,800
Other Mineral Severance Tax Revenue	16,646,300	16,339,100
Plus: Additional Coal Severance from LGEDF	642,900	
<b>Total LGEAF enacted</b>	<b>23,487,700</b>	<b>21,830,900</b>

<b>Local Government Economic Development Fund (LGEDF)</b>		
Coal Severance Tax Revenue	7,500,000	12,814,300
Less: Transfer to Kentucky Coal Fields Endowment Fund	7,563,400	
Less: Operation Unite	(500,000)	
Less: Mining Engineering Scholarships	(350,000)	
Less: Transfer to LGEAF	(642,900)	
<b>Total LGEDF enacted</b>	<b>13,570,500</b>	<b>12,814,300</b>

**General Government**  
**Local Government Regional Development Agency Assistance**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
<b>SOURCE OF FUNDS</b>				
<b>Restricted Funds</b>				
Non-Revenue Receipts		2,000,000		6,000,000
<b>Total Restricted Funds</b>		2,000,000		6,000,000
<b>TOTAL SOURCE OF FUNDS</b>		2,000,000		6,000,000
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs		2,000,000		6,000,000
Grants Loans Benefits				
<b>TOTAL EXPENDITURES</b>		2,000,000		6,000,000
<b>EXPENDITURES BY FUND SOURCE</b>				
Restricted Funds		2,000,000		6,000,000
<b>TOTAL EXPENDITURES</b>		2,000,000		6,000,000
<b>EXPENDITURES BY UNIT</b>				
Regional Development Agency Assistance Fund		2,000,000		6,000,000
<b>TOTAL EXPENDITURES</b>		2,000,000		6,000,000

The 2018 General Assembly enacted House Bill (HB) 114, which amended KRS 96.895, created KRS 96.905, and established the Regional Development Agency Assistance Program (RDAAP) and established the Regional Development Agency Assistance Fund in the State Treasury.

The Regional Development Agency Assistance Fund is administered by the Department for Local Government for the purpose of providing funding to agencies that are designated to receive funding in a given fiscal year by the fiscal court of each fund-eligible county through the Regional Development Agency Assistance Fund.

In Fiscal Year 2020, there is a total of \$4,000,000 available for this Program to be allocated among the eligible counties. The funds will be distributed to Industrial Development Authorities (IDAs) established under KRS 154.50-301 to 154.50-346. Funds must be used for economic development and job creation activities pursuant to KRS 96.905 (2). In Fiscal Year 2021, and each subsequent fiscal year, there will be a total of \$6,000,000 available for this program to be allocated among the eligible counties.

Pursuant to KRS 96.905(2), funds obtained under RDAAP shall be used for: Economic development and job creation activities that the agency is empowered to undertake in that county; acquiring federal, state, or private matching funds to the extent possible; and debt service for approved projects. Grants obtained under this program shall not be used for salaries or consulting fees.

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

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	450,200	548,900	555,700	561,600
<b>Total General Fund</b>	<b>450,200</b>	<b>548,900</b>	<b>555,700</b>	<b>561,600</b>
<b>Restricted Funds</b>				
Balance Forward	76,425	123,849	194,400	124,400
Current Receipts	323,867	386,100	350,000	412,000
<b>Total Restricted Funds</b>	<b>400,292</b>	<b>509,949</b>	<b>544,400</b>	<b>536,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>850,492</b>	<b>1,058,849</b>	<b>1,100,100</b>	<b>1,098,000</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	611,166	769,184	862,600	872,500
Operating Expenses	115,477	95,309	113,100	109,100
<b>TOTAL EXPENDITURES</b>	<b>726,643</b>	<b>864,493</b>	<b>975,700</b>	<b>981,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	450,200	548,900	555,700	561,600
Restricted Funds	276,443	315,593	420,000	420,000
<b>TOTAL EXPENDITURES</b>	<b>726,643</b>	<b>864,493</b>	<b>975,700</b>	<b>981,600</b>
<b>EXPENDITURES BY UNIT</b>				
Executive Branch Ethics Commission	726,643	864,493	975,700	981,600
<b>TOTAL EXPENDITURES</b>	<b>726,643</b>	<b>864,493</b>	<b>975,700</b>	<b>981,600</b>

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

**Policy**

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

**General Government  
Secretary of State**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	1,784,100	2,204,100	2,252,500	
Budget Reduction-General Fund	-22,800			
<b>Total General Fund</b>	<b>1,761,300</b>	<b>2,204,100</b>	<b>2,252,500</b>	
<b>Restricted Funds</b>				
Balance Forward	5,969,017	7,325,045	7,924,400	7,659,100
Current Receipts	3,961,788	4,020,486	3,915,900	3,795,700
Non-Revenue Receipts		-967		
Fund Transfers	-1,000,000	-1,500,000	-1,500,000	-2,000,000
<b>Total Restricted Funds</b>	<b>8,930,805</b>	<b>9,844,564</b>	<b>10,340,300</b>	<b>9,454,800</b>
<b>Federal Fund</b>				
Balance Forward		-9,877		
Current Receipts	32,557	9,877	221,400	221,400
Non-Revenue Receipts	-32,986			
<b>Total Federal Fund</b>	<b>-430</b>		<b>221,400</b>	<b>221,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>10,691,675</b>	<b>12,048,664</b>	<b>12,814,200</b>	<b>9,676,200</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	2,641,169	3,199,013	3,903,700	4,083,400
Operating Expenses	735,339	892,155	1,211,400	1,261,600
Grants Loans Benefits		694		
Capital Outlay		31,956	40,000	54,000
Construction		469		
<b>TOTAL EXPENDITURES</b>	<b>3,376,508</b>	<b>4,124,286</b>	<b>5,155,100</b>	<b>5,399,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	1,761,300	2,204,100	2,252,500	
Restricted Funds	1,605,760	1,920,186	2,681,200	5,177,600
Federal Fund	9,447		221,400	221,400
<b>TOTAL EXPENDITURES</b>	<b>3,376,508</b>	<b>4,124,286</b>	<b>5,155,100</b>	<b>5,399,000</b>
<b>EXPENDITURES BY UNIT</b>				
General Administration	1,962,726	2,266,671	3,017,200	764,700
General Operations	1,413,781	1,857,614	2,137,900	4,634,300
<b>TOTAL EXPENDITURES</b>	<b>3,376,508</b>	<b>4,124,286</b>	<b>5,155,100</b>	<b>5,399,000</b>

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

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

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

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

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

### **Policy**

In fiscal year 2020-2021, the enacted budget replaced all General Fund appropriations with Restricted Funds generated by the Secretary of State.



**General Government  
Board of Elections**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	3,989,300	4,216,200	4,231,100	6,206,500
Mandated Allotments		21,600		
<b>Total General Fund</b>	3,989,300	4,237,800	4,231,100	6,206,500
<b>Restricted Funds</b>				
Balance Forward	806,333	711,590	648,300	464,400
Current Receipts	85,069	91,646	62,100	111,000
<b>Total Restricted Funds</b>	891,402	803,236	710,400	575,400
<b>Federal Fund</b>				
Balance Forward	13,472,219	10,613,967	12,767,000	4,244,100
Current Receipts	116,312	6,167,253	176,800	40,000
<b>Total Federal Fund</b>	13,588,531	16,781,220	12,943,800	4,284,100
<b>TOTAL SOURCE OF FUNDS</b>	18,469,233	21,822,256	17,885,300	11,066,000
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	1,547,884	1,734,605	1,822,500	1,828,600
Operating Expenses	534,540	811,968	7,563,200	120,800
Grants Loans Benefits	4,896,900	2,632,354	3,791,100	6,997,400
Construction	164,211	3,227,397		
<b>TOTAL EXPENDITURES</b>	7,143,536	8,406,324	13,176,800	8,946,800
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	3,989,160	4,237,116	4,231,100	6,206,500
Restricted Funds	179,812	155,000	246,000	246,000
Federal Fund	2,974,564	4,014,207	8,699,700	2,494,300
<b>TOTAL EXPENDITURES</b>	7,143,536	8,406,324	13,176,800	8,946,800
<b>EXPENDITURES BY UNIT</b>				
General Administration and Support	1,428,500	1,759,763	1,617,100	2,655,700
State Share of County Election Expenses	1,415,844	1,488,200	1,490,700	1,883,000
State Share of Voter Registration Expenses	1,144,816	1,144,154	1,173,300	1,717,800
Presidential Electors				
Election Fund	3,154,376	4,014,207	8,895,700	2,690,300
<b>TOTAL EXPENDITURES</b>	7,143,536	8,406,324	13,176,800	8,946,800

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.

The State Board of Elections consists of 10 members, pursuant to KRS 117.015. The Secretary of State serves as the chief election official for the Commonwealth and is a non-voting board member. There are 8 voting members appointed by the Governor, and an executive director is appointed by the Board who serves as the chief administrative officer for the Board. The executive director may vote only to break a tie regarding selection of the chair of the board.

**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 3,692 precincts with over 3 million registered voters. The number of precincts increases as voter registration totals increase and as reapportionment of county commissioner/magisterial districts and congressional and state redistricting occur.

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

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

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

## **Election Fund**

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

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

## **Policy**

The [Budget of the Commonwealth](#) includes additional General Fund in the amount of \$1,000,000 in fiscal year 2021 to match Federal Help America Vote Act (HAVA) Funds.

**General Government  
Registry of Election Finance**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	1,231,700	1,511,000	1,529,400	1,541,300
<b>Total General Fund</b>	<b>1,231,700</b>	<b>1,511,000</b>	<b>1,529,400</b>	<b>1,541,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,231,700</b>	<b>1,511,000</b>	<b>1,529,400</b>	<b>1,541,300</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	1,135,347	1,360,496	1,427,200	1,453,500
Operating Expenses	96,353	120,944	102,200	87,800
<b>TOTAL EXPENDITURES</b>	<b>1,231,700</b>	<b>1,481,440</b>	<b>1,529,400</b>	<b>1,541,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	1,231,700	1,481,440	1,529,400	1,541,300
<b>TOTAL EXPENDITURES</b>	<b>1,231,700</b>	<b>1,481,440</b>	<b>1,529,400</b>	<b>1,541,300</b>
<b>EXPENDITURES BY UNIT</b>				
Registry of Election Finance	1,231,700	1,481,440	1,529,400	1,541,300
<b>TOTAL EXPENDITURES</b>	<b>1,231,700</b>	<b>1,481,440</b>	<b>1,529,400</b>	<b>1,541,300</b>

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

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

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

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

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

**General Government**  
**Attorney General**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	11,034,400	12,081,100	12,239,600	12,473,700
Current Year Appropriation			135,000	
Budget Reduction-General Fund	-141,000			
Mandated Allotments	217,933	139,834		
<b>Total General Fund</b>	<b>11,111,333</b>	<b>12,220,934</b>	<b>12,374,600</b>	<b>12,473,700</b>
<b>Tobacco Fund</b>				
Tobacco Settlement - Phase I				150,000
<b>Total Tobacco Fund</b>				<b>150,000</b>
<b>Restricted Funds</b>				
Balance Forward	9,578,360	9,520,361	9,174,500	6,181,200
Current Receipts	9,217,956	7,057,729	8,813,400	7,368,100
Non-Revenue Receipts	7,246,131	7,319,873	5,312,000	8,059,900
Fund Transfers				-500,000
<b>Total Restricted Funds</b>	<b>26,042,447</b>	<b>23,897,963</b>	<b>23,299,900</b>	<b>21,109,200</b>
<b>Federal Fund</b>				
Balance Forward		-112,475	-316,800	
Current Receipts	3,747,849	4,638,018	5,726,900	4,987,600
Non-Revenue Receipts	-94,616			
<b>Total Federal Fund</b>	<b>3,653,233</b>	<b>4,525,543</b>	<b>5,410,100</b>	<b>4,987,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>40,807,013</b>	<b>40,644,440</b>	<b>41,084,600</b>	<b>38,720,500</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	20,082,576	22,214,621	22,580,500	23,662,500
Operating Expenses	3,034,189	3,186,703	3,461,800	3,646,800
Grants Loans Benefits	8,268,172	6,065,666	8,536,600	8,153,500
Debt Service				127,000
Capital Outlay	14,190	319,800	324,500	74,500
<b>TOTAL EXPENDITURES</b>	<b>31,399,127</b>	<b>31,786,789</b>	<b>34,903,400</b>	<b>35,664,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	11,111,333	12,220,934	12,374,600	12,473,700
Tobacco Fund				150,000
Restricted Funds	16,522,086	14,723,483	17,118,700	18,051,600
Federal Fund	3,765,707	4,842,372	5,410,100	4,989,000
<b>TOTAL EXPENDITURES</b>	<b>31,399,127</b>	<b>31,786,789</b>	<b>34,903,400</b>	<b>35,664,300</b>
<b>EXPENDITURES BY UNIT</b>				
Administrative Services	2,103,331	2,442,698	2,578,000	2,953,400
Criminal Services	7,594,150	9,171,575	9,219,600	9,261,800
Uninsured Employers Fund	5,844,017	5,512,051	7,401,500	7,489,000
Advocacy Services	8,723,730	7,113,092	7,793,900	7,994,500
Civil Services	7,133,898	7,547,373	7,910,400	7,965,600
<b>TOTAL EXPENDITURES</b>	<b>31,399,127</b>	<b>31,786,789</b>	<b>34,903,400</b>	<b>35,664,300</b>

The Attorney General has the statutory responsibility (KRS 15.020) to act as the chief law officer for the Commonwealth. This involves a wide and diverse range of responsibilities and duties, the power to investigate matters and other legal activities, including representation, on behalf of the Commonwealth.

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

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

- The Office of Criminal Appeals appears for the Commonwealth in all criminal appeals in which the Commonwealth has an interest in both state and federal courts, fulfilling the mandate of KRS 15.020. Staff also advises prosecutors concerning the merits of appeals from adverse interlocutory rulings and the likelihood of successfully requesting certifications of the law. The Office of Criminal Appeals also reviews and participates in amicus curiae efforts by other states.
- The Office of Special Prosecutions prosecutes criminal cases pursuant to KRS 15.190 to KRS 15.715; and includes taking over the prosecution of cases in which the local prosecutor disqualifies himself, prosecuting thefts affecting the treasury of the Commonwealth and crimes arising from audits of local government financial administrations. The Office investigates and prosecutes election law violations, environmental crimes, ethics law violations as referred by the Executive Branch Ethics Commission and theft from the state treasury as referred by the Auditor of Public Accounts.
- The Department of Criminal Investigations (DCI) provides expert criminal investigative services in Cyber Crimes and Drug and Public Integrity/Special Investigations. DCI Investigators are sworn law enforcement officers and are certified by Kentucky Peace Officer Professional Standards. The mission of DCI is to uphold the law through the highest standards of excellence, investigating violations of state criminal statutes; to deter and reduce crime; to enhance public safety; and to provide assistance to local, state and federal law enforcement agencies by utilizing innovative programs and technologies.
- The Prosecutors Advisory Council administers the budget of the Unified Prosecutorial System, which consists of 177 Commonwealth's and County Attorneys and their employees, and oversees the training of the Commonwealths' prosecutors. The Council provides basic training courses for newly elected officials and sponsors the Kentucky Prosecutors Institute, a weeklong trial skills course for new prosecutors.

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

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

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

- Pursuant to KRS 15.020, the Office of Civil and Environmental Law represents state boards and agencies, issues formal opinions, represents state officials, elected prosecutors, and the judiciary in legal proceedings, adjudicates administrative hearings and intervenes in constitutional challenges to state statutes.

- The Office of Rate Intervention is responsible for representing the interests of Kentucky consumers/ratepayers before federal, state, and local governmental ratemaking agencies (KRS 367.150(8)).
- The Office of Medicaid Fraud and Abuse Control, authorized by Congress in 42 USC § 1396 and by federal regulation in 42 CFR 455.15, investigates and prosecutes cases of Medicaid provider fraud pursuant to KRS Chapters 194 and 205. The Office also investigates and prosecutes complaints of abuse, neglect and exploitation of residents in facilities that receive Medicaid funding and in board and care facilities.

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

**General Government  
Commonwealth's Attorneys**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	49,024,300	59,068,600	59,913,100	60,413,100
<b>Total General Fund</b>	49,024,300	59,068,600	59,913,100	60,413,100
<b>Restricted Funds</b>				
Balance Forward	2,406,044	2,768,819	3,299,300	3,301,400
Current Receipts	4,080,186	4,045,985	4,150,000	4,375,000
Non-Revenue Receipts			10,000	60,000
<b>Total Restricted Funds</b>	6,486,230	6,814,804	7,459,300	7,736,400
<b>Federal Fund</b>				
Balance Forward	-81,081	-80,319	-50,700	100
Current Receipts	55,158	82,529	419,100	756,700
Non-Revenue Receipts	-178,337			
<b>Total Federal Fund</b>	-204,260	2,210	368,400	756,800
<b>TOTAL SOURCE OF FUNDS</b>	55,306,270	65,885,614	67,740,800	68,906,300
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	47,337,058	56,022,719	58,800,700	60,578,100
Operating Expenses	5,381,739	6,544,170	5,620,600	6,137,500
Grants Loans Benefits	41,096	11,721	18,000	272,500
Capital Outlay	49,171	106,157		300,000
<b>TOTAL EXPENDITURES</b>	52,809,064	62,684,767	64,439,300	67,288,100
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	49,024,300	59,052,203	59,913,100	60,413,100
Restricted Funds	3,717,411	3,515,502	4,157,900	6,118,200
Federal Fund	67,353	117,062	368,300	756,800
<b>TOTAL EXPENDITURES</b>	52,809,064	62,684,767	64,439,300	67,288,100
<b>EXPENDITURES BY UNIT</b>				
Commonwealth's Attorneys	52,809,064	62,684,767	64,439,300	67,288,100
<b>TOTAL EXPENDITURES</b>	52,809,064	62,684,767	64,439,300	67,288,100

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.

