

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

COMMONWEALTH OF KENTUCKY	1
EXECUTIVE BRANCH	3
GENERAL GOVERNMENT	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

ENERGY AND ENVIRONMENT 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

FINANCE AND ADMINISTRATION 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

PAGE

Office of Health Data and Analytics215

 Division of Health Benefit Exchange.....216

 Division of Health Information217

 Division of Analytics218

JUSTICE AND PUBLIC SAFETY 219

 Justice Administration.....221

 Criminal Justice Training225

 Juvenile Justice227

 State Police.....230

 Corrections.....232

 Corrections Management.....234

 Adult Correctional Institutions235

 Community Services and Local Facilities238

 Local Jail Support240

 Public Advocacy242

LABOR..... 244

 Secretary.....245

 Workplace Standards246

 Workers’ Claims.....248

 Occupational Safety and Health Review Commission.....249

 Workers’ Compensation Funding Commission250

 Workers’ Compensation Nominating Committee252

PERSONNEL 253

 General Operations254

 Public Employees Deferred Compensation Authority256

 Workers’ Compensation Benefits and Reserve257

POSTSECONDARY EDUCATION 258

 Council on Postsecondary Education259

 Agency Operations261

 Licensure262

 Pass Through Programs263

 Federal Programs.....265

 Strategic Investment and Incentive Funding Program266

 Ovarian Cancer Screening267

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
PUBLIC PROTECTION	292
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
TOURISM, ARTS AND HERITAGE	308
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

TRANSPORTATION	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
STATEWIDE	
Budget Reserve Trust Fund.....	351
Capital Construction	352
LEGISLATIVE BRANCH	353
JUDICIAL BRANCH	354

Commonwealth of Kentucky

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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	
Total General Fund	11,451,872,711	11,784,827,292	12,219,584,644	12,088,309,400
Tobacco Fund				
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		
Total Tobacco Fund	159,301,196	169,599,349	175,676,200	127,000,100
Restricted Funds				
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
Total Restricted Funds	8,247,121,474	8,439,750,421	9,988,548,815	10,183,837,334
Federal Fund				
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			
Total Federal Fund	12,336,265,874	12,578,572,782	14,064,291,727	14,140,792,500
Road Fund				
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	
Total Road Fund	1,884,668,673	1,972,787,780	1,603,137,200	1,586,160,200
TOTAL SOURCE OF FUNDS	34,079,229,927	34,945,537,624	38,051,238,586	38,126,099,534
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	32,437,274,493	33,160,090,553	36,767,826,580	37,148,893,000
EXPENDITURES BY FUND SOURCE				
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>
TOTAL EXPENDITURES	32,437,274,493	33,160,090,553	36,767,826,580	37,148,893,000

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>
TOTAL EXPENDITURES	32,437,274,493	33,160,090,553	36,767,826,580	37,148,893,000

Executive Branch

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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	
Total General Fund	11,012,686,514	11,322,301,581	11,741,093,500	11,609,934,800
Tobacco Fund				
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		
Total Tobacco Fund	159,301,196	169,599,349	175,676,200	127,000,100
Restricted Funds				
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
Total Restricted Funds	8,198,651,767	8,367,465,780	9,907,645,640	10,114,707,540
Federal Fund				
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			
Total Federal Fund	12,332,351,492	12,574,353,329	14,059,249,627	14,137,602,500
Road Fund				
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	
Total Road Fund	1,884,668,673	1,972,787,780	1,603,137,200	1,586,160,200
TOTAL SOURCE OF FUNDS	33,587,659,641	34,406,507,819	37,486,802,167	37,575,405,140
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	31,989,691,727	32,676,623,883	36,248,778,500	36,628,881,300
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	31,989,691,727	32,676,623,883	36,248,778,500	36,628,881,300

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
TOTAL EXPENDITURES	31,989,691,727	32,676,623,883	36,248,778,500	36,628,881,300