**General Government  
County Attorneys**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	42,647,000	52,266,800	53,058,600	53,518,500
<b>Total General Fund</b>	<b>42,647,000</b>	<b>52,266,800</b>	<b>53,058,600</b>	<b>53,518,500</b>
<b>Restricted Funds</b>				
Balance Forward	781,149	747,713	907,200	884,500
Current Receipts	763,023	726,160	720,000	780,000
<b>Total Restricted Funds</b>	<b>1,544,172</b>	<b>1,473,873</b>	<b>1,627,200</b>	<b>1,664,500</b>
<b>Federal Fund</b>				
Balance Forward	81,081	112,262	174,500	100
Current Receipts	776,626	665,141	829,300	1,025,100
<b>Total Federal Fund</b>	<b>857,707</b>	<b>777,404</b>	<b>1,003,800</b>	<b>1,025,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>45,048,879</b>	<b>54,518,076</b>	<b>55,689,600</b>	<b>56,208,200</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	42,722,778	51,301,403	52,929,700	52,617,700
Operating Expenses	1,466,071	2,120,976	1,875,300	2,884,400
<b>TOTAL EXPENDITURES</b>	<b>44,188,849</b>	<b>53,422,378</b>	<b>54,805,000</b>	<b>55,502,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	42,646,945	52,252,744	53,058,600	53,518,500
Restricted Funds	796,459	566,675	742,700	958,400
Federal Fund	745,445	602,959	1,003,700	1,025,200
<b>TOTAL EXPENDITURES</b>	<b>44,188,849</b>	<b>53,422,378</b>	<b>54,805,000</b>	<b>55,502,100</b>
<b>EXPENDITURES BY UNIT</b>				
County Attorneys	44,188,849	53,422,378	54,805,000	55,502,100
<b>TOTAL EXPENDITURES</b>	<b>44,188,849</b>	<b>53,422,378</b>	<b>54,805,000</b>	<b>55,502,100</b>

Established in Sections 99 and 100 of the Kentucky Constitution, the offices of the County Attorney are present in each of the 120 counties of the Commonwealth. Pursuant to KRS 15.725(2), each County Attorney attends the district court in the respective county and prosecutes all violations of criminal and penal laws within the jurisdiction of that district court. In accordance with KRS 15.735, County Attorneys also serve as special prosecutors in cases where the elected prosecutors have been disqualified.

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



**General Government**

**Treasury**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	2,077,322	2,225,613	2,261,200	2,411,800
Budget Reduction-General Fund	-25,400			
Reorganization Adjustment		151,800	151,800	
<b>Total General Fund</b>	<b>2,051,922</b>	<b>2,377,413</b>	<b>2,413,000</b>	<b>2,411,800</b>
<b>Restricted Funds</b>				
Balance Forward	411,699	391,330	275,580	231,640
Current Receipts	29,015	32,520	28,300	28,300
Non-Revenue Receipts	1,016,800	1,060,600	1,776,360	1,848,400
<b>Total Restricted Funds</b>	<b>1,457,514</b>	<b>1,484,450</b>	<b>2,080,240</b>	<b>2,108,340</b>
<b>Federal Fund</b>				
Balance Forward	108,974			
Current Receipts	884,051	1,483,338	1,270,300	1,254,800
<b>Total Federal Fund</b>	<b>993,025</b>	<b>1,483,338</b>	<b>1,270,300</b>	<b>1,254,800</b>
<b>Road Fund</b>				
Regular Appropriation	250,000	250,000	250,000	250,600
<b>Total Road Fund</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,752,461</b>	<b>5,595,202</b>	<b>6,013,540</b>	<b>6,025,540</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	2,903,797	3,666,920	3,846,200	4,436,300
Operating Expenses	729,562	870,857	1,202,000	631,100
Grants Loans Benefits	669,419	572,682	665,400	659,300
Capital Outlay		10,554	68,300	38,900
<b>TOTAL EXPENDITURES</b>	<b>4,302,778</b>	<b>5,121,013</b>	<b>5,781,900</b>	<b>5,765,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	2,000,516	2,368,230	2,413,000	2,411,800
Restricted Funds	1,066,184	1,208,871	1,848,600	1,848,400
Federal Fund	993,025	1,297,003	1,270,300	1,254,800
Road Fund	243,053	246,910	250,000	250,600
<b>TOTAL EXPENDITURES</b>	<b>4,302,778</b>	<b>5,121,013</b>	<b>5,781,900</b>	<b>5,765,600</b>
<b>EXPENDITURES BY UNIT</b>				
General Administration and Support	1,310,004	1,562,137	1,581,000	1,529,000
Disbursements and Accounting	846,143	901,190	930,200	977,100
Abandoned Property Administration	1,066,184	1,208,871	1,848,600	1,848,400
Commonwealth Council on Developmental Disabilities	1,080,447	1,448,816	1,422,100	1,411,100
<b>TOTAL EXPENDITURES</b>	<b>4,302,778</b>	<b>5,121,013</b>	<b>5,781,900</b>	<b>5,765,600</b>

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

The State Treasurer, a constitutional officer as provided in Section 91 of the Kentucky Constitution, heads the Treasury Department. The Treasurer also serves on the Kentucky Lottery Board, the Kentucky Higher Education Assistance Board, as trustee of the Kentucky Teachers' Retirement System, the Deferred Compensation Authority, as Chair of the Kentucky Financial Empowerment Commission, and is Vice-Chair of the State Investment Commission. The Treasury Department is also responsible for administering the federal "Achieving a Better Life Experience", or STABLE, Kentucky program and provides administrative services to the Commonwealth Council on Developmental Disabilities, including the drawdown of federal funds. 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 Chapters 393 and 393A 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.

The Kentucky Commonwealth Council on Developmental Disabilities is administratively attached to the Kentucky State Treasurer. The Council is made up of 26 members appointed by the Governor and state agency representatives as defined in KRS 41.410(3).

The Council promotes systems change, capacity building and advocacy for individuals with developmental disabilities (self-advocates). The Council represents the interests of all Kentuckians who have developmental disabilities and their families. The Council funds time-limited demonstration projects and engages in outreach activities to assist individuals with developmental disabilities and their families.

## **Policy**

Restricted Funds are provided in accordance with KRS 393.250 for the administration of the Unclaimed Property program in the amount of \$1,848,400 in fiscal year 2021. This action reflects the movement of available off-budget Restricted Funds to on-budget status to support ongoing activities of the program.

Road Fund moneys in the amount of \$250,600 is included in fiscal year 2021 to support the central check writing system and other central administrative responsibilities of state government.

**General Government**

**Agriculture**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	17,041,200	17,691,200	17,910,800	16,822,000
Continuing Approp-General Fund	203,669	137,257	7,900	
Budget Reduction-General Fund	-217,800			
<b>Total General Fund</b>	<b>17,027,069</b>	<b>17,828,457</b>	<b>17,918,700</b>	<b>16,822,000</b>
<b>Tobacco Fund</b>				
Tobacco Settlement - Phase I	600,000	500,000	500,000	500,000
<b>Total Tobacco Fund</b>	<b>600,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>Restricted Funds</b>				
Balance Forward	13,787,431	14,772,079	15,752,900	15,290,200
Current Receipts	7,893,383	8,773,474	7,907,900	7,825,000
Non-Revenue Receipts	2,070,000	2,083,160	2,477,600	1,442,100
<b>Total Restricted Funds</b>	<b>23,750,814</b>	<b>25,628,713</b>	<b>26,138,400</b>	<b>24,557,300</b>
<b>Federal Fund</b>				
Balance Forward	1,258,225	3,000,771		
Current Receipts	7,050,839	8,439,331	8,689,400	8,681,400
<b>Total Federal Fund</b>	<b>8,309,064</b>	<b>11,440,102</b>	<b>8,689,400</b>	<b>8,681,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>49,686,947</b>	<b>55,397,272</b>	<b>53,246,500</b>	<b>50,560,700</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	18,471,459	20,901,650	22,900,900	23,291,900
Operating Expenses	5,825,777	6,248,948	5,872,700	6,504,600
Grants Loans Benefits	7,376,988	8,059,992	9,144,900	9,552,200
Capital Outlay	96,175	716,122	37,800	1,017,400
Construction	6,441	461,181		
<b>TOTAL EXPENDITURES</b>	<b>31,776,839</b>	<b>36,387,893</b>	<b>37,956,300</b>	<b>40,366,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	16,889,811	17,820,510	17,918,700	16,822,000
Tobacco Fund	600,000	500,000	500,000	500,000
Restricted Funds	8,978,735	9,875,909	10,848,200	14,362,700
Federal Fund	5,308,293	8,191,474	8,689,400	8,681,400
<b>TOTAL EXPENDITURES</b>	<b>31,776,839</b>	<b>36,387,893</b>	<b>37,956,300</b>	<b>40,366,100</b>
<b>EXPENDITURES BY UNIT</b>				
Strategic Planning and Administration	5,655,103	6,076,382	6,322,000	6,756,000
Motor Fuel Inspection and Testing	182,772	158,936	144,000	157,400
Consumer and Environmental Programs	13,715,299	15,981,977	16,831,900	17,982,200
State Veterinarian	3,631,758	3,845,495	4,153,700	4,122,800
Animal Control	34,345	70,718	42,300	128,000
Farmland Preservation	7,704	462,527	3,900	3,000
Agriculture Marketing and Product Promotion	8,087,363	9,661,773	10,457,400	11,216,700
Small Winery Support Fund	462,495	130,085	1,100	
<b>TOTAL EXPENDITURES</b>	<b>31,776,839</b>	<b>36,387,893</b>	<b>37,956,300</b>	<b>40,366,100</b>

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

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

financial operation, and information technology systems.

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

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

The Office for Agricultural Marketing and Product Promotion develops and manages programs which promote Kentucky-produced agricultural products, including grading and inspecting specific products and commodities and reporting market news. Responsibilities of this office include the research and development of new and expanded outlets for Kentucky's agricultural products, agricultural education, agritourism development, farm safety, administration of the Shows and Fairs Promotion Division, and farmland preservation. The Office is also responsible for providing testing services for hay and other forages essential for Kentucky's livestock industries.

### **Policy**

The Budget of the Commonwealth includes General Fund in the amount of \$300,000 in fiscal year 2021 to support capital improvement grants to the Local Agricultural Farm Aid Program.

The Budget of the Commonwealth includes an additional \$762,700 in the General Fund base budget for operating costs.

**General Government  
Auditor of Public Accounts**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	4,948,600	5,634,200	5,735,700	7,787,000
Budget Reduction-General Fund	-63,300			
<b>Total General Fund</b>	<b>4,885,300</b>	<b>5,634,200</b>	<b>5,735,700</b>	<b>7,787,000</b>
<b>Restricted Funds</b>				
Balance Forward	450,090	1,056,909	1,523,300	
Current Receipts	9,157,216	9,920,608	10,439,900	11,963,200
<b>Total Restricted Funds</b>	<b>9,607,306</b>	<b>10,977,517</b>	<b>11,963,200</b>	<b>11,963,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>14,492,606</b>	<b>16,611,717</b>	<b>17,698,900</b>	<b>19,750,200</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	12,347,141	13,916,725	16,327,400	18,365,500
Operating Expenses	1,088,556	1,171,692	1,371,500	1,348,100
<b>TOTAL EXPENDITURES</b>	<b>13,435,697</b>	<b>15,088,417</b>	<b>17,698,900</b>	<b>19,713,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	4,885,300	5,634,200	5,735,700	7,787,000
Restricted Funds	8,550,397	9,454,217	11,963,200	11,926,600
<b>TOTAL EXPENDITURES</b>	<b>13,435,697</b>	<b>15,088,417</b>	<b>17,698,900</b>	<b>19,713,600</b>
<b>EXPENDITURES BY UNIT</b>				
Auditor of Public Accounts	1,399,100	1,634,100	1,778,800	1,780,000
Financial Audit	10,779,797	11,989,417	13,809,700	15,822,100
Technology and Specialized Audits	1,256,800	1,464,900	2,110,400	2,111,500
<b>TOTAL EXPENDITURES</b>	<b>13,435,697</b>	<b>15,088,417</b>	<b>17,698,900</b>	<b>19,713,600</b>

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

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

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

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

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

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

**Policy**

The Budget of the Commonwealth provides General Fund in the amount of \$2,000,000 for additional personnel in fiscal year 2021.

The Budget of the Commonwealth adds \$7,400 of General Fund in fiscal year 2021 for operations.

**General Government  
Personnel Board**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>Restricted Funds</b>				
Balance Forward	480,113	597,168	583,800	537,900
Current Receipts	897,448	801,198	800,000	621,300
<b>Total Restricted Funds</b>	<b>1,377,561</b>	<b>1,398,367</b>	<b>1,383,800</b>	<b>1,159,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,377,561</b>	<b>1,398,367</b>	<b>1,383,800</b>	<b>1,159,200</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	607,488	703,399	731,600	760,700
Operating Expenses	138,565	111,792	114,300	114,300
Capital Outlay	33,618			
Construction	721	-644		
<b>TOTAL EXPENDITURES</b>	<b>780,393</b>	<b>814,547</b>	<b>845,900</b>	<b>875,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
Restricted Funds	780,393	814,547	845,900	875,000
<b>TOTAL EXPENDITURES</b>	<b>780,393</b>	<b>814,547</b>	<b>845,900</b>	<b>875,000</b>
<b>EXPENDITURES BY UNIT</b>				
Personnel Board	780,393	814,547	845,900	875,000
<b>TOTAL EXPENDITURES</b>	<b>780,393</b>	<b>814,547</b>	<b>845,900</b>	<b>875,000</b>

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

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

**Policy**

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

**General Government**  
**Kentucky Retirement Systems**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	87,574,300	1,086,200	1,086,200	384,000
Surplus Expenditure Plan		15,763,250	60,094,500	
<b>Total General Fund</b>	87,574,300	16,849,450	61,180,700	384,000
<b>Restricted Funds</b>				
Current Receipts	2,540	840		
Non-Revenue Receipts	32,359,577	35,592,481	47,702,500	48,888,200
<b>Total Restricted Funds</b>	32,362,118	35,593,321	47,702,500	48,888,200
<b>TOTAL SOURCE OF FUNDS</b>	119,936,418	52,442,771	108,883,200	49,272,200
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	28,907,087	32,283,669	38,792,100	40,450,900
Operating Expenses	3,260,781	3,308,997	8,910,400	8,437,300
Grants Loans Benefits	87,768,549	16,850,105	61,180,700	384,000
<b>TOTAL EXPENDITURES</b>	119,936,418	52,442,771	108,883,200	49,272,200
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	87,574,300	16,849,450	61,180,700	384,000
Restricted Funds	32,362,118	35,593,321	47,702,500	48,888,200
<b>TOTAL EXPENDITURES</b>	119,936,418	52,442,771	108,883,200	49,272,200
<b>EXPENDITURES BY UNIT</b>				
Kentucky Retirement Systems	119,936,418	52,442,771	108,883,200	49,272,200
<b>TOTAL EXPENDITURES</b>	119,936,418	52,442,771	108,883,200	49,272,200

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. Pursuant to KRS 61.565 the General Assembly shall pay the full actuarially required contribution rate. Employees contribute at a fixed rate set in the statutes. The assets of the system are considered trust funds. All expenses are paid from the trust.

Restricted Funds providing for the operations of the Kentucky Retirement Systems in the Budget of the Commonwealth are transferred from trust funds held by the System for the benefit of members and beneficiaries. The trust funds include investment earnings, employee contributions, and employer contributions from agencies supported by the General Fund, the Road Fund, Federal Funds, and Restricted Funds.

The Budget of the Commonwealth provides additional General Fund in the amount of \$384,000 in fiscal year 2021 in a direct appropriation for the unfunded liabilities of the State Police Retirement System.



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

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>Restricted Funds</b>				
Balance Forward	23,280,831	26,199,444	28,469,800	27,564,900
Current Receipts	23,166,439	24,885,244	24,611,700	25,880,500
Non-Revenue Receipts		15,272		
<b>Total Restricted Funds</b>	<b>46,447,270</b>	<b>51,099,959</b>	<b>53,081,500</b>	<b>53,445,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>46,447,270</b>	<b>51,099,959</b>	<b>53,081,500</b>	<b>53,445,400</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	16,292,621	18,739,365	20,977,200	22,088,000
Operating Expenses	3,477,701	3,462,777	3,817,700	4,165,800
Grants Loans Benefits	448,616	420,242	496,500	497,000
Capital Outlay	6,031		225,200	
Construction	22,858	7,660		
<b>TOTAL EXPENDITURES</b>	<b>20,247,826</b>	<b>22,630,045</b>	<b>25,516,600</b>	<b>26,750,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
Restricted Funds	20,247,826	22,630,045	25,516,600	26,750,800
<b>TOTAL EXPENDITURES</b>	<b>20,247,826</b>	<b>22,630,045</b>	<b>25,516,600</b>	<b>26,750,800</b>
<b>EXPENDITURES BY UNIT</b>				
Accountancy	557,556	557,861	655,500	673,300
Certification of Alcohol and Drug Counselors	86,429	168,878	180,200	180,200
Applied Behavior Analysis Licensing	36,669	37,258	39,600	39,600
Architects	416,133	460,112	446,300	474,500
Certification for Professional Art Therapists	10,051	8,339	11,200	11,200
Barbering	323,279	294,911	426,000	465,400
Chiropractic Examiners	287,345	346,350	377,900	377,900
Dentistry	563,752	670,537	1,017,500	939,600
Diabetes Educators	43,010	29,213	29,300	29,300
Licensure & Cert. for Dietitians & Nutritionists	57,696	71,963	93,900	93,900
Embalmers and Funeral Directors	464,133	456,711	488,600	498,300
Licensure for Prof. Engineers and Land Surveyors	1,201,073	1,441,788	1,594,500	1,772,200
Certification of Fee-Based Pastoral Counselors	3,042	2,614	3,600	3,600
Registration for Professional Geologists	87,916	107,583	109,000	109,000
Hairdressers and Cosmetologists	1,366,883	1,642,811	1,733,700	1,936,900
Specialists in Hearing Instruments	45,130	55,941	78,000	78,000
Interpreters for the Deaf and Hard of Hearing	34,159	38,008	38,200	38,200
Examiners & Registration of Landscape Architects	67,133	75,516	78,700	80,700
Licensure of Marriage and Family Therapists	85,166	113,972	133,600	133,600
Licensure for Massage Therapy	163,310	152,475	156,500	154,300
Medical Imaging and Radiation Therapy	264,907	311,068	372,200	443,800
Medical Licensure	2,970,973	3,269,724	3,426,800	3,550,900
Nursing	6,615,297	7,002,982	8,355,200	8,924,800

**EXPENDITURES BY UNIT**

Licensure for Nursing Home Administrators	55,713	76,398	101,100	101,100
Licensure for Occupational Therapy	148,059	211,238	211,600	211,600
Ophthalmic Dispensers	44,238	71,199	71,400	71,400
Optometric Examiners	197,652	216,308	233,300	221,800
Pharmacy	2,080,823	2,363,584	2,465,300	2,568,200
Physical Therapy	441,590	585,729	652,700	673,500
Podiatry	26,378	45,957	46,500	46,500
Private Investigators	55,275	86,208	113,700	113,700
Licensed Professional Counselors	214,489	304,492	310,800	310,800
Prosthetics, Orthotics and Pedorthics	89,706	40,968	46,200	46,200
Examiners of Psychology	192,650	242,185	256,400	256,400
Veterinary Examiners	225,430	239,538	275,000	275,000
Respiratory Care	199,907	226,133	238,400	251,900
Social Work	388,119	398,499	425,300	370,600
Speech-Language Pathology and Audiology	136,754	204,995	222,900	222,900
<b>TOTAL EXPENDITURES</b>	<b>20,247,826</b>	<b>22,630,045</b>	<b>25,516,600</b>	<b>26,750,800</b>

The thirty-eight 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-four 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**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	258,200	282,700	286,400	288,500
Budget Reduction-General Fund	-13,200			
<b>Total General Fund</b>	<b>245,000</b>	<b>282,700</b>	<b>286,400</b>	<b>288,500</b>
<b>Restricted Funds</b>				
Balance Forward	5,013,020	4,853,989	5,999,500	5,662,900
Current Receipts	4,378,944	6,051,388	6,927,000	6,965,000
Non-Revenue Receipts	-47,711	2,259		-4,131,000
<b>Total Restricted Funds</b>	<b>9,344,253</b>	<b>10,907,636</b>	<b>12,926,500</b>	<b>8,496,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>9,589,253</b>	<b>11,190,336</b>	<b>13,212,900</b>	<b>8,785,400</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	738,274	818,898	932,200	944,900
Operating Expenses	237,222	224,571	2,147,600	2,570,000
Grants Loans Benefits	300,840	277,656	298,200	280,000
Debt Service	3,458,928	3,869,709	4,132,000	4,101,000
Capital Outlay			40,000	79,200
<b>TOTAL EXPENDITURES</b>	<b>4,735,264</b>	<b>5,190,834</b>	<b>7,550,000</b>	<b>7,975,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	245,000	282,700	286,400	288,500
Restricted Funds	4,490,264	4,908,134	7,263,600	7,686,600
<b>TOTAL EXPENDITURES</b>	<b>4,735,264</b>	<b>5,190,834</b>	<b>7,550,000</b>	<b>7,975,100</b>
<b>EXPENDITURES BY UNIT</b>				
General Operations	1,031,336	1,038,425	1,268,600	1,299,300
Locks and Dams Construction/ Maintenance	3,458,928	3,869,709	5,975,000	6,389,000
Locks and Dams Operations	245,000	282,700	306,400	286,800
<b>TOTAL EXPENDITURES</b>	<b>4,735,264</b>	<b>5,190,834</b>	<b>7,550,000</b>	<b>7,975,100</b>

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

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

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

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

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

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	134,918,000	129,898,300	129,071,300	125,243,600
<b>Total General Fund</b>	<b>134,918,000</b>	<b>129,898,300</b>	<b>129,071,300</b>	<b>125,243,600</b>
<b>Restricted Funds</b>				
Balance Forward	13,119,398	26,954,201	4,711,300	8,811,400
Non-Revenue Receipts	13,834,803	3,757,064	4,100,100	
Fund Transfers		-26,000,000		-2,900,000
<b>Total Restricted Funds</b>	<b>26,954,201</b>	<b>4,711,264</b>	<b>8,811,400</b>	<b>5,911,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>161,872,201</b>	<b>134,609,564</b>	<b>137,882,700</b>	<b>131,155,000</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	337,600	355,100	360,100	362,400
Operating Expenses	36,100	42,000	38,800	45,000
Debt Service	134,544,300	129,501,200	128,672,400	124,836,200
<b>TOTAL EXPENDITURES</b>	<b>134,918,000</b>	<b>129,898,300</b>	<b>129,071,300</b>	<b>125,243,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	134,918,000	129,898,300	129,071,300	125,243,600
<b>TOTAL EXPENDITURES</b>	<b>134,918,000</b>	<b>129,898,300</b>	<b>129,071,300</b>	<b>125,243,600</b>
<b>EXPENDITURES BY UNIT</b>				
School Facilities Construction Commission	134,918,000	129,898,300	129,071,300	125,243,600
<b>TOTAL EXPENDITURES</b>	<b>134,918,000</b>	<b>129,898,300</b>	<b>129,071,300</b>	<b>125,243,600</b>

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

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

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

**Policy**

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

The Budget of the Commonwealth includes new General Fund debt service in the amount of \$1,070,400 in fiscal year 2021 to support \$58,000,000 in new regular offers of assistance for school districts and \$1,876,500 in fiscal year 2021 to support \$47,527,000 in urgent needs offers of assistance for 4 school districts.

The Budget of the Commonwealth authorizes the School Facilities Construction Commission to make an additional \$58,000,000 in new offers of assistance during the 2020-2022 biennium in anticipation of debt service availability during the 2022-2024 biennium.

**General Government  
Teachers' Retirement System**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	744,837,200	828,160,500	719,474,400	781,620,000
Surplus Expenditure Plan			70,000,000	
<b>Total General Fund</b>	<b>744,837,200</b>	<b>828,160,500</b>	<b>789,474,400</b>	<b>781,620,000</b>
<b>Restricted Funds</b>				
Balance Forward	5,025,589	1,827,302	2,527,027	
Current Receipts	-362,927	28,610		
Non-Revenue Receipts	10,062,209	14,467,510	11,461,973	16,100,300
<b>Total Restricted Funds</b>	<b>14,724,870</b>	<b>16,323,422</b>	<b>13,989,000</b>	<b>16,100,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>759,562,070</b>	<b>844,483,922</b>	<b>803,463,400</b>	<b>797,720,300</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	10,971,452	11,125,633	11,881,600	12,192,900
Operating Expenses	1,756,794	2,613,713	1,981,500	3,781,500
Grants Loans Benefits	647,858,522	749,294,475	728,896,000	729,960,000
Debt Service	97,147,923	78,866,025	60,578,400	51,660,000
Capital Outlay			125,900	125,900
Construction		57,049		
<b>TOTAL EXPENDITURES</b>	<b>757,734,692</b>	<b>841,956,894</b>	<b>803,463,400</b>	<b>797,720,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	744,837,123	828,160,500	789,474,400	781,620,000
Restricted Funds	12,897,568	13,796,394	13,989,000	16,100,300
<b>TOTAL EXPENDITURES</b>	<b>757,734,692</b>	<b>841,956,894</b>	<b>803,463,400</b>	<b>797,720,300</b>
<b>EXPENDITURES BY UNIT</b>				
Teachers' Retirement System	757,734,692	841,956,894	803,463,400	797,720,300
<b>TOTAL EXPENDITURES</b>	<b>757,734,692</b>	<b>841,956,894</b>	<b>803,463,400</b>	<b>797,720,300</b>

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

Administration of the System is the responsibility of the nine member Board of Trustees. Two of the members, the Commissioner of Education and the State Treasurer, are ex officio, serving by reason of their constitutional offices. The members of the Retirement System elect the remaining seven trustees for four year terms. Four of these must be active members of the Retirement System, one must be a retired member, and two must be persons from outside the teaching profession. The Board of Trustees appoints an Executive Secretary who is responsible for the administration of the affairs of the Retirement System under policies established by the Board.

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

Benefits are financed through member contributions, contributions by the state, and income accruing from the invested reserves of the system. The General Assembly has set the member contribution rate at 9.855 percent of gross salary for persons other than university faculty members joining the system prior to July 1, 2008. Persons joining on or after that date contribute 10.855 percent of gross salary. University faculty members who joined the system prior to July 1, 2008 contribute 8.375 percent of gross salary and their employer matches this amount. University faculty members joining on or after that date contribute 9.375 percent of gross salary with the employer matching that amount. In addition, each employer contributes an overmatch of 3.25 percent of gross salary to help reduce the system's unfunded liability. The reserves of the agency are invested in a manner that will provide a reasonable rate of return with major emphasis on the protection of the reserves.

HB 540 enacted by the 2010 Regular Session of the General Assembly required additional contributions to ensure the solvency and stability of the retirement system's medical insurance fund. Members hired prior to July 1, 2008 contribute an additional 3.0% and members hired July 1, 2008 or later contribute an additional 2.0% to the medical insurance fund. This brings the total member contributions for the medical insurance to 3.75% for all members.

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

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

## **Policy**

The Budget of the Commonwealth includes General Fund support in the amount of \$51,660,000 in fiscal year 2021 for debt service on bonds previously issued.

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

The Budget of the Commonwealth fulfilled the General Assembly's 2014 pledge to use lesser debt service in the amount of \$8,918,400 in fiscal year 2021 to reduce pension liability.

The Budget of the Commonwealth includes \$445,600 in fiscal year 2021 in General Fund Support to fund the actuarially determined contribution amount requested by the Teachers' Retirement System.

**General Government  
Judgments**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation				22,500,000
Current Year Appropriation			16,900,000	
Mandated Allotments	531,627	4,384,814		
<b>Total General Fund</b>	531,627	4,384,814	16,900,000	22,500,000
<b>TOTAL SOURCE OF FUNDS</b>	531,627	4,384,814	16,900,000	22,500,000
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs		687,440		
Operating Expenses	531,627	3,697,374	16,900,000	22,500,000
<b>TOTAL EXPENDITURES</b>	531,627	4,384,814	16,900,000	22,500,000
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	531,627	4,384,814	16,900,000	22,500,000
<b>TOTAL EXPENDITURES</b>	531,627	4,384,814	16,900,000	22,500,000
<b>EXPENDITURES BY UNIT</b>				
Judgments	531,627	4,384,814	16,900,000	22,500,000
<b>TOTAL EXPENDITURES</b>	531,627	4,384,814	16,900,000	22,500,000

The Judgments budget unit is for the payment of judgments rendered against the Commonwealth upon a claim filed pursuant to KRS 45A.240 to 45A.270.

**Policy**

The Budget of the Commonwealth includes additional General Fund in the amount of \$16,900,000 in fiscal year 2020 and \$22,500,000 in fiscal year 2021 for known liabilities.

The Executive branch budget bill, House Bill 352, includes a new provision regarding the payment of Judgments. It requires that the payment of judgments that exceed the appropriation amount shall not be deemed a necessary government expense, which is sourced from a General Fund surplus or the Budget Reserve Trust Fund. This is a significant change from past practice and because of known court judgments that must be paid in fiscal year 2020-2021, will result in unbudgeted payments to be made by applicable state agencies or delays in payments. This new budget bill provision does acknowledge that a request for a future appropriation may be made to satisfy all such judgments.

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

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	5,026,400	14,526,400	14,526,400	14,526,400
Current Year Appropriation			4,500,000	
Mandated Allotments	14,708,154	11,238,395		
<b>Total General Fund</b>	<b>19,734,554</b>	<b>25,764,795</b>	<b>19,026,400</b>	<b>14,526,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>19,734,554</b>	<b>25,764,795</b>	<b>19,026,400</b>	<b>14,526,400</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	16,366,320	18,813,486	16,639,900	12,139,900
Operating Expenses	3,368,234	6,951,233	2,383,400	2,383,400
Grants Loans Benefits			3,100	3,100
<b>TOTAL EXPENDITURES</b>	<b>19,734,554</b>	<b>25,764,718</b>	<b>19,026,400</b>	<b>14,526,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	19,734,554	25,764,718	19,026,400	14,526,400
<b>TOTAL EXPENDITURES</b>	<b>19,734,554</b>	<b>25,764,718</b>	<b>19,026,400</b>	<b>14,526,400</b>
<b>EXPENDITURES BY UNIT</b>				
Attorney General Expense	432,444	347,413	450,000	450,000
Kentucky Claims Commission Award	359,318	486,145	200,000	200,000
Guardian Ad Litem	15,865,351	18,226,082	16,124,900	11,624,900
Prior Year Claims	66,870	541,583	100,000	100,000
Unredeemed Checks Refunded	1,510,911	4,977,993	1,252,400	1,252,400
Involuntary Commitments-ICF/MR	68,525	62,080	65,000	65,000
Frankfort In Lieu of Taxes	195,000	195,000	195,000	195,000
Frankfort Cemetery			3,100	3,100
Survivor Benefits	1,128,953	809,333	488,900	488,900
Med Malpractice Liability Ins Reimb	68,400	80,453	97,100	97,100
Blanket Employee Bonds	38,781	38,636	50,000	50,000
<b>TOTAL EXPENDITURES</b>	<b>19,734,554</b>	<b>25,764,718</b>	<b>19,026,400</b>	<b>14,526,400</b>

Appropriations Not Otherwise Classified (ANOC) are appropriations not related to particular programs. Each item within this category has been given program status so that expenditures can be budgeted and accounted for separately.

The Attorney General Expense program is used to pay expenses associated with representation of the Commonwealth and payments for expert witnesses pursuant to KRS 12.215.

The Kentucky Claims Commission program pays claims adjudicated under KRS Chapter 49, the only forum through which a citizen can sue the state for alleged negligence and receive payments for damages caused by the Commonwealth. Awards under \$5,000 are paid by the agency at fault. Awards over \$5,000 are paid from the General Fund, and awards against the Transportation Cabinet are paid from the Road Fund. The maximum award on a single claim is \$250,000, and there is a cap of \$400,000 on multiple claims arising from the same incident. See also KRS 49.040-49.180.

Guardians ad Litem appointed by the court under KRS 620.100, 625.080, 403.100, and 199.502 to represent minors in neglect and abuse cases and certain child custody cases are paid the statutory rate of \$500 per case from the General Fund.

KRS 45.231 directs the Finance and Administration Cabinet to determine the validity of expenses incurred by an agency but not paid in the fiscal year in which the expense was incurred. If the claim is valid the Cabinet may pay for the expense from the Prior Year Claims program. All claims are limited to those incurred during the two preceding fiscal years and the total shall not exceed the available balance remaining to the credit of the applicable agency at the close of the fiscal year in which the obligations were incurred.



Un-cashed checks owed by the Commonwealth to a recipient are held for five years and funded by the Unredeemed Checks Refunded program when presented with a claim for reimbursement per KRS 41.370.

The Involuntary Commitments program provides funding for legal representation on behalf of persons requiring involuntary hospitalization pursuant to KRS 202B.210.