General Government

General Government

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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	
Total General Fund	1,251,652,171	1,321,037,368	1,325,870,200	1,238,634,200
Tobacco Fund				
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		
Total Tobacco Fund	64,861,729	59,489,218	60,402,100	54,018,300
Restricted Funds				
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
Total Restricted Funds	357,094,940	350,730,624	406,558,040	418,638,040
Federal Fund				
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			
Total Federal Fund	131,462,469	151,404,945	180,535,000	188,595,600
Road Fund				
Regular Appropriation	520,400	557,900	562,000	571,600
Total Road Fund	520,400	557,900	562,000	571,600
TOTAL SOURCE OF FUNDS	1,805,591,710	1,883,220,054	1,973,927,340	1,900,457,740
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	1,627,721,974	1,703,335,913	1,832,884,200	1,794,495,300
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	1,627,721,974	1,703,335,913	1,832,884,200	1,794,495,300
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	1,627,721,974	1,703,335,913	1,832,884,200	1,794,495,300

**General Government
Office of the Governor**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	5,516,800	6,170,900	6,258,000	6,099,000
Budget Reduction-General Fund	-282,600			
Total General Fund	5,234,200	6,170,900	6,258,000	6,099,000
Tobacco Fund				
Tobacco Settlement - Phase I			2,050,000	
Reorganization Adjustment			-2,050,000	
Total Tobacco Fund				
Restricted Funds				
Balance Forward	505,280	359,799	60,800	11,500
Current Receipts	232,500		245,400	283,200
Total Restricted Funds	737,780	359,799	306,200	294,700
Federal Fund				
Balance Forward		-252,693	-397,400	
Current Receipts	289,790	551,173	957,100	900,000
Non-Revenue Receipts	-120,547			
Total Federal Fund	169,243	298,480	559,700	900,000
TOTAL SOURCE OF FUNDS	6,141,223	6,829,179	7,123,900	7,293,700
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	5,763,663	6,606,822	7,112,400	7,293,700
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	5,763,663	6,606,822	7,112,400	7,293,700
EXPENDITURES BY UNIT				
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			
TOTAL EXPENDITURES	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
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	3,165,500	3,486,400	3,533,700	3,604,100
Budget Reduction-General Fund	-162,200			
Total General Fund	3,003,300	3,486,400	3,533,700	3,604,100
Restricted Funds				
Balance Forward	246,872	282,187	309,800	174,200
Current Receipts		27,609		
Non-Revenue Receipts	242,300		125,900	125,900
Total Restricted Funds	489,172	309,796	435,700	300,100
TOTAL SOURCE OF FUNDS	3,492,472	3,796,196	3,969,400	3,904,200
EXPENDITURES BY CLASS				
Personnel Costs	2,918,514	3,045,122	3,474,800	3,418,500
Operating Expenses	291,771	349,852	320,400	350,100
TOTAL EXPENDITURES	3,210,285	3,394,974	3,795,200	3,768,600
EXPENDITURES BY FUND SOURCE				
General Fund	3,003,300	3,394,974	3,533,700	3,604,100
Restricted Funds	206,985		261,500	164,500
TOTAL EXPENDITURES	3,210,285	3,394,974	3,795,200	3,768,600
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	3,210,285	3,394,974	3,795,200	3,768,600

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	231,800	251,900	255,200	257,000
Budget Reduction-General Fund	-11,900			
Total General Fund	219,900	251,900	255,200	257,000
Restricted Funds				
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		
Total Restricted Funds	3,760,149	4,298,980	5,024,100	5,183,800
Federal Fund				
Balance Forward	73,176	44,122	27,700	
Current Receipts	2,532,501	2,997,213	4,068,500	4,093,400
Total Federal Fund	2,605,677	3,041,335	4,096,200	4,093,400
Road Fund				
Regular Appropriation	270,400	307,900	312,000	321,000
Total Road Fund	270,400	307,900	312,000	321,000
TOTAL SOURCE OF FUNDS	6,856,126	7,900,115	9,687,500	9,855,200
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	4,143,628	4,243,954	6,025,200	6,032,200
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	4,143,628	4,243,954	6,025,200	6,032,200
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	4,143,628	4,243,954	6,025,200	6,032,200