The Frankfort in Lieu of Taxes program provides funding for a payment by the Commonwealth to the City of Frankfort in lieu of property taxes normally owed annually per KRS 45.021.

Pursuant to a Memorandum of Agreement between the Frankfort Cemetery and the Commonwealth, a payment from the General Fund is made annually for the maintenance of Daniel Boone's grave.

Survivor Benefits in the amount of \$80,000 are paid from the General Fund to the spouses and/or children of a police officer, firefighter, or member of the Kentucky National Guard who is killed in the line of duty pursuant to KRS 61.315.

The Medical Malpractice Liability Insurance program reimburses clinics and small, regional health care providers for medical malpractice insurance premiums pursuant to KRS 304.40-075.

The Blanket Employee Bonds program fund bonds secured by the Commonwealth to cover damages to the Commonwealth because of criminal actions by an employee pursuant to KRS 62.170.

### **Policy**

The Budget of the Commonwealth includes additional General Fund in the amount of \$4,500,000 in fiscal year 2020 for known liabilities in the ANOC budget unit. 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**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation		33,387,400	34,268,300	34,220,000
Current Year Appropriation	2,820,200			
Other	22,753,775			
<b>Total General Fund</b>	25,573,975	33,387,400	34,268,300	34,220,000
<b>Restricted Funds</b>				
Balance Forward	4,247,063	3,806,615	2,293,100	793,100
Current Receipts				11,240,000
Non-Revenue Receipts		-973,756		
<b>Total Restricted Funds</b>	4,247,063	2,832,860	2,293,100	12,033,100
<b>Federal Fund</b>				
Current Receipts	6,139			
Non-Revenue Receipts	-1,612			
<b>Total Federal Fund</b>	4,527			
<b>TOTAL SOURCE OF FUNDS</b>	29,825,566	36,220,260	36,561,400	46,253,100
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	2,132,124	3,615,740	4,624,500	3,337,500
Operating Expenses	23,164,863	30,311,335	31,143,800	42,915,600
Grants Loans Benefits	2,031			
<b>TOTAL EXPENDITURES</b>	25,299,019	33,927,075	35,768,300	46,253,100
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	24,854,044	33,387,341	34,268,300	34,220,000
Restricted Funds	440,448	539,733	1,500,000	12,033,100
Federal Fund	4,527			
<b>TOTAL EXPENDITURES</b>	25,299,019	33,927,075	35,768,300	46,253,100
<b>EXPENDITURES BY UNIT</b>				
KY Communications Network Authority	25,060,246	33,927,075	35,768,300	46,253,100
Regional Strategic Development Funds	238,773			
<b>TOTAL EXPENDITURES</b>	25,299,019	33,927,075	35,768,300	46,253,100

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**

During fiscal year 2020-2021, the Kentucky Communications Network Authority will actively be engaged in transitioning state agencies to the new KentuckyWired network, providing network speeds up to five times current speeds across all regions of the Commonwealth and improving the business capabilities of the Commonwealth's agencies.

# Economic Development

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## Economic Development

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	24,065,500	25,496,800	25,606,300	26,054,000
Special Appropriation	641,000			3,069,000
Continuing Approp-General Fund	3,443,248	2,777,382	8,200,000	
Budget Reduction-General Fund	-409,000			
Other	-173,400			
<b>Total General Fund</b>	<b>27,567,348</b>	<b>28,274,182</b>	<b>33,806,300</b>	<b>29,123,000</b>
<b>Restricted Funds</b>				
Balance Forward	937,965	2,548,135	2,549,200	976,000
Current Receipts	3,665,862	2,388,370	2,743,600	3,009,200
<b>Total Restricted Funds</b>	<b>4,603,827</b>	<b>4,936,506</b>	<b>5,292,800</b>	<b>3,985,200</b>
<b>Federal Fund</b>				
Balance Forward	13,056	-12,289	-127,900	124,400
Current Receipts	255,665	384,343	652,300	304,400
<b>Total Federal Fund</b>	<b>268,722</b>	<b>372,055</b>	<b>524,400</b>	<b>428,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>32,439,897</b>	<b>33,582,743</b>	<b>39,623,500</b>	<b>33,537,000</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	10,839,621	11,928,626	13,523,200	12,043,000
Operating Expenses	2,473,981	2,453,625	2,561,800	3,939,800
Grants Loans Benefits	12,249,856	8,576,055	22,438,100	14,011,800
Debt Service	1,563,000			3,069,000
<b>TOTAL EXPENDITURES</b>	<b>27,126,458</b>	<b>22,958,306</b>	<b>38,523,100</b>	<b>33,063,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	24,789,756	20,071,048	33,806,300	26,054,000
Restricted Funds	2,055,692	2,387,261	4,316,800	3,634,200
Federal Fund	281,010	499,996	400,000	306,400
<b>TOTAL EXPENDITURES</b>	<b>27,126,458</b>	<b>22,958,306</b>	<b>38,523,100</b>	<b>29,994,600</b>
<b>EXPENDITURES BY UNIT</b>				
Economic Development	27,126,458	22,958,306	38,523,100	29,994,600
<b>TOTAL EXPENDITURES</b>	<b>27,126,458</b>	<b>22,958,306</b>	<b>38,523,100</b>	<b>29,994,600</b>

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

The budgetary resources for the Cabinet are organized in four programs within a single appropriation unit. Business Development is the Commonwealth's marketing and sales force to both prospective investors and existing businesses. Its resources include Kentucky-based business development agents and representatives in Tokyo, Japan and Hamburg, Germany; a database of available sites; comprehensive market research; targeted programs for small businesses; and support of the statewide network of Innovation and Commercialization Centers. The Bluegrass State Skills Corporation makes matching grants for industry-specific training of employees. Financial Services administers loans, grants and tax incentives available to businesses that invest and create or maintain jobs in Kentucky, and staffs the Kentucky Economic Development Finance Authority. The Office of the Secretary provides strategic direction for Cabinet activities and administrative services such as legal, fiscal, budget, personnel and asset management.

### Policy

The Budget of the Commonwealth The Budget of the Commonwealth provides General Fund support of \$1,000,000 in fiscal year 2021 for Bluegrass State Skills Corporation to make training grants to Ford Motor Company.

House Bill 99 of the 2020 regular session appropriated \$3,069,000 for new debt service in fiscal year 2021 to support \$35,000,000 in new bonds in fiscal year 2020 for the creation and funding of a Kentucky Economic Development Finance Authority loan for a qualifying public medical center located in a city of the first class.

# Department of Education

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**Department of Education**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	4,129,690,300	4,122,433,400	4,143,248,100	4,106,080,500
Continuing Approp-General Fund	12,090,664			
Budget Reduction-General Fund	-21,247,700			
Reorganization Adjustment			-15,349,800	
<b>Total General Fund</b>	<b>4,120,533,264</b>	<b>4,122,433,400</b>	<b>4,127,898,300</b>	<b>4,106,080,500</b>
<b>Restricted Funds</b>				
Balance Forward	10,518,946	12,847,607	16,171,944	
Current Receipts	5,210,253	4,137,050	5,838,531	22,641,300
Non-Revenue Receipts	19,199,865	22,287,203	21,410,425	23,720,500
Fund Transfers				-200,000
<b>Total Restricted Funds</b>	<b>34,929,065</b>	<b>39,271,859</b>	<b>43,420,900</b>	<b>46,161,800</b>
<b>Federal Fund</b>				
Balance Forward	3,340,881	6,898,731	171,000	
Current Receipts	857,727,830	916,601,209	968,859,300	971,699,900
Non-Revenue Receipts	-281,322			
SFSF Receipts	79			
<b>Total Federal Fund</b>	<b>860,787,468</b>	<b>923,499,941</b>	<b>969,030,300</b>	<b>971,699,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>5,016,249,796</b>	<b>5,085,205,200</b>	<b>5,140,349,500</b>	<b>5,123,942,200</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	123,883,615	118,392,476	133,557,500	123,779,200
Operating Expenses	34,417,482	32,660,846	33,184,400	34,305,700
Grants Loans Benefits	4,821,999,382	4,913,497,578	4,887,911,200	4,964,897,800
Debt Service	1,220,500			959,500
Capital Outlay	249,059	164,458		
<b>TOTAL EXPENDITURES</b>	<b>4,981,770,039</b>	<b>5,064,715,359</b>	<b>5,054,653,100</b>	<b>5,123,942,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	4,105,799,844	4,122,433,383	4,042,201,900	4,106,080,500
Restricted Funds	22,081,458	22,666,705	43,420,900	46,161,800
Federal Fund	853,888,737	919,615,271	969,030,300	971,699,900
<b>TOTAL EXPENDITURES</b>	<b>4,981,770,039</b>	<b>5,064,715,359</b>	<b>5,054,653,100</b>	<b>5,123,942,200</b>
<b>EXPENDITURES BY UNIT</b>				
Support Education Excellence in Kentucky (SEEK)	3,022,599,253	3,056,500,800	2,961,784,500	2,973,696,700
Operations and Support Services	440,225,864	452,943,296	474,184,900	473,681,300
Learning and Results Services	1,518,944,922	1,555,271,263	1,618,683,700	1,676,564,200
<b>TOTAL EXPENDITURES</b>	<b>4,981,770,039</b>	<b>5,064,715,359</b>	<b>5,054,653,100</b>	<b>5,123,942,200</b>

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

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	3,024,776,100	3,056,500,800	3,047,480,900	2,973,696,700
Continuing Approp-General Fund	10,776,753			
<b>Total General Fund</b>	<b>3,035,552,853</b>	<b>3,056,500,800</b>	<b>3,047,480,900</b>	<b>2,973,696,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,035,552,853</b>	<b>3,056,500,800</b>	<b>3,047,480,900</b>	<b>2,973,696,700</b>
<b>EXPENDITURES BY CLASS</b>				
Grants Loans Benefits	3,022,599,253	3,056,500,800	2,961,784,500	2,973,696,700
<b>TOTAL EXPENDITURES</b>	<b>3,022,599,253</b>	<b>3,056,500,800</b>	<b>2,961,784,500</b>	<b>2,973,696,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	3,022,599,253	3,056,500,800	2,961,784,500	2,973,696,700
<b>TOTAL EXPENDITURES</b>	<b>3,022,599,253</b>	<b>3,056,500,800</b>	<b>2,961,784,500</b>	<b>2,973,696,700</b>
<b>EXPENDITURES BY UNIT</b>				
Base Funding	2,081,549,884	2,079,778,600	2,006,375,300	1,978,539,700
Pupil Transportation	225,529,553	214,752,800	214,752,800	214,752,800
Equalized Facilities	121,567,206	145,458,900	130,114,600	169,933,600
Tier I Equalization	168,421,310	179,961,700	164,893,000	179,738,200
National Board Certification Salary Supplement	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	
Vocational Education Transportation	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	425,565,500
<b>TOTAL EXPENDITURES</b>	<b>3,022,599,253</b>	<b>3,056,500,800</b>	<b>2,961,784,500</b>	<b>2,973,696,700</b>

**Policy**

The Budget of the Commonwealth provides funding to accommodate a projected average daily attendance of 587,638 in fiscal year 2020-2021. The base SEEK per pupil guarantee amount of \$4000 for fiscal year 2019-2020 is maintained in fiscal year 2020-2021. The projected total local school district assessed property valuation is \$358.7 billion in fiscal year 2020-2021. Projected numbers are based on a consensus reached by the Department of Education and the Office of State Budget Director.

The Budget of the Commonwealth provides funding of \$214,752,800 in fiscal year 2020-2021 for the pupil transportation program. The budget includes \$179,738,200 in fiscal year 2020-2021 to provide Tier I funding to local school districts to equalize local revenues raised under this SEEK component at a level of \$916,000 of assessed property valuation per student (150 percent of the projected statewide average per pupil).

The Budget of the Commonwealth provides funding for the Facilities Support Program of Kentucky (FSPK) in the amount of \$169,933,600 in fiscal year 2020-2021 to provide equalization funding for local district revenues from the equivalent nickel levy. This funding includes equalization of growth, retroactive, and equalized facility nickels levied before January 1, 2020, up to three nickels, as well as equalization of 33 new districts at 25%. Nickels that are partially equalized in fiscal year 2020-2021 are intended to be fully equalized in the 2022-2024 fiscal biennium.

The Budget of the Commonwealth maintains funding for vocational education transportation at the fiscal year 2019-2020 level of \$2,416,900 in fiscal year 2020-2021.

The Budget of the Commonwealth includes \$425,565,500 in fiscal year 2020-2021 for the Teachers' Retirement employer match on behalf of local school districts.

The Budget of the Commonwealth provides \$2,750,000 in fiscal year 2020-2021 for annual salary supplements to teachers achieving and maintaining certification by the National Board for Professional Teaching Standards.



General Fund in the amount of \$22,881,900 for state-run secondary career and technical education schools reimbursement is included in the Learning and Results Services Career and Technical Education budget unit. This funding was included in the SEEK appropriation unit since SEEK's inception. The budget combines these funds with other General Fund budgeted for state-run career and technical education schools.

Notwithstanding 2018 Ky. Acts ch. 169, Part I, C., (3), any unexpended SEEK funds in fiscal year 2019-2020 shall lapse to the General Fund. The projected lapse is \$85,696,400. Due to the COVID-19 pandemic, the General Assembly lowered the fiscal year 2019-20 revenue estimate by \$128 million. The excess SEEK funds were devoted in the enacted budget to assist in balancing the budget to the lower revenue number. Excess SEEK funds were primarily the result of lower than anticipated student average daily attendance and higher than anticipated property valuation.

**Department of Education  
Operations and Support Services**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	58,849,300	56,243,700	56,326,300	55,615,100
Continuing Approp-General Fund	609,552			
Budget Reduction-General Fund	-943,300			
Reorganization Adjustment		3,290,500	1,279,000	
<b>Total General Fund</b>	<b>58,515,552</b>	<b>59,534,200</b>	<b>57,605,300</b>	<b>55,615,100</b>
<b>Restricted Funds</b>				
Balance Forward	2,671,572	3,042,727	3,686,900	
Current Receipts	112,157	239,337	2,530,100	5,230,100
Non-Revenue Receipts	333,614	526,474	1,184,500	2,883,300
Fund Transfers				-200,000
<b>Total Restricted Funds</b>	<b>3,117,343</b>	<b>3,808,539</b>	<b>7,401,500</b>	<b>7,913,400</b>
<b>Federal Fund</b>				
Balance Forward	120,549	189,141	171,000	
Current Receipts	383,454,288	393,270,784	409,007,100	410,152,800
<b>Total Federal Fund</b>	<b>383,574,837</b>	<b>393,459,924</b>	<b>409,178,100</b>	<b>410,152,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>445,207,732</b>	<b>456,802,663</b>	<b>474,184,900</b>	<b>473,681,300</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	17,591,311	18,688,364	22,620,900	19,324,700
Operating Expenses	21,256,804	22,234,552	22,745,000	23,180,000
Grants Loans Benefits	400,157,249	412,020,379	428,819,000	430,217,100
Debt Service	1,220,500			959,500
<b>TOTAL EXPENDITURES</b>	<b>440,225,864</b>	<b>452,943,296</b>	<b>474,184,900</b>	<b>473,681,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	56,765,552	59,534,200	57,605,300	55,615,100
Restricted Funds	74,616	121,577	7,401,500	7,913,400
Federal Fund	383,385,696	393,287,519	409,178,100	410,152,800
<b>TOTAL EXPENDITURES</b>	<b>440,225,864</b>	<b>452,943,296</b>	<b>474,184,900</b>	<b>473,681,300</b>
<b>EXPENDITURES BY UNIT</b>				
Commissioner's Office/Board of Education	1,723,861	2,674,485	2,734,000	2,715,400
Finance & Operations	398,992,041	410,719,196	431,157,900	432,525,400
Legal Services	858,462	1,048,715	1,428,100	1,393,100
Education Technology	38,651,500	38,500,900	38,864,900	37,047,400
<b>TOTAL EXPENDITURES</b>	<b>440,225,864</b>	<b>452,943,296</b>	<b>474,184,900</b>	<b>473,681,300</b>

The Operations and Support Services program area consists of the Office of Finance and Operations; the Office of Education Technology; the Office of Legal Services; Commissioner of Education, and the Kentucky Board of Education.

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

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	1,877,038	1,263,285	2,629,100	2,610,500
Budget Reduction-General Fund	-155,300			
Reorganization Adjustment		1,411,200		
<b>Total General Fund</b>	<b>1,721,738</b>	<b>2,674,485</b>	<b>2,629,100</b>	<b>2,610,500</b>
<b>Restricted Funds</b>				
Balance Forward	468	103,104	103,500	
Current Receipts	4,759	397	1,400	104,900
Non-Revenue Receipts	100,000			
<b>Total Restricted Funds</b>	<b>105,227</b>	<b>103,501</b>	<b>104,900</b>	<b>104,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,826,965</b>	<b>2,777,986</b>	<b>2,734,000</b>	<b>2,715,400</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	1,699,960	2,469,336	2,589,400	2,413,100
Operating Expenses	23,901	205,149	144,600	302,300
<b>TOTAL EXPENDITURES</b>	<b>1,723,861</b>	<b>2,674,485</b>	<b>2,734,000</b>	<b>2,715,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	1,721,738	2,674,485	2,629,100	2,610,500
Restricted Funds	2,123		104,900	104,900
<b>TOTAL EXPENDITURES</b>	<b>1,723,861</b>	<b>2,674,485</b>	<b>2,734,000</b>	<b>2,715,400</b>

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

The Kentucky Board of Education consists of 14 members. The governor appoints 11 voting members – four represent the state at large and seven represent the Supreme Court districts. The remaining three members, the Secretary of the Education and Workforce Development Cabinet, the President of the Council on Postsecondary Education (CPE), and an active elementary or secondary school teacher, serve as non-voting members. Each member serves a four-year term and may be reappointed. The Kentucky Board of Education members elect a board chair and vice chair at the beginning of each fiscal year.

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  
Finance & Operations**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	15,500,800	15,457,500	14,683,200	14,564,100
Continuing Approp-General Fund	609,552			
Budget Reduction-General Fund	-576,500			
Reorganization Adjustment		1,852,600		
<b>Total General Fund</b>	<b>15,533,852</b>	<b>17,310,100</b>	<b>14,683,200</b>	<b>14,564,100</b>
<b>Restricted Funds</b>				
Balance Forward	2,671,103	2,939,623	3,583,400	
Current Receipts	107,398	238,940	2,528,700	5,125,200
Non-Revenue Receipts	233,614	526,474	1,184,500	2,883,300
Fund Transfers				-200,000
<b>Total Restricted Funds</b>	<b>3,012,115</b>	<b>3,705,038</b>	<b>7,296,600</b>	<b>7,808,500</b>
<b>Federal Fund</b>				
Balance Forward	119,121	187,713	171,000	
Current Receipts	383,454,288	393,270,784	409,007,100	410,152,800
<b>Total Federal Fund</b>	<b>383,573,409</b>	<b>393,458,496</b>	<b>409,178,100</b>	<b>410,152,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>402,119,376</b>	<b>414,473,634</b>	<b>431,157,900</b>	<b>432,525,400</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	11,965,911	11,561,156	14,855,800	12,337,600
Operating Expenses	2,722,881	4,262,161	4,643,500	4,751,600
Grants Loans Benefits	383,082,749	394,895,879	411,658,600	414,476,700
Debt Service	1,220,500			959,500
<b>TOTAL EXPENDITURES</b>	<b>398,992,041</b>	<b>410,719,196</b>	<b>431,157,900</b>	<b>432,525,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	15,533,852	17,310,100	14,683,200	14,564,100
Restricted Funds	72,492	121,577	7,296,600	7,808,500
Federal Fund	383,385,696	393,287,519	409,178,100	410,152,800
<b>TOTAL EXPENDITURES</b>	<b>398,992,041</b>	<b>410,719,196</b>	<b>431,157,900</b>	<b>432,525,400</b>
<b>EXPENDITURES BY UNIT</b>				
Finance & Operations	5,568,489	8,720,196	12,819,100	12,524,800
District Support	6,120,556	5,053,922	5,783,700	6,476,400
School & Community Nutrition	387,302,996	396,945,077	412,555,100	413,524,200
<b>TOTAL EXPENDITURES</b>	<b>398,992,041</b>	<b>410,719,196</b>	<b>431,157,900</b>	<b>432,525,400</b>

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

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

The Division of District Support distributes state SEEK funds to local school districts and provides districts with assistance on salary schedules, data management, facility management, and budgeting. Staff of the Division work with various Department of Education, Council for Postsecondary Education, and Professional Standards Board program areas in analyzing data and determining requirements for data entered in the Department's enterprise data system. The Division also reviews local school district facility plans and compiles information on school district construction needs for the School Facilities Construction Commission.

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

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

## **Policy**

The Budget of the Commonwealth includes General Fund for fiscal year 2020-2021 in the amount of \$959,500 for new debt service to support new bonds.

The Budget of the Commonwealth includes General Fund in the base budget for the following areas:

- \$492,300 for the Blind/Deaf Residential Travel Program
- \$1,000,000 to pay Advanced Placement and International Baccalaureate examination costs for students who qualify for the free and reduced lunch programs
- \$600,000 for the evaluation of primary and secondary school buildings
- \$3,555,900 for the School Food Service Program to match federal funds

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

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	858,462	1,374,315	783,300	1,393,100
Reorganization Adjustment		-325,600	644,800	
<b>Total General Fund</b>	<b>858,462</b>	<b>1,048,715</b>	<b>1,428,100</b>	<b>1,393,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>858,462</b>	<b>1,048,715</b>	<b>1,428,100</b>	<b>1,393,100</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	844,840	1,016,873	1,272,900	1,245,700
Operating Expenses	13,623	31,842	155,200	147,400
<b>TOTAL EXPENDITURES</b>	<b>858,462</b>	<b>1,048,715</b>	<b>1,428,100</b>	<b>1,393,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	858,462	1,048,715	1,428,100	1,393,100
<b>TOTAL EXPENDITURES</b>	<b>858,462</b>	<b>1,048,715</b>	<b>1,428,100</b>	<b>1,393,100</b>

The Office of Legal 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  
Education Technology**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	40,613,000	38,148,600	38,230,700	37,047,400
Budget Reduction-General Fund	-211,500			
Reorganization Adjustment		352,300	634,200	
<b>Total General Fund</b>	<b>40,401,500</b>	<b>38,500,900</b>	<b>38,864,900</b>	<b>37,047,400</b>
<b>Federal Fund</b>				
Balance Forward	1,428	1,428		
<b>Total Federal Fund</b>	<b>1,428</b>	<b>1,428</b>		
<b>TOTAL SOURCE OF FUNDS</b>	<b>40,402,928</b>	<b>38,502,328</b>	<b>38,864,900</b>	<b>37,047,400</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	3,080,600	3,641,000	3,902,800	3,328,300
Operating Expenses	18,496,400	17,735,400	17,801,700	17,978,700
Grants Loans Benefits	17,074,500	17,124,500	17,160,400	15,740,400
<b>TOTAL EXPENDITURES</b>	<b>38,651,500</b>	<b>38,500,900</b>	<b>38,864,900</b>	<b>37,047,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	38,651,500	38,500,900	38,864,900	37,047,400
<b>TOTAL EXPENDITURES</b>	<b>38,651,500</b>	<b>38,500,900</b>	<b>38,864,900</b>	<b>37,047,400</b>

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

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

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

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

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

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

KETS Field Services interact directly with District Technology Coordinators and school district technical staff to support the Student Technology Leadership Program (STLP), Microsoft IT Academy and other education technology programs.

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

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

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

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	1,046,064,900	1,009,688,900	1,039,440,900	1,076,768,700
Continuing Approp-General Fund	704,359			
Budget Reduction-General Fund	-20,304,400			
Reorganization Adjustment		-3,290,500	-16,628,800	
<b>Total General Fund</b>	<b>1,026,464,859</b>	<b>1,006,398,400</b>	<b>1,022,812,100</b>	<b>1,076,768,700</b>
<b>Restricted Funds</b>				
Balance Forward	7,847,375	9,804,880	12,485,044	
Current Receipts	5,098,097	3,897,713	3,308,431	17,411,200
Non-Revenue Receipts	18,866,251	21,760,728	20,225,925	20,837,200
<b>Total Restricted Funds</b>	<b>31,811,722</b>	<b>35,463,321</b>	<b>36,019,400</b>	<b>38,248,400</b>
<b>Federal Fund</b>				
Balance Forward	3,220,332	6,709,591		
Current Receipts	474,273,542	523,330,426	559,852,200	561,547,100
Non-Revenue Receipts	-281,322			
SFSF Receipts	79			
<b>Total Federal Fund</b>	<b>477,212,631</b>	<b>530,040,017</b>	<b>559,852,200</b>	<b>561,547,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,535,489,212</b>	<b>1,571,901,737</b>	<b>1,618,683,700</b>	<b>1,676,564,200</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	106,292,305	99,704,112	110,936,600	104,454,500
Operating Expenses	13,160,678	10,426,294	10,439,400	11,125,700
Grants Loans Benefits	1,399,242,881	1,444,976,399	1,497,307,700	1,560,984,000
Capital Outlay	249,059	164,458		
<b>TOTAL EXPENDITURES</b>	<b>1,518,944,922</b>	<b>1,555,271,263</b>	<b>1,618,683,700</b>	<b>1,676,564,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	1,026,435,039	1,006,398,383	1,022,812,100	1,076,768,700
Restricted Funds	22,006,842	22,545,129	36,019,400	38,248,400
Federal Fund	470,503,040	526,327,751	559,852,200	561,547,100
<b>TOTAL EXPENDITURES</b>	<b>1,518,944,922</b>	<b>1,555,271,263</b>	<b>1,618,683,700</b>	<b>1,676,564,200</b>
<b>EXPENDITURES BY UNIT</b>				
Continuous Improvement & Support	309,904,416	341,848,203	378,445,800	378,985,600
Special Education & Early Learning	290,104,213	295,760,096	301,223,700	302,070,800
Educator Licensure and Effectiveness	42,219,380	39,213,035	38,762,400	33,580,600
Standards, Assessment & Accountability	85,799,193	71,967,427	72,959,500	79,068,600
Career & Technical Education & Student Transition	76,684,418	77,933,409	82,480,100	112,571,900
Local District Health and Life Insurance	697,499,080	711,563,500	725,767,000	751,235,400
State Schools	16,734,221	16,985,593	19,045,200	19,051,300
<b>TOTAL EXPENDITURES</b>	<b>1,518,944,922</b>	<b>1,555,271,263</b>	<b>1,618,683,700</b>	<b>1,676,564,200</b>

The Learning and Results Services program area consists of the following offices: Office of Continuous Improvement and Support; Office of Special Education and Early Learning; Office of Educator Licensure and Effectiveness; Office of Standards, Assessment and Accountability; and Office of Career and Technical Education and Student Transition.



**Department of Education  
Learning and Results Services  
Continuous Improvement & Support**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	68,272,800	62,083,700	63,044,600	63,044,600
Budget Reduction-General Fund	-4,311,700			
Reorganization Adjustment		1,071,827		
<b>Total General Fund</b>	<b>63,961,100</b>	<b>63,155,527</b>	<b>63,044,600</b>	<b>63,044,600</b>
<b>Restricted Funds</b>				
Balance Forward				
Current Receipts			768,200	768,200
<b>Total Restricted Funds</b>			<b>768,200</b>	<b>768,200</b>
<b>Federal Fund</b>				
Balance Forward		908,179		
Current Receipts	246,851,495	278,388,439	314,633,000	315,172,800
Non-Revenue Receipts	-79			
SFSF Receipts	79			
<b>Total Federal Fund</b>	<b>246,851,495</b>	<b>279,296,618</b>	<b>314,633,000</b>	<b>315,172,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>310,812,595</b>	<b>342,452,144</b>	<b>378,445,800</b>	<b>378,985,600</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	9,071,875	9,977,628	10,539,900	9,721,500
Operating Expenses	1,204,408	1,436,104	1,328,000	1,428,000
Grants Loans Benefits	299,628,134	330,434,471	366,577,900	367,836,100
<b>TOTAL EXPENDITURES</b>	<b>309,904,416</b>	<b>341,848,203</b>	<b>378,445,800</b>	<b>378,985,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	63,961,100	63,155,527	63,044,600	63,044,600
Restricted Funds			768,200	768,200
Federal Fund	245,943,316	278,692,676	314,633,000	315,172,800
<b>TOTAL EXPENDITURES</b>	<b>309,904,416</b>	<b>341,848,203</b>	<b>378,445,800</b>	<b>378,985,600</b>
<b>EXPENDITURES BY UNIT</b>				
School & Program Improvement	224,623,043	253,815,762	276,611,800	276,873,300
Continuous Improvement & Support	8,337,866	10,916,931	18,114,500	18,392,800
Community Education & Service	18,828,607	18,761,009	25,365,000	25,365,000
Family Resource and Youth Services Centers	48,065,100	48,889,000	48,889,000	48,889,000
Education of State Agency Children	10,049,800	9,465,500	9,465,500	9,465,500
<b>TOTAL EXPENDITURES</b>	<b>309,904,416</b>	<b>341,848,203</b>	<b>378,445,800</b>	<b>378,985,600</b>

The Office of Continuous Improvement and Support consists of three divisions: the Division of School and Program Improvement, the Division of Student Success, and the Division of Innovation.

The Division of School and Program Improvement implements and monitors the following federal and state programs: School-Based Decision-Making councils, Every Student Succeeds Act (ESSA); 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 and districts in need of improvement through the use of diagnostic reviews and comprehensive improvement planning.

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 school safety and safe schools data collection, bullying prevention, suicide prevention, chronic absenteeism, juvenile justice, human trafficking and Title IV, Part A, Student Support and Academic Enrichment.

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

## **Policy**

The Budget of the Commonwealth includes General Fund in the base budget for the following areas:

- \$48,889,000 for the Family Resource and Youth Service Centers (FRYSC) program
- \$1,850,000 for the Community Education program
- \$9,465,500 for the Kentucky Educational Collaborative for State Agency Children

In accordance with all appropriation bills since the Kentucky Education Reform Act was passed in 1990, the General Fund amounts for the FRYSC program are transferred to the Cabinet for Health and Family Services, Department for Family Resource Centers and Volunteer Services, to be administered.

**Department of Education  
Learning and Results Services  
Special Education & Early Learning**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	123,075,500	115,068,700	115,223,700	115,223,700
Budget Reduction-General Fund	-45,000			
Reorganization Adjustment		46,700		
<b>Total General Fund</b>	<b>123,030,500</b>	<b>115,115,400</b>	<b>115,223,700</b>	<b>115,223,700</b>
<b>Federal Fund</b>				
Balance Forward	174,858			
Current Receipts	167,053,963	180,840,983	186,000,000	186,847,100
Non-Revenue Receipts	-155,108			
<b>Total Federal Fund</b>	<b>167,073,713</b>	<b>180,840,983</b>	<b>186,000,000</b>	<b>186,847,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>290,104,213</b>	<b>295,956,383</b>	<b>301,223,700</b>	<b>302,070,800</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	3,198,414	2,591,240	3,387,700	2,577,100
Operating Expenses	577,195	383,677	375,100	375,100
Grants Loans Benefits	286,323,109	292,785,179	297,460,900	299,118,600
Capital Outlay	5,495			
<b>TOTAL EXPENDITURES</b>	<b>290,104,213</b>	<b>295,760,096</b>	<b>301,223,700</b>	<b>302,070,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	123,030,500	115,115,400	115,223,700	115,223,700
Federal Fund	167,073,713	180,644,696	186,000,000	186,847,100
<b>TOTAL EXPENDITURES</b>	<b>290,104,213</b>	<b>295,760,096</b>	<b>301,223,700</b>	<b>302,070,800</b>

The Office of Special Education and Early Learning consists of the Division of IDEA Monitoring and Results, the Division of State Schools and the Division of IDEA Implementation and Preschool. This Office oversees several educational programs and funds.

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.

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

The Office of Special Education and Early Learning 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.

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.

**Policy**

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

- \$84,481,100 for the Preschool program
- \$23,916,300 for the Extended School Services program
- \$6,208,400 for the Gifted and Talented program

**Department of Education  
Learning and Results Services  
Educator Licensure and Effectiveness**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	10,205,800	5,442,300	20,807,900	2,179,100
Continuing Approp-General Fund	704,359			
Budget Reduction-General Fund	-1,645,400			
Reorganization Adjustment		-1,227,100	-16,628,800	
<b>Total General Fund</b>	<b>9,264,759</b>	<b>4,215,200</b>	<b>4,179,100</b>	<b>2,179,100</b>
<b>Restricted Funds</b>				
Balance Forward	3,588,422	5,572,379	8,194,495	
Current Receipts	3,825,355	1,725,630	79,380	4,163,700
Non-Revenue Receipts	124,700	3,004,419	156,325	767,600
<b>Total Restricted Funds</b>	<b>7,538,476</b>	<b>10,302,428</b>	<b>8,430,200</b>	<b>4,931,300</b>
<b>Federal Fund</b>				
Balance Forward	177,856			
Current Receipts	30,936,803	33,323,081	26,153,100	26,470,200
Non-Revenue Receipts	-126,136			
<b>Total Federal Fund</b>	<b>30,988,524</b>	<b>33,323,081</b>	<b>26,153,100</b>	<b>26,470,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>47,791,759</b>	<b>47,840,709</b>	<b>38,762,400</b>	<b>33,580,600</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	5,440,533	4,064,633	3,467,000	2,748,900
Operating Expenses	1,076,779	718,432	583,000	583,000
Grants Loans Benefits	35,702,069	34,429,970	34,712,400	30,248,700
<b>TOTAL EXPENDITURES</b>	<b>42,219,380</b>	<b>39,213,035</b>	<b>38,762,400</b>	<b>33,580,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	9,264,759	4,215,200	4,179,100	2,179,100
Restricted Funds	1,966,097	1,674,754	8,430,200	4,931,300
Federal Fund	30,988,524	33,323,081	26,153,100	26,470,200
<b>TOTAL EXPENDITURES</b>	<b>42,219,380</b>	<b>39,213,035</b>	<b>38,762,400</b>	<b>33,580,600</b>

The Office of Educator Licensure and Effectiveness was created in the Department of Education by Executive Order 2019-464 on June 19, 2019. This Office has two divisions – the Division of Educator Preparation, Assessment and Internship and the Division of Educator Licensure and Quality. This Executive Order abolished the Office of the Education Professional Standards Board within the Education and Workforce Development Cabinet and transferred it to the Office of Educator Licensure and Effectiveness.