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	19,083,000	25,098,600	25,810,200	26,060,400
Total General Fund	19,083,000	25,098,600	25,810,200	26,060,400
Restricted Funds				
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			
Total Restricted Funds	74,856,073	77,858,475	77,694,000	73,617,100
TOTAL SOURCE OF FUNDS	93,939,073	102,957,075	103,504,200	99,677,500
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	73,443,623	85,607,171	92,503,000	97,638,400
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	73,443,623	85,607,171	92,503,000	97,638,400
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	73,443,623	85,607,171	92,503,000	97,638,400

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Tobacco Fund				
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		
Total Tobacco Fund	64,261,729	58,989,218	59,902,100	53,368,300
Restricted Funds				
Balance Forward	384,979	396,644	363,200	272,700
Current Receipts	126,250	9,500	9,500	
Total Restricted Funds	511,229	406,144	372,700	272,700
TOTAL SOURCE OF FUNDS	64,772,958	59,395,362	60,274,800	53,641,000
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	45,234,748	34,230,264	41,228,600	34,694,800
EXPENDITURES BY FUND SOURCE				
Tobacco Fund	45,120,163	34,187,352	41,128,600	34,594,800
Restricted Funds	114,586	42,912	100,000	100,000
TOTAL EXPENDITURES	45,234,748	34,230,264	41,228,600	34,694,800
EXPENDITURES BY UNIT				
Governor's Office of Agricultural Policy	45,234,748	34,230,264	41,228,600	34,694,800
TOTAL EXPENDITURES	45,234,748	34,230,264	41,228,600	34,694,800

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	2,087,000	1,398,800	1,140,800	1,117,200
Budget Reduction-General Fund	-62,300			
Total General Fund	2,024,700	1,398,800	1,140,800	1,117,200
Restricted Funds				
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
Total Restricted Funds	1,480,493	1,614,313	33,724,200	33,095,700
Federal Fund				
Balance Forward	1	1		
Current Receipts	22,124,995	29,205,833	29,381,900	29,380,100
Total Federal Fund	22,124,997	29,205,834	29,381,900	29,380,100
TOTAL SOURCE OF FUNDS	25,630,190	32,218,947	64,246,900	63,593,000
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	25,298,490	31,735,904	64,246,900	63,593,000
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	25,298,490	31,735,904	64,246,900	63,593,000
EXPENDITURES BY UNIT				
Kentucky Infrastructure Authority	25,298,490	31,735,904	64,246,900	63,593,000
TOTAL EXPENDITURES	25,298,490	31,735,904	64,246,900	63,593,000

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	9,912,800	15,036,400	15,155,400	14,991,400
Mandated Allotments	3,935,182			
Total General Fund	13,847,982	15,036,400	15,155,400	14,991,400
Restricted Funds				
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			
Total Restricted Funds	57,276,633	56,657,136	61,319,600	71,922,600
Federal Fund				
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			
Total Federal Fund	50,977,992	59,187,098	86,329,900	86,249,300
TOTAL SOURCE OF FUNDS	122,102,608	130,880,634	162,804,900	173,163,300
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	105,856,330	116,099,924	140,127,800	149,831,300
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	105,856,330	116,099,924	140,127,800	149,831,300
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	105,856,330	116,099,924	140,127,800	149,831,300

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,781,800	1,874,800	2,005,600	1,926,600
Budget Reduction-General Fund	-91,300			
Total General Fund	1,690,500	1,874,800	2,005,600	1,926,600
Restricted Funds				
Balance Forward	3,400	1,839	5,700	5,700
Current Receipts	5,353	6,550	10,000	10,000
Total Restricted Funds	8,754	8,390	15,700	15,700
Federal Fund				
Balance Forward	10,697	214,973	287,600	287,600
Current Receipts	465,760	336,160	245,000	245,000
Total Federal Fund	476,457	551,133	532,600	532,600
TOTAL SOURCE OF FUNDS	2,175,710	2,434,323	2,553,900	2,474,900
EXPENDITURES BY CLASS				
Personnel Costs	1,644,056	1,859,078	1,931,100	1,919,100
Operating Expenses	314,839	281,954	329,500	262,500
TOTAL EXPENDITURES	1,958,895	2,141,032	2,260,600	2,181,600
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	1,958,895	2,141,032	2,260,600	2,181,600
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	1,958,895	2,141,032	2,260,600	2,181,600