This Office is responsible for issuing, suspending and revoking certificates of Kentucky's more than 50,000 active Kentucky educators.

**Department of Education  
Learning and Results Services  
Standards, Assessment & Accountability**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	90,087,000	59,940,000	57,893,400	64,002,500
Continuing Approp-General Fund				
Budget Reduction-General Fund	-13,493,400			
Reorganization Adjustment		-3,642,327		
<b>Total General Fund</b>	<b>76,593,600</b>	<b>56,297,673</b>	<b>57,893,400</b>	<b>64,002,500</b>
<b>Federal Fund</b>				
Balance Forward	565,594	3,357,764		
Current Receipts	11,997,762	12,879,497	15,066,100	15,066,100
<b>Total Federal Fund</b>	<b>12,563,356</b>	<b>16,237,261</b>	<b>15,066,100</b>	<b>15,066,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>89,156,956</b>	<b>72,534,934</b>	<b>72,959,500</b>	<b>79,068,600</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	31,435,221	25,757,428	28,746,800	28,192,100
Operating Expenses	3,052,776	859,862	564,000	564,000
Grants Loans Benefits	51,311,195	45,350,136	43,648,700	50,312,500
<b>TOTAL EXPENDITURES</b>	<b>85,799,193</b>	<b>71,967,427</b>	<b>72,959,500</b>	<b>79,068,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	76,593,600	56,297,673	57,893,400	64,002,500
Federal Fund	9,205,593	15,669,754	15,066,100	15,066,100
<b>TOTAL EXPENDITURES</b>	<b>85,799,193</b>	<b>71,967,427</b>	<b>72,959,500</b>	<b>79,068,600</b>

The Office of Standards, 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 three divisions: the Division of Accountability Data and Analysis, the Division of Assessment and Accountability Support and the Division of Academic Program Standards.

The Office of Standards, Assessment and Accountability assists districts design and implement curriculum based on new academic standards.

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 Learning and Results Services Programs consist of a variety of grant programs.

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.

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

## **Policy**

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

- \$15,936,600 for the Read to Achieve Program
- \$13,000,000 for the Center for School Safety

- \$5,019,000 for the Mathematics Achievement Fund.
- \$1,700,000 for AdvanceKentucky
- \$1,300,000 for the Save the Children program
- \$1,200,000 for the Collaborative Center for Literacy Development
- \$100,000 for the Heuser Hearing and Language Academy
- \$100,000 for the Hearing and Speech Center

Increased funding was provided for the following programs:

- \$500,000 for Teach for America, an increase of \$250,000
- \$250,000 for Visually Impaired Preschool Services, an increase of \$156,200

New funding was provided for the following programs:

- \$7,412,500 to fund additional school-based mental health services provider positions on a reimbursement basis. The Kentucky Center for School Safety, in consultation with the Office of the State School Security Marshal, shall develop criteria to determine which school districts receive funding to meet the requirements of KRS 158.4416(3), enacted as part of Senate Bill 1 from the 2019 Regular Session of the General Assembly.
- \$250,000 for the Kentucky Alliance of Boys and Girls Clubs.

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

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	16,692,600	16,831,400	16,933,700	16,933,700
Budget Reduction-General Fund	-90,000			
<b>Total General Fund</b>	<b>16,602,600</b>	<b>16,831,400</b>	<b>16,933,700</b>	<b>16,933,700</b>
<b>Restricted Funds</b>				
Balance Forward	646,604	934,149	1,068,800	
Current Receipts	419,166	288,813	1,042,700	2,117,600
<b>Total Restricted Funds</b>	<b>1,065,770</b>	<b>1,222,962</b>	<b>2,111,500</b>	<b>2,117,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>17,668,370</b>	<b>18,054,362</b>	<b>19,045,200</b>	<b>19,051,300</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	15,357,368	15,873,415	17,715,400	17,135,200
Operating Expenses	1,405,179	1,112,178	1,329,800	1,916,100
Grants Loans Benefits	-35,145			
Capital Outlay	6,818			
<b>TOTAL EXPENDITURES</b>	<b>16,734,221</b>	<b>16,985,593</b>	<b>19,045,200</b>	<b>19,051,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	16,602,600	16,831,400	16,933,700	16,933,700
Restricted Funds	131,621	154,193	2,111,500	2,117,600
<b>TOTAL EXPENDITURES</b>	<b>16,734,221</b>	<b>16,985,593</b>	<b>19,045,200</b>	<b>19,051,300</b>

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

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

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

The **Kentucky School for the Deaf**, located in Danville, Kentucky, provides educational services to deaf children who cannot be served by local school districts. The School's educational program consists of appropriate classroom instruction, life skills, physical education, and vocational training. Students receive instruction in accordance with their Individual Education Plan (IEP) that emphasizes language and communication skills development.

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

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

### **Policy**

The [Budget of the Commonwealth](#) includes General Fund for fiscal year 2020-2021 for \$6,853,100 for the Kentucky School for the Blind and \$10,080,600 for the Kentucky School for the Deaf.

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

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	40,000,000	38,759,300	39,770,600	64,149,700
Budget Reduction-General Fund	-516,600			
Reorganization Adjustment		460,400		
<b>Total General Fund</b>	<b>39,483,400</b>	<b>39,219,700</b>	<b>39,770,600</b>	<b>64,149,700</b>
<b>Restricted Funds</b>				
Balance Forward	3,612,349	3,298,351	3,221,749	
Current Receipts	853,576	1,883,270	1,418,151	10,361,700
Non-Revenue Receipts	18,741,551	18,756,310	20,069,600	20,069,600
<b>Total Restricted Funds</b>	<b>23,207,476</b>	<b>23,937,931</b>	<b>24,709,500</b>	<b>30,431,300</b>
<b>Federal Fund</b>				
Balance Forward	2,302,023	2,443,648		
Current Receipts	17,433,518	17,898,426	18,000,000	17,990,900
<b>Total Federal Fund</b>	<b>19,735,542</b>	<b>20,342,074</b>	<b>18,000,000</b>	<b>17,990,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>82,426,418</b>	<b>83,499,705</b>	<b>82,480,100</b>	<b>112,571,900</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	41,788,893	41,439,768	47,079,800	44,079,700
Operating Expenses	5,844,341	5,916,040	6,259,500	6,259,500
Grants Loans Benefits	28,814,439	30,413,143	29,140,800	62,232,700
Capital Outlay	236,746	164,458		
<b>TOTAL EXPENDITURES</b>	<b>76,684,418</b>	<b>77,933,409</b>	<b>82,480,100</b>	<b>112,571,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	39,483,400	39,219,683	39,770,600	64,149,700
Restricted Funds	19,909,124	20,716,182	24,709,500	30,431,300
Federal Fund	17,291,894	17,997,544	18,000,000	17,990,900
<b>TOTAL EXPENDITURES</b>	<b>76,684,418</b>	<b>77,933,409</b>	<b>82,480,100</b>	<b>112,571,900</b>

The Office of Career and Technical Education and Student Transition 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 and Student Transition 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 and Student Transition is also responsible for programs under the Carl D. Perkins Vocational and Applied Technology Education Act of 1998 (Public Law 105-332).

**Policy**

The Budget of the Commonwealth includes General Fund for fiscal year 2020-2021 in the amount of \$64,149,700 for career and technical education. Of this amount, \$12,043,500 in fiscal year 2020-2021 shall be distributed as supplemental funding to local vocational education centers.

The Budget of the Commonwealth added General Fund from Lottery funds in the amount of \$250,000 for the Jobs for America's Graduates (JAG) program.

General Fund in the amount of \$22,881,900 for state-run vocational schools reimbursement is included in the Learning and Results Services Career and Technical Education budget unit. This funding was previously included in the Support for Education Excellence in Kentucky (SEEK) budget unit.



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

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	697,731,200	711,563,500	725,767,000	751,235,400
Budget Reduction-General Fund	-202,300			
<b>Total General Fund</b>	<b>697,528,900</b>	<b>711,563,500</b>	<b>725,767,000</b>	<b>751,235,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>697,528,900</b>	<b>711,563,500</b>	<b>725,767,000</b>	<b>751,235,400</b>
<b>EXPENDITURES BY CLASS</b>				
Grants Loans Benefits	697,499,080	711,563,500	725,767,000	751,235,400
<b>TOTAL EXPENDITURES</b>	<b>697,499,080</b>	<b>711,563,500</b>	<b>725,767,000</b>	<b>751,235,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	697,499,080	711,563,500	725,767,000	751,235,400
<b>TOTAL EXPENDITURES</b>	<b>697,499,080</b>	<b>711,563,500</b>	<b>725,767,000</b>	<b>751,235,400</b>

Local District Health Insurance

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. School district employees make up the largest portion of public employees covered by the KEHP.

Local District Life Insurance Fund

Funds in this program are used to pay, on behalf of school districts, the employer's portion of life insurance premiums to the Personnel Cabinet for full-time, qualified school district employees.

**Policy**

The Budget of the Commonwealth includes General Fund for fiscal year 2020-2021 in the amount of \$749,844,400 for health insurance. Of this amount, \$18,117,000 is to pay for underbudgeted costs from fiscal years 2018-2019 and 2019-2020. General Fund in the amount of \$1,391,000 is budgeted for life insurance benefits to qualified local district employees.

# Education and Workforce Development

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## Education and Workforce Development

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	73,940,231	66,812,610	34,372,900	66,674,200
Continuing Approp-General Fund	2,211,583	2,811,752	4,283,800	
Budget Reduction-General Fund	-2,801,000			
Reorganization Adjustment		1,444,521	34,335,400	
Other		40,000		
<b>Total General Fund</b>	<b>73,350,814</b>	<b>71,108,883</b>	<b>72,992,100</b>	<b>66,674,200</b>
<b>Tobacco Fund</b>				
Tobacco Settlement - Phase I	2,050,000	2,050,000		1,400,000
Continuing Approp-Tob Settlement	4,010,736	4,167,159	3,912,300	
Reorganization Adjustment			2,050,000	
Other		-40,725		
<b>Total Tobacco Fund</b>	<b>6,060,736</b>	<b>6,176,434</b>	<b>5,962,300</b>	<b>1,400,000</b>
<b>Restricted Funds</b>				
Balance Forward	47,673,463	7,330,083	10,835,600	8,870,000
Current Receipts	13,721,320	11,486,751	21,604,600	35,788,600
Non-Revenue Receipts	-1,435,654	16,714,610	6,611,900	-7,909,700
<b>Total Restricted Funds</b>	<b>59,959,129</b>	<b>35,531,445</b>	<b>39,052,100</b>	<b>36,748,900</b>
<b>Federal Fund</b>				
Balance Forward	3,756,416	122,136	-2,751,800	
Current Receipts	456,788,032	439,880,488	534,843,700	516,343,600
Non-Revenue Receipts	-3,252,995	-1,477,434	-3,425,200	
<b>Total Federal Fund</b>	<b>457,291,453</b>	<b>438,525,190</b>	<b>528,666,700</b>	<b>516,343,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>596,662,133</b>	<b>551,341,952</b>	<b>646,673,200</b>	<b>621,166,700</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	92,184,746	99,250,049	101,148,300	103,748,800
Operating Expenses	31,233,736	29,664,259	34,313,400	34,816,200
Grants Loans Benefits	413,627,316	397,196,916	500,284,400	475,741,700
Debt Service	45,162,162	182,500		
Capital Outlay	253,939	69,826	57,100	57,100
Construction	39,557	26,842		
<b>TOTAL EXPENDITURES</b>	<b>582,501,456</b>	<b>526,390,393</b>	<b>635,803,200</b>	<b>614,363,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	70,539,061	66,822,367	70,992,100	66,674,200
Tobacco Fund	1,893,577	2,264,110	5,962,300	1,400,000
Restricted Funds	52,806,002	16,120,429	30,182,100	29,946,000
Federal Fund	457,262,816	441,183,487	528,666,700	516,343,600
<b>TOTAL EXPENDITURES</b>	<b>582,501,456</b>	<b>526,390,393</b>	<b>635,803,200</b>	<b>614,363,800</b>
<b>EXPENDITURES BY UNIT</b>				
General Administration and Program Support	28,065,289	18,490,703	30,074,500	27,220,700
Commission on Proprietary Education	206,130	203,042	323,900	331,900
Deaf and Hard of Hearing	1,966,400	2,457,800	2,149,700	2,148,400
Kentucky Educational Television	14,542,094	16,090,112	16,560,900	16,578,800
Environmental Education Council	191,043	474,553	815,700	822,900
Libraries and Archives	16,054,303	16,102,649	19,748,300	15,871,400
Department of Workforce Investment	521,476,197	472,571,533	566,130,200	551,389,700
<b>TOTAL EXPENDITURES</b>	<b>582,501,456</b>	<b>526,390,393</b>	<b>635,803,200</b>	<b>614,363,800</b>

During the 2006 Regular Session of the General Assembly, Senate Bill 105 combined several departments and offices from the former Education, Arts, and Humanities Cabinet and the former Workforce Development Cabinet to create the Education Cabinet. Senate Bill 78 from the 2009 Regular Session of the General Assembly renamed the cabinet to the Education and Workforce Development Cabinet to emphasize the important connection between education and workforce development. Since that time, other changes have been implemented via enacted legislation including moving the Council on Postsecondary Education from the Education and Workforce Development Cabinet to the Governor's Office, for administrative purposes; moving the Governor's Scholars Program from the Governor's Office to the Education and Workforce Development Cabinet; and dissolving the Board for Proprietary Education and creating the Commission on Proprietary Education, and moving it to the Education and Workforce Development Cabinet for administrative purposes.

The following agencies comprise the Education and Workforce Development Cabinet:

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

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

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	13,470,600	5,164,000	5,210,100	6,705,400
Budget Reduction-General Fund	-34,200			
<b>Total General Fund</b>	<b>13,436,400</b>	<b>5,164,000</b>	<b>5,210,100</b>	<b>6,705,400</b>
<b>Tobacco Fund</b>				
Tobacco Settlement - Phase I	2,050,000	2,050,000		1,400,000
Continuing Approp-Tob Settlement	4,010,736	4,167,159	3,912,300	
Reorganization Adjustment			2,050,000	
Other		-40,725		
<b>Total Tobacco Fund</b>	<b>6,060,736</b>	<b>6,176,434</b>	<b>5,962,300</b>	<b>1,400,000</b>
<b>Restricted Funds</b>				
Balance Forward	754,121	383,403	2,912,000	1,796,200
Current Receipts	1,217,682	604,995	387,500	414,500
Non-Revenue Receipts	3,949,603	7,339,943	6,336,900	7,740,300
<b>Total Restricted Funds</b>	<b>5,921,406</b>	<b>8,328,341</b>	<b>9,636,400</b>	<b>9,951,000</b>
<b>Federal Fund</b>				
Balance Forward		-87,027	-81,800	
Current Receipts	6,861,076	5,587,647	11,143,700	11,146,500
Non-Revenue Receipts	-21,249			
<b>Total Federal Fund</b>	<b>6,839,828</b>	<b>5,500,620</b>	<b>11,061,900</b>	<b>11,146,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>32,258,370</b>	<b>25,169,396</b>	<b>31,870,700</b>	<b>29,202,900</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	10,999,343	12,182,546	14,374,800	15,858,900
Operating Expenses	3,570,540	3,180,160	3,478,000	3,644,000
Grants Loans Benefits	4,952,932	3,127,799	12,221,700	7,717,800
Debt Service	8,543,000			
Construction	-525	199		
<b>TOTAL EXPENDITURES</b>	<b>28,065,289</b>	<b>18,490,703</b>	<b>30,074,500</b>	<b>27,220,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	13,436,400	5,164,000	5,210,100	6,705,400
Tobacco Fund	1,893,577	2,264,110	5,962,300	1,400,000
Restricted Funds	5,714,959	5,573,702	7,840,200	7,968,800
Federal Fund	7,020,353	5,488,891	11,061,900	11,146,500
<b>TOTAL EXPENDITURES</b>	<b>28,065,289</b>	<b>18,490,703</b>	<b>30,074,500</b>	<b>27,220,700</b>
<b>EXPENDITURES BY UNIT</b>				
Secretary	16,200,969	8,196,925	9,910,000	10,586,300
Governor's Scholars	1,875,900	1,758,700	1,758,700	1,758,700
Kentucky Center for Statistics	4,352,817	4,545,036	4,215,200	5,287,200
Early Childhood Advisory Council	5,635,604	3,990,043	14,190,600	9,588,500
<b>TOTAL EXPENDITURES</b>	<b>28,065,289</b>	<b>18,490,703</b>	<b>30,074,500</b>	<b>27,220,700</b>

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 Administrative Service is the Cabinet's chief financial and administrative office. The Division of Operations and Support Services and the Division of Fiscal Management is responsible for the management of all state-owned/state-operated facilities, equipment, and property assigned to the Cabinet, The Division of Fiscal Management 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 the Kentucky Center for Statistics and the Board of the Kentucky Center for 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 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 secretary of the Cabinet for Health and Family Services 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.