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	15,705,300	9,207,400	9,326,700	9,415,300
Budget Reduction-General Fund	-804,500			
Total General Fund	14,900,800	9,207,400	9,326,700	9,415,300
Restricted Funds				
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
Total Restricted Funds	3,406,296	2,915,650	3,314,700	2,195,600
Federal Fund				
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			
Total Federal Fund	27,906,707	24,111,248	29,727,500	46,227,500
TOTAL SOURCE OF FUNDS	46,213,803	36,234,298	42,368,900	57,838,400
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	44,587,405	34,148,581	39,942,900	56,531,500
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	44,587,405	34,148,581	39,942,900	56,531,500
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	44,587,405	34,148,581	39,942,900	56,531,500

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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	
Total General Fund	31,889,409	43,962,704	38,624,200	21,830,900
TOTAL SOURCE OF FUNDS	31,889,409	43,962,704	38,624,200	21,830,900
EXPENDITURES BY CLASS				
Grants Loans Benefits	31,889,409	28,826,186	38,624,200	21,830,900
TOTAL EXPENDITURES	31,889,409	28,826,186	38,624,200	21,830,900
EXPENDITURES BY FUND SOURCE				
General Fund	31,889,409	28,826,186	38,624,200	21,830,900
TOTAL EXPENDITURES	31,889,409	28,826,186	38,624,200	21,830,900
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	31,889,409	28,826,186	38,624,200	21,830,900

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

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

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
Coal Severance Tax Resources		
Coal Severance Tax	69,819,500	46,186,400
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)
Total coal severance tax resources to be distributed	41,323,100	18,306,100

Local Government Economic Assistance Fund (LGEAF) Total Funds		
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	
Total LGEAF enacted	23,487,700	21,830,900

Local Government Economic Development Fund (LGEDF)		
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)	
Total LGEDF enacted	13,570,500	12,814,300

General Government
Local Government Regional Development Agency Assistance

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

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

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,784,100	2,204,100	2,252,500	
Budget Reduction-General Fund	-22,800			
Total General Fund	1,761,300	2,204,100	2,252,500	
Restricted Funds				
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
Total Restricted Funds	8,930,805	9,844,564	10,340,300	9,454,800
Federal Fund				
Balance Forward		-9,877		
Current Receipts	32,557	9,877	221,400	221,400
Non-Revenue Receipts	-32,986			
Total Federal Fund	-430		221,400	221,400
TOTAL SOURCE OF FUNDS	10,691,675	12,048,664	12,814,200	9,676,200
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	3,376,508	4,124,286	5,155,100	5,399,000
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	3,376,508	4,124,286	5,155,100	5,399,000
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	3,376,508	4,124,286	5,155,100	5,399,000

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
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	3,989,300	4,216,200	4,231,100	6,206,500
Mandated Allotments		21,600		
Total General Fund	3,989,300	4,237,800	4,231,100	6,206,500
Restricted Funds				
Balance Forward	806,333	711,590	648,300	464,400
Current Receipts	85,069	91,646	62,100	111,000
Total Restricted Funds	891,402	803,236	710,400	575,400
Federal Fund				
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
Total Federal Fund	13,588,531	16,781,220	12,943,800	4,284,100
TOTAL SOURCE OF FUNDS	18,469,233	21,822,256	17,885,300	11,066,000
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	7,143,536	8,406,324	13,176,800	8,946,800
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	7,143,536	8,406,324	13,176,800	8,946,800
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	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**