The Early Childhood Advisory Council (KRS 200.700) was established in the Governor's Office in 2011 and reorganized to the Education and Workforce Development Cabinet in 2019. 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 options. The Early Childhood Advisory Council provides technical assistance, monitoring, evaluations of the local partnerships and provides financial assistance to local councils through Tobacco funds.

## **Policy**

The Budget of the Commonwealth includes additional General Fund in the amount of \$100,000 in fiscal year 2021 to support the Hope Center. The Hope Center provides a wide array of services to persons who are homeless or at risk of becoming homeless. These services include food, shelter, clothing, recovery from addiction, mental health diagnosis and treatment, transitional housing, permanent housing, employment assistance, social services, support for veterans, mobile and street outreach, housing first, and more.

The Budget of the Commonwealth includes additional General Fund in the amount of \$1,200,000 in fiscal year 2021 for the State Longitudinal Data System. Due to the expiration of federal funding, the General Fund is necessary to support the operating costs of the system. The Kentucky Center for Statistics collects and integrates education and workforce data so that policymakers, practitioners, and the public can make the best informed decisions possible.

**Education and Workforce Development**

**Proprietary Education**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>Restricted Funds</b>				
Balance Forward	517,296	526,627	451,200	465,900
Current Receipts	240,461	127,581	338,600	234,700
Non-Revenue Receipts	-25,000			
<b>Total Restricted Funds</b>	<b>732,757</b>	<b>654,208</b>	<b>789,800</b>	<b>700,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>732,757</b>	<b>654,208</b>	<b>789,800</b>	<b>700,600</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	194,031	191,454	243,800	266,200
Operating Expenses	12,099	11,589	80,100	65,700
<b>TOTAL EXPENDITURES</b>	<b>206,130</b>	<b>203,042</b>	<b>323,900</b>	<b>331,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
Restricted Funds	206,130	203,042	323,900	331,900
<b>TOTAL EXPENDITURES</b>	<b>206,130</b>	<b>203,042</b>	<b>323,900</b>	<b>331,900</b>
<b>EXPENDITURES BY UNIT</b>				
Proprietary Education	206,130	203,042	323,900	331,900
<b>TOTAL EXPENDITURES</b>	<b>206,130</b>	<b>203,042</b>	<b>323,900</b>	<b>331,900</b>

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

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



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

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	873,900	959,000	970,000	970,200
Budget Reduction-General Fund	-17,100			
<b>Total General Fund</b>	<b>856,800</b>	<b>959,000</b>	<b>970,000</b>	<b>970,200</b>
<b>Restricted Funds</b>				
Balance Forward	16,141			
Current Receipts	1,093,459	1,498,800	1,179,700	1,179,700
<b>Total Restricted Funds</b>	<b>1,109,600</b>	<b>1,498,800</b>	<b>1,179,700</b>	<b>1,179,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,966,400</b>	<b>2,457,800</b>	<b>2,149,700</b>	<b>2,149,900</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	1,074,628	1,448,313	1,313,600	1,308,800
Operating Expenses	884,722	1,009,487	836,100	839,600
Capital Outlay	7,050			
<b>TOTAL EXPENDITURES</b>	<b>1,966,400</b>	<b>2,457,800</b>	<b>2,149,700</b>	<b>2,148,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	856,800	959,000	970,000	970,200
Restricted Funds	1,109,600	1,498,800	1,179,700	1,178,200
<b>TOTAL EXPENDITURES</b>	<b>1,966,400</b>	<b>2,457,800</b>	<b>2,149,700</b>	<b>2,148,400</b>
<b>EXPENDITURES BY UNIT</b>				
Commission on the Deaf and Hard of Hearing	1,966,400	2,457,800	2,149,700	2,148,400
<b>TOTAL EXPENDITURES</b>	<b>1,966,400</b>	<b>2,457,800</b>	<b>2,149,700</b>	<b>2,148,400</b>

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

**Education and Workforce Development  
Kentucky Educational Television**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	13,923,200	15,047,600	15,036,100	15,054,000
Budget Reduction-General Fund	-718,800			
<b>Total General Fund</b>	<b>13,204,400</b>	<b>15,047,600</b>	<b>15,036,100</b>	<b>15,054,000</b>
<b>Restricted Funds</b>				
Current Receipts	1,337,694	1,242,512	1,524,800	1,524,800
Non-Revenue Receipts		-200,000		
<b>Total Restricted Funds</b>	<b>1,337,694</b>	<b>1,042,512</b>	<b>1,524,800</b>	<b>1,524,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>14,542,094</b>	<b>16,090,112</b>	<b>16,560,900</b>	<b>16,578,800</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	11,212,593	12,356,967	13,461,600	13,423,800
Operating Expenses	3,241,308	3,489,066	3,049,300	3,105,000
Debt Service		182,500		
Capital Outlay	88,193	61,579	50,000	50,000
<b>TOTAL EXPENDITURES</b>	<b>14,542,094</b>	<b>16,090,112</b>	<b>16,560,900</b>	<b>16,578,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	13,204,400	15,047,600	15,036,100	15,054,000
Restricted Funds	1,337,694	1,042,512	1,524,800	1,524,800
<b>TOTAL EXPENDITURES</b>	<b>14,542,094</b>	<b>16,090,112</b>	<b>16,560,900</b>	<b>16,578,800</b>
<b>EXPENDITURES BY UNIT</b>				
General Administration and Support	3,046,500	3,675,300	3,571,500	3,502,100
Broadcasting and Education	9,630,996	10,405,191	11,141,200	11,158,800
Engineering	1,864,598	2,009,621	1,848,200	1,917,900
<b>TOTAL EXPENDITURES</b>	<b>14,542,094</b>	<b>16,090,112</b>	<b>16,560,900</b>	<b>16,578,800</b>

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

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

Instructional programming for elementary and secondary schools directly supports the learning goals and outcomes of Kentucky's Common Core Standards, adopted in February 2010. The Broadcasting and Education unit produces interactive and other distance learning courses designed to provide equal access to a variety of learning opportunities for all students. It produces professional development opportunities for educators throughout the state and broadcasts programs designed to help people in the workplace. Acquired and/or locally produced programming services are delivered to under-educated adults, professionals in need of training, and other citizens with various needs related to their jobs and professions. The unit also produces multiple schedules of nationally- and locally-produced programs for citizens at home and in the workplace. This includes educational and public affairs programming as well as quality arts experiences for all Kentuckians. A full line-up of children's educational programs offers a quality alternative to commercial television viewing.

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

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

**Education and Workforce Development  
Environmental Education Council**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>Restricted Funds</b>				
Balance Forward	103,185	184,358	284,600	193,900
Current Receipts	12,475	112,298	134,000	139,000
Non-Revenue Receipts	220,491	270,299	275,000	275,000
<b>Total Restricted Funds</b>	<b>336,151</b>	<b>566,955</b>	<b>693,600</b>	<b>607,900</b>
<b>Federal Fund</b>				
Balance Forward		18,988	-40,900	
Current Receipts	67,533	132,347	356,900	316,000
Non-Revenue Receipts	-9,295			
<b>Total Federal Fund</b>	<b>58,237</b>	<b>151,335</b>	<b>316,000</b>	<b>316,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>394,388</b>	<b>718,290</b>	<b>1,009,600</b>	<b>923,900</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	166,993	422,471	408,400	415,600
Operating Expenses	15,153	43,773	44,800	44,800
Grants Loans Benefits	8,896	8,309	362,500	362,500
<b>TOTAL EXPENDITURES</b>	<b>191,043</b>	<b>474,553</b>	<b>815,700</b>	<b>822,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
Restricted Funds	151,793	282,356	499,700	506,900
Federal Fund	39,250	192,197	316,000	316,000
<b>TOTAL EXPENDITURES</b>	<b>191,043</b>	<b>474,553</b>	<b>815,700</b>	<b>822,900</b>
<b>EXPENDITURES BY UNIT</b>				
Ky Environmental Education Council	191,043	474,553	815,700	822,900
<b>TOTAL EXPENDITURES</b>	<b>191,043</b>	<b>474,553</b>	<b>815,700</b>	<b>822,900</b>

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

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

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

**Education and Workforce Development  
Libraries and Archives**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	13,001,800	13,095,200	13,156,700	9,076,700
Budget Reduction-General Fund	-1,213,100			
<b>Total General Fund</b>	<b>11,788,700</b>	<b>13,095,200</b>	<b>13,156,700</b>	<b>9,076,700</b>
<b>Restricted Funds</b>				
Balance Forward	2,670,915	3,467,800	4,591,300	4,289,300
Current Receipts	2,662,515	2,446,795	2,938,200	2,538,300
<b>Total Restricted Funds</b>	<b>5,333,430</b>	<b>5,914,595</b>	<b>7,529,500</b>	<b>6,827,600</b>
<b>Federal Fund</b>				
Balance Forward		-389,330	338,400	
Current Receipts	2,203,653	2,411,796	3,351,400	2,586,400
Non-Revenue Receipts	-193,010		-338,400	
<b>Total Federal Fund</b>	<b>2,010,643</b>	<b>2,022,466</b>	<b>3,351,400</b>	<b>2,586,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>19,132,773</b>	<b>21,032,261</b>	<b>24,037,600</b>	<b>18,490,700</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	5,376,772	4,987,352	5,084,800	5,138,400
Operating Expenses	3,559,345	3,047,099	4,266,200	4,151,900
Grants Loans Benefits	7,118,186	8,061,112	10,390,200	6,574,000
Capital Outlay		7,087	7,100	7,100
<b>TOTAL EXPENDITURES</b>	<b>16,054,303</b>	<b>16,102,649</b>	<b>19,748,300</b>	<b>15,871,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	11,788,700	13,095,200	13,156,700	9,076,700
Restricted Funds	1,865,630	1,323,408	3,240,200	4,208,300
Federal Fund	2,399,973	1,684,041	3,351,400	2,586,400
<b>TOTAL EXPENDITURES</b>	<b>16,054,303</b>	<b>16,102,649</b>	<b>19,748,300</b>	<b>15,871,400</b>
<b>EXPENDITURES BY UNIT</b>				
Libraries and Archives	9,075,242	8,234,821	11,417,100	10,494,900
Direct Local Aid	6,979,061	7,867,828	8,331,200	5,376,500
<b>TOTAL EXPENDITURES</b>	<b>16,054,303</b>	<b>16,102,649</b>	<b>19,748,300</b>	<b>15,871,400</b>

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

The Department is directed by three goals:

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

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

**Education and Workforce Development  
Libraries and Archives**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	5,943,700	6,265,600	6,327,100	4,747,100
Budget Reduction-General Fund	-1,213,100			
Other	1,000,000			
<b>Total General Fund</b>	<b>5,730,600</b>	<b>6,265,600</b>	<b>6,327,100</b>	<b>4,747,100</b>
<b>Restricted Funds</b>				
Balance Forward	2,015,884	2,612,875	3,821,400	3,576,300
Current Receipts	1,551,660	1,493,654	1,493,500	1,493,300
<b>Total Restricted Funds</b>	<b>3,567,544</b>	<b>4,106,529</b>	<b>5,314,900</b>	<b>5,069,600</b>
<b>Federal Fund</b>				
Balance Forward		-389,330	338,400	
Current Receipts	2,193,653	2,411,796	3,351,400	2,586,400
Non-Revenue Receipts	-193,010		-338,400	
<b>Total Federal Fund</b>	<b>2,000,643</b>	<b>2,022,466</b>	<b>3,351,400</b>	<b>2,586,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>11,298,787</b>	<b>12,394,595</b>	<b>14,993,400</b>	<b>12,403,100</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	5,357,094	4,987,352	5,084,800	5,138,400
Operating Expenses	3,556,082	3,047,099	4,266,200	4,151,900
Grants Loans Benefits	162,066	193,283	2,059,000	1,197,500
Capital Outlay		7,087	7,100	7,100
<b>TOTAL EXPENDITURES</b>	<b>9,075,242</b>	<b>8,234,821</b>	<b>11,417,100</b>	<b>10,494,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	5,730,600	6,265,600	6,327,100	4,747,100
Restricted Funds	954,669	285,180	1,738,600	3,161,400
Federal Fund	2,389,973	1,684,041	3,351,400	2,586,400
<b>TOTAL EXPENDITURES</b>	<b>9,075,242</b>	<b>8,234,821</b>	<b>11,417,100</b>	<b>10,494,900</b>
<b>EXPENDITURES BY UNIT</b>				
Administrative Services	2,156,518	2,091,453	2,436,700	2,340,800
Field Services	1,736,557	2,066,168	2,449,600	2,473,200
Library Services	1,718,915	960,439	1,392,500	1,394,900
Archives & Records Management	3,463,252	3,116,761	5,138,300	4,286,000
<b>TOTAL EXPENDITURES</b>	<b>9,075,242</b>	<b>8,234,821</b>	<b>11,417,100</b>	<b>10,494,900</b>

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

**Administrative Services**

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

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

## **Field Services**

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

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

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

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

## **State Library Services**

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

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

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

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

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

## **Public Records**

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

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

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

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

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

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

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



**Education and Workforce Development**

**Direct Local Aid**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	7,058,100	6,829,600	6,829,600	4,329,600
Other	-1,000,000			
<b>Total General Fund</b>	<b>6,058,100</b>	<b>6,829,600</b>	<b>6,829,600</b>	<b>4,329,600</b>
<b>Restricted Funds</b>				
Balance Forward	655,031	854,925	769,900	713,000
Current Receipts	1,110,855	953,141	1,444,700	1,045,000
<b>Total Restricted Funds</b>	<b>1,765,886</b>	<b>1,808,066</b>	<b>2,214,600</b>	<b>1,758,000</b>
<b>Federal Fund</b>				
Balance Forward				
Current Receipts	10,000			
<b>Total Federal Fund</b>	<b>10,000</b>			
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,833,986</b>	<b>8,637,666</b>	<b>9,044,200</b>	<b>6,087,600</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	19,678			
Operating Expenses	3,263			
Grants Loans Benefits	6,956,120	7,867,828	8,331,200	5,376,500
<b>TOTAL EXPENDITURES</b>	<b>6,979,061</b>	<b>7,867,828</b>	<b>8,331,200</b>	<b>5,376,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	6,058,100	6,829,600	6,829,600	4,329,600
Restricted Funds	910,961	1,038,228	1,501,600	1,046,900
Federal Fund	10,000			
<b>TOTAL EXPENDITURES</b>	<b>6,979,061</b>	<b>7,867,828</b>	<b>8,331,200</b>	<b>5,376,500</b>
<b>EXPENDITURES BY UNIT</b>				
Libraries Support	5,937,369	6,973,628	7,284,300	4,329,600
Public Records	1,041,692	894,200	1,046,900	1,046,900
<b>TOTAL EXPENDITURES</b>	<b>6,979,061</b>	<b>7,867,828</b>	<b>8,331,200</b>	<b>5,376,500</b>

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

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

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

### **Policy**

The Budget of the Commonwealth eliminated the \$2,500,000 from the General Fund for the per capita assistance to local libraries, and suspends the statute, KRS 171.201, created in 1952, that requires the program.