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

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
SOURCE OF FUNDS				
General Fund				
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		
Total General Fund	11,111,333	12,220,934	12,374,600	12,473,700
Tobacco Fund				
Tobacco Settlement - Phase I				150,000
Total Tobacco Fund				150,000
Restricted Funds				
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
Total Restricted Funds	26,042,447	23,897,963	23,299,900	21,109,200
Federal Fund				
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			
Total Federal Fund	3,653,233	4,525,543	5,410,100	4,987,600
TOTAL SOURCE OF FUNDS	40,807,013	40,644,440	41,084,600	38,720,500
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	31,399,127	31,786,789	34,903,400	35,664,300
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	31,399,127	31,786,789	34,903,400	35,664,300
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	31,399,127	31,786,789	34,903,400	35,664,300

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
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	49,024,300	59,068,600	59,913,100	60,413,100
Total General Fund	49,024,300	59,068,600	59,913,100	60,413,100
Restricted Funds				
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
Total Restricted Funds	6,486,230	6,814,804	7,459,300	7,736,400
Federal Fund				
Balance Forward	-81,081	-80,319	-50,700	100
Current Receipts	55,158	82,529	419,100	756,700
Non-Revenue Receipts	-178,337			
Total Federal Fund	-204,260	2,210	368,400	756,800
TOTAL SOURCE OF FUNDS	55,306,270	65,885,614	67,740,800	68,906,300
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	52,809,064	62,684,767	64,439,300	67,288,100
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	52,809,064	62,684,767	64,439,300	67,288,100
EXPENDITURES BY UNIT				
Commonwealth's Attorneys	52,809,064	62,684,767	64,439,300	67,288,100
TOTAL EXPENDITURES	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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	42,647,000	52,266,800	53,058,600	53,518,500
Total General Fund	42,647,000	52,266,800	53,058,600	53,518,500
Restricted Funds				
Balance Forward	781,149	747,713	907,200	884,500
Current Receipts	763,023	726,160	720,000	780,000
Total Restricted Funds	1,544,172	1,473,873	1,627,200	1,664,500
Federal Fund				
Balance Forward	81,081	112,262	174,500	100
Current Receipts	776,626	665,141	829,300	1,025,100
Total Federal Fund	857,707	777,404	1,003,800	1,025,200
TOTAL SOURCE OF FUNDS	45,048,879	54,518,076	55,689,600	56,208,200
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	44,188,849	53,422,378	54,805,000	55,502,100
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	44,188,849	53,422,378	54,805,000	55,502,100
EXPENDITURES BY UNIT				
County Attorneys	44,188,849	53,422,378	54,805,000	55,502,100
TOTAL EXPENDITURES	44,188,849	53,422,378	54,805,000	55,502,100

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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	
Total General Fund	2,051,922	2,377,413	2,413,000	2,411,800
Restricted Funds				
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
Total Restricted Funds	1,457,514	1,484,450	2,080,240	2,108,340
Federal Fund				
Balance Forward	108,974			
Current Receipts	884,051	1,483,338	1,270,300	1,254,800
Total Federal Fund	993,025	1,483,338	1,270,300	1,254,800
Road Fund				
Regular Appropriation	250,000	250,000	250,000	250,600
Total Road Fund	250,000	250,000	250,000	250,600
TOTAL SOURCE OF FUNDS	4,752,461	5,595,202	6,013,540	6,025,540
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	4,302,778	5,121,013	5,781,900	5,765,600
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	4,302,778	5,121,013	5,781,900	5,765,600
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	4,302,778	5,121,013	5,781,900	5,765,600