**Education and Workforce Development  
Department of Workforce Investment**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	32,670,731	32,546,810		34,867,900
Continuing Approp-General Fund	2,211,583	2,811,752	4,283,800	
Budget Reduction-General Fund	-817,800			
Reorganization Adjustment		1,444,521	34,335,400	
Other		40,000		
<b>Total General Fund</b>	<b>34,064,514</b>	<b>36,843,083</b>	<b>38,619,200</b>	<b>34,867,900</b>
<b>Restricted Funds</b>				
Balance Forward	43,611,805	2,767,895	2,596,500	2,124,700
Current Receipts	7,157,033	5,453,769	15,101,800	29,757,600
Non-Revenue Receipts	-5,580,749	9,304,369		-15,925,000
<b>Total Restricted Funds</b>	<b>45,188,090</b>	<b>17,526,033</b>	<b>17,698,300</b>	<b>15,957,300</b>
<b>Federal Fund</b>				
Balance Forward	3,756,416	579,505	-2,967,500	
Current Receipts	447,655,771	431,748,697	519,991,700	502,294,700
Non-Revenue Receipts	-3,029,442	-1,477,434	-3,086,800	
<b>Total Federal Fund</b>	<b>448,382,746</b>	<b>430,850,769</b>	<b>513,937,400</b>	<b>502,294,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>527,635,349</b>	<b>485,219,885</b>	<b>570,254,900</b>	<b>553,119,900</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	63,160,385	67,660,946	66,261,300	67,337,100
Operating Expenses	19,950,569	18,883,086	22,558,900	22,965,200
Grants Loans Benefits	401,547,302	385,999,698	477,310,000	461,087,400
Debt Service	36,619,162			
Capital Outlay	158,696	1,161		
Construction	40,082	26,643		
<b>TOTAL EXPENDITURES</b>	<b>521,476,197</b>	<b>472,571,534</b>	<b>566,130,200</b>	<b>551,389,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	31,252,761	32,556,567	36,619,200	34,867,900
Restricted Funds	42,420,195	6,196,609	15,573,600	14,227,100
Federal Fund	447,803,240	433,818,358	513,937,400	502,294,700
<b>TOTAL EXPENDITURES</b>	<b>521,476,197</b>	<b>472,571,533</b>	<b>566,130,200</b>	<b>551,389,700</b>
<b>EXPENDITURES BY UNIT</b>				
Career Development	17,145,815	18,594,304	31,957,600	32,214,400
Vocational Rehabilitation	63,801,170	70,713,605	81,058,100	83,085,700
Office of Employer & Apprenticeship Services	1,084,579	764,115	1,878,200	1,888,200
Division of Adult Education	26,231,461	21,326,242	33,313,200	30,933,400
Unemployment Insurance	365,951,130	319,495,576	374,415,800	359,717,000
Workforce Innovation and Opportunity Act	47,262,041	41,677,692	43,507,300	43,551,000
<b>TOTAL EXPENDITURES</b>	<b>521,476,197</b>	<b>472,571,533</b>	<b>566,130,200</b>	<b>551,389,700</b>

The Department of Workforce Investments (DWI) administers multiple programs that provide employment-related services to the citizens of Kentucky. These programs are provided through the Office of Vocational Rehabilitation, the Office of Unemployment Insurance, the Office of Adult Education, the Office of Employer and Apprenticeship Services and the Career Development Office. DWI provides a wide array of professional services to employers, job seekers, adults wanting an education, and individuals with disabilities. These services include employment counseling, testing, assessment, job search assistance, placement services to all citizens, as well as training programs for dislocated workers, GED for adults and benefits to individuals who are economically disadvantaged.

**Policy**

Notwithstanding KRS 341.295 and 341.240, penalty and interest collections credited to the unemployment compensation administration fund may be used by the Office of Employment and Training for Wagner-Peyser.

**Education and Workforce Development  
Department of Workforce Investment  
Career Development**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Reorganization Adjustment		243,227		
Other		-5,900		
<b>Total General Fund</b>		<b>237,327</b>		
<b>Restricted Funds</b>				
Balance Forward	1,123,844	1,258,552	1,777,700	1,582,500
Current Receipts	2,675,093	2,968,394	9,220,100	9,220,100
Non-Revenue Receipts	-640,022	381,531		
<b>Total Restricted Funds</b>	<b>3,158,914</b>	<b>4,608,477</b>	<b>10,997,800</b>	<b>10,802,600</b>
<b>Federal Fund</b>				
Balance Forward		-72,147	20,600	
Current Receipts	15,211,120	15,621,708	22,521,700	22,707,200
Non-Revenue Receipts	-37,814			
<b>Total Federal Fund</b>	<b>15,173,305</b>	<b>15,549,561</b>	<b>22,542,300</b>	<b>22,707,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>18,332,220</b>	<b>20,395,365</b>	<b>33,540,100</b>	<b>33,509,800</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	9,038,946	11,149,942	11,604,200	11,855,500
Operating Expenses	3,217,187	3,217,782	5,180,200	5,180,200
Grants Loans Benefits	4,833,786	4,207,608	15,173,200	15,178,700
Capital Outlay	17,679			
Construction	38,216	18,973		
<b>TOTAL EXPENDITURES</b>	<b>17,145,815</b>	<b>18,594,304</b>	<b>31,957,600</b>	<b>32,214,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund		234,600		
Restricted Funds	1,900,362	2,830,711	9,415,300	9,507,200
Federal Fund	15,245,453	15,528,993	22,542,300	22,707,200
<b>TOTAL EXPENDITURES</b>	<b>17,145,815</b>	<b>18,594,304</b>	<b>31,957,600</b>	<b>32,214,400</b>

The Office of Career Development receives funds to administer several programs that are related to Employment and Job Placement 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 assist the unemployed, underemployed, and persons who wish to change occupations in finding suitable employment.

**Education and Workforce Development  
Department of Workforce Investment  
Vocational Rehabilitation**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	13,311,400	15,178,700		15,879,200
Reorganization Adjustment		55,200	15,349,800	
Other		40,000		
<b>Total General Fund</b>	<b>13,311,400</b>	<b>15,273,900</b>	<b>15,349,800</b>	<b>15,879,200</b>
<b>Restricted Funds</b>				
Balance Forward	947,854	1,925,793	649,500	489,000
Current Receipts	4,246,438	2,247,516	5,697,800	4,353,500
Non-Revenue Receipts		-218,777		75,000
<b>Total Restricted Funds</b>	<b>5,194,293</b>	<b>3,954,532</b>	<b>6,347,300</b>	<b>4,917,500</b>
<b>Federal Fund</b>				
Balance Forward	384	-171,345	-512,500	
Current Receipts	48,744,205	52,168,670	60,362,500	62,697,200
Non-Revenue Receipts	-1,694,662	-375,073		
<b>Total Federal Fund</b>	<b>47,049,926</b>	<b>51,622,253</b>	<b>59,850,000</b>	<b>62,697,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>65,555,618</b>	<b>70,850,684</b>	<b>81,547,100</b>	<b>83,493,900</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	28,035,581	30,305,607	28,366,400	28,726,500
Operating Expenses	6,496,012	6,824,355	6,728,700	6,635,000
Grants Loans Benefits	29,162,664	33,575,611	45,963,000	47,724,200
Capital Outlay	106,903	1,161		
Construction	10	6,871		
<b>TOTAL EXPENDITURES</b>	<b>63,801,170</b>	<b>70,713,605</b>	<b>81,058,100</b>	<b>83,085,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	13,311,400	15,273,900	15,349,800	15,879,200
Restricted Funds	3,268,499	3,304,978	5,858,300	4,509,300
Federal Fund	47,221,271	52,134,726	59,850,000	62,697,200
<b>TOTAL EXPENDITURES</b>	<b>63,801,170</b>	<b>70,713,605</b>	<b>81,058,100</b>	<b>83,085,700</b>
<b>EXPENDITURES BY UNIT</b>				
Office of Vocational Rehabilitation	55,552,638	60,259,305	67,725,000	69,269,400
Carl D Perkins Vocational Training Center	7,067,365	6,914,311	8,453,900	8,523,400
Division of Blind Services	649,014	2,499,700	3,914,200	4,310,300
Division of Kentucky Business Enterprise	532,153	1,040,289	965,000	982,600
<b>TOTAL EXPENDITURES</b>	<b>63,801,170</b>	<b>70,713,605</b>	<b>81,058,100</b>	<b>83,085,700</b>

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

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

services ensure that employment is progressing satisfactorily. Counselors and Specialists receive ongoing training to maintain certification and to gain knowledge of the latest developments in rehabilitation strategies and techniques.

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

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

The Division of Field Services 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.

In October 2019, the Office of Vocational Rehabilitation was combined with the Office for the Blind to help utilize funding and staff to more effectively operate the multiple programs operated within the offices. As a result, the Office of the Blind is now a Division within the Office of Vocational Rehabilitation.

Pursuant to KRS 163.470 and the Rehabilitation Act of 1973 as amended, the Division 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.

The Division 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 Division 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 Division 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.

## **Policy**

The Budget of the Commonwealth includes an additional \$575,000 in General Fund to support the Office of Vocational Rehabilitation and maximize federal funding. This General Fund increase will allow the state access to approximately \$2.1 million in additional federal funds.

**Education and Workforce Development  
Department of Workforce Investment  
Office of Employer & Apprenticeship Services**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	301,533	33,545		581,100
Reorganization Adjustment		305,594	578,200	
Other		5,900		
<b>Total General Fund</b>	<b>301,533</b>	<b>345,039</b>	<b>578,200</b>	<b>581,100</b>
<b>Federal Fund</b>				
Balance Forward		-26,269	-135,100	
Current Receipts	756,777	310,198	1,435,100	1,307,100
<b>Total Federal Fund</b>	<b>756,777</b>	<b>283,929</b>	<b>1,300,000</b>	<b>1,307,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,058,310</b>	<b>628,968</b>	<b>1,878,200</b>	<b>1,888,200</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	417,805	630,096	807,300	817,100
Operating Expenses	128,931	134,019	253,800	253,800
Grants Loans Benefits	537,844		817,100	817,300
<b>TOTAL EXPENDITURES</b>	<b>1,084,579</b>	<b>764,115</b>	<b>1,878,200</b>	<b>1,888,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	301,533	345,039	578,200	581,100
Federal Fund	783,046	419,076	1,300,000	1,307,100
<b>TOTAL EXPENDITURES</b>	<b>1,084,579</b>	<b>764,115</b>	<b>1,878,200</b>	<b>1,888,200</b>

The Office of Employer and Apprenticeship Services administers the Commonwealth of Kentucky's Registered Apprenticeship program in accordance with KRS Chapter 343. Registered Apprenticeship is an innovative work-based earn and learn model that meets national standards for registration with the U.S. Department of Labor/Office of Apprenticeship and the Kentucky Office of Employer and Apprenticeship Services. It is a formal system of employee training that combines on-the-job learning with related technical instruction. It is designed to produce highly skilled workers who are fully competent in all aspects on an occupation, including knowledge, skill and proficiency on the job. With apprenticeship training, there is a written contract between the apprentice and the sponsor (employer), approved by and registered with the Commonwealth of Kentucky and the U.S. Department of Labor/Office of Apprenticeship, that specifies the length of training, school hours, and outlines the skills and competencies to be learned and the wages the apprentice will receive. Kentucky's apprenticeship program allows employers to design their own training program tailored to the company's needs as long as it meets the minimum criteria set forth by the U.S. Department of Labor. The Office closely monitors apprenticeship programs to ensure they are meeting the standards of providing quality training and instruction as mandated by 29 CFR, parts 29 and 30. The Office is actively involved with employers and industry associations to discuss the development of local and regional programs with align to the industry sectors identified by the Kentucky Workforce Investment Board. In addition to the apprenticeship program this Office assists employers in obtaining qualified workers to fill job openings as quickly as possible. This program provides counseling, employment testing, job development, referral, and placement.

**Policy**

The Education and Workforce Development Cabinet shall provide a report by December 1, 2020 to the Interim Joint Committee on Education detailing the use of \$581,100 in the General Fund base budget within the Office of Employer and Apprenticeship Services.



**Education and Workforce Development  
Department of Workforce Investment  
Division of Adult Education**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>General Fund</b>				
Regular Appropriation	19,057,798	17,334,565		18,407,600
Continuing Approp-General Fund	2,211,583	2,811,752	4,283,800	
Budget Reduction-General Fund	-817,800			
Reorganization Adjustment		840,500	18,407,400	
<b>Total General Fund</b>	<b>20,451,581</b>	<b>20,986,817</b>	<b>22,691,200</b>	<b>18,407,600</b>
<b>Restricted Funds</b>				
Balance Forward	49,517	91,137	169,300	53,200
Current Receipts	136,600	139,005	183,900	184,000
<b>Total Restricted Funds</b>	<b>186,117</b>	<b>230,142</b>	<b>353,200</b>	<b>237,200</b>
<b>Federal Fund</b>				
Balance Forward			-1,218,400	
Current Receipts	8,496,652	3,343,875	13,540,400	12,315,200
<b>Total Federal Fund</b>	<b>8,496,652</b>	<b>3,343,875</b>	<b>12,322,000</b>	<b>12,315,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>29,134,350</b>	<b>24,560,834</b>	<b>35,366,400</b>	<b>30,960,000</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	2,293,521	1,913,227	2,254,000	2,258,400
Operating Expenses	1,104,399	353,192	1,813,800	2,313,800
Grants Loans Benefits	22,833,540	19,059,824	29,245,400	26,361,200
<b>TOTAL EXPENDITURES</b>	<b>26,231,461</b>	<b>21,326,242</b>	<b>33,313,200</b>	<b>30,933,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
General Fund	17,639,828	16,703,029	20,691,200	18,407,600
Restricted Funds	94,980	60,919	300,000	210,600
Federal Fund	8,496,652	4,562,294	12,322,000	12,315,200
<b>TOTAL EXPENDITURES</b>	<b>26,231,461</b>	<b>21,326,242</b>	<b>33,313,200</b>	<b>30,933,400</b>

The Office of Adult Education administers state and federal funding for adult basic education and literacy programs. The Office's Kentucky Skills U program makes available to the citizens of the Commonwealth free adult education services across the state. The vision of Kentucky Skills U is that Kentuckians will experience a higher standard of living and quality of life through increased educational attainment.

Kentucky Skills U provides free adult education services in all 120 counties to help Kentuckians obtain a GED. Through Kentucky Skills U, Kentuckians can gain reading, math and communications skills that place them on a path to higher education and training, and earn certifications to move ahead in their careers.

Local Kentucky Skills U teachers are ready in every county to help participants break through barriers to reach their education and career goals.

Currently, about 350,000 working-age Kentuckians do not have a high school or GED diploma. The mission of Kentucky Skills U is to work with Kentuckians to improve their quality of life through education, training and employment so they can take care of themselves and their families and help their communities' and the state's economies expand and thrive.

**Policy**

At the close of fiscal year 2019-2020, not less than \$2,000,000 of unexpended General Fund appropriations shall lapse to the credit of the General Fund. The enacted budget suspends KRS 45.229 to permit other unexpended General Fund amounts to not lapse to the General Fund.

**Education and Workforce Development  
Department of Workforce Investment  
Unemployment Insurance**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>Restricted Funds</b>				
Balance Forward	41,490,590	-507,587		
Current Receipts	98,902	98,855		16,000,000
Non-Revenue Receipts	-4,940,726	9,141,615		-16,000,000
<b>Total Restricted Funds</b>	<b>36,648,766</b>	<b>8,732,882</b>		
<b>Federal Fund</b>				
Balance Forward	3,718,293	1,865,044	214,700	
Current Receipts	326,953,029	318,957,206	377,287,900	359,717,000
Non-Revenue Receipts	-11,501	-1,111,981	-3,086,800	
<b>Total Federal Fund</b>	<b>330,659,821</b>	<b>319,710,269</b>	<b>374,415,800</b>	<b>359,717,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>367,308,587</b>	<b>328,443,151</b>	<b>374,415,800</b>	<b>359,717,000</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	18,757,514	22,210,816	21,175,300	21,582,100
Operating Expenses	7,040,406	6,846,180	6,846,100	6,846,100
Grants Loans Benefits	303,532,192	290,437,781	346,394,400	331,288,800
Debt Service	36,619,162			
Construction	1,856	799		
<b>TOTAL EXPENDITURES</b>	<b>365,951,130</b>	<b>319,495,576</b>	<b>374,415,800</b>	<b>359,717,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
Restricted Funds	37,156,353			
Federal Fund	328,794,777	319,495,576	374,415,800	359,717,000
<b>TOTAL EXPENDITURES</b>	<b>365,951,130</b>	<b>319,495,576</b>	<b>374,415,800</b>	<b>359,717,000</b>
<b>EXPENDITURES BY UNIT</b>				
Unemployment Insurance Administration	62,865,748	30,029,174	32,742,800	33,149,800
Unemployment Insurance Benefits	303,085,382	289,466,401	341,673,000	326,567,200
<b>TOTAL EXPENDITURES</b>	<b>365,951,130</b>	<b>319,495,576</b>	<b>374,415,800</b>	<b>359,717,000</b>

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

Within the Department of Workforce Investment, the Office of Unemployment Insurance supports the claims activities within the program. 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.

**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  
Department of Workforce Investment  
Workforce Innovation and Opportunity Act**

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Revised FY 2020</b>	<b>Enacted FY 2021</b>
<b>SOURCE OF FUNDS</b>				
<b>Federal Fund</b>				
Balance Forward	37,740	-1,015,777	-1,336,800	
Current Receipts	47,493,988	41,347,041	44,844,100	43,551,000
Non-Revenue Receipts	-1,285,464	9,620		
<b>Total Federal Fund</b>	<b>46,246,264</b>	<b>40,340,883</b>	<b>43,507,300</b>	<b>43,551,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>46,246,264</b>	<b>40,340,883</b>	<b>43,507,300</b>	<b>43,551,000</b>
<b>EXPENDITURES BY CLASS</b>				
Personnel Costs	4,617,017	1,451,259	2,054,100	2,097,500
Operating Expenses	1,963,634	1,507,559	1,736,300	1,736,300
Grants Loans Benefits	40,647,275	38,718,874	39,716,900	39,717,200
Capital Outlay	34,115			
<b>TOTAL EXPENDITURES</b>	<b>47,262,041</b>	<b>41,677,692</b>	<b>43,507,300</b>	<b>43,551,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>				
Federal Fund	47,262,041	41,677,692	43,507,300	43,551,000
<b>TOTAL EXPENDITURES</b>	<b>47,262,041</b>	<b>41,677,692</b>	<b>43,507,300</b>	<b>43,551,000</b>

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

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

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

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

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