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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			
Total General Fund	17,027,069	17,828,457	17,918,700	16,822,000
Tobacco Fund				
Tobacco Settlement - Phase I	600,000	500,000	500,000	500,000
Total Tobacco Fund	600,000	500,000	500,000	500,000
Restricted Funds				
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
Total Restricted Funds	23,750,814	25,628,713	26,138,400	24,557,300
Federal Fund				
Balance Forward	1,258,225	3,000,771		
Current Receipts	7,050,839	8,439,331	8,689,400	8,681,400
Total Federal Fund	8,309,064	11,440,102	8,689,400	8,681,400
TOTAL SOURCE OF FUNDS	49,686,947	55,397,272	53,246,500	50,560,700
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	31,776,839	36,387,893	37,956,300	40,366,100
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	31,776,839	36,387,893	37,956,300	40,366,100
EXPENDITURES BY UNIT				
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	
TOTAL EXPENDITURES	31,776,839	36,387,893	37,956,300	40,366,100

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	4,948,600	5,634,200	5,735,700	7,787,000
Budget Reduction-General Fund	-63,300			
Total General Fund	4,885,300	5,634,200	5,735,700	7,787,000
Restricted Funds				
Balance Forward	450,090	1,056,909	1,523,300	
Current Receipts	9,157,216	9,920,608	10,439,900	11,963,200
Total Restricted Funds	9,607,306	10,977,517	11,963,200	11,963,200
TOTAL SOURCE OF FUNDS	14,492,606	16,611,717	17,698,900	19,750,200
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	13,435,697	15,088,417	17,698,900	19,713,600
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	13,435,697	15,088,417	17,698,900	19,713,600
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	13,435,697	15,088,417	17,698,900	19,713,600

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	480,113	597,168	583,800	537,900
Current Receipts	897,448	801,198	800,000	621,300
Total Restricted Funds	1,377,561	1,398,367	1,383,800	1,159,200
TOTAL SOURCE OF FUNDS	1,377,561	1,398,367	1,383,800	1,159,200
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	780,393	814,547	845,900	875,000
EXPENDITURES BY FUND SOURCE				
Restricted Funds	780,393	814,547	845,900	875,000
TOTAL EXPENDITURES	780,393	814,547	845,900	875,000
EXPENDITURES BY UNIT				
Personnel Board	780,393	814,547	845,900	875,000
TOTAL EXPENDITURES	780,393	814,547	845,900	875,000

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
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	87,574,300	1,086,200	1,086,200	384,000
Surplus Expenditure Plan		15,763,250	60,094,500	
Total General Fund	87,574,300	16,849,450	61,180,700	384,000
Restricted Funds				
Current Receipts	2,540	840		
Non-Revenue Receipts	32,359,577	35,592,481	47,702,500	48,888,200
Total Restricted Funds	32,362,118	35,593,321	47,702,500	48,888,200
TOTAL SOURCE OF FUNDS	119,936,418	52,442,771	108,883,200	49,272,200
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	119,936,418	52,442,771	108,883,200	49,272,200
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	119,936,418	52,442,771	108,883,200	49,272,200
EXPENDITURES BY UNIT				
Kentucky Retirement Systems	119,936,418	52,442,771	108,883,200	49,272,200
TOTAL EXPENDITURES	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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
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		
Total Restricted Funds	46,447,270	51,099,959	53,081,500	53,445,400
TOTAL SOURCE OF FUNDS	46,447,270	51,099,959	53,081,500	53,445,400
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	20,247,826	22,630,045	25,516,600	26,750,800
EXPENDITURES BY FUND SOURCE				
Restricted Funds	20,247,826	22,630,045	25,516,600	26,750,800
TOTAL EXPENDITURES	20,247,826	22,630,045	25,516,600	26,750,800
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	20,247,826	22,630,045	25,516,600	26,750,800

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	258,200	282,700	286,400	288,500
Budget Reduction-General Fund	-13,200			
Total General Fund	245,000	282,700	286,400	288,500
Restricted Funds				
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
Total Restricted Funds	9,344,253	10,907,636	12,926,500	8,496,900
TOTAL SOURCE OF FUNDS	9,589,253	11,190,336	13,212,900	8,785,400
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	4,735,264	5,190,834	7,550,000	7,975,100
EXPENDITURES BY FUND SOURCE				
General Fund	245,000	282,700	286,400	288,500
Restricted Funds	4,490,264	4,908,134	7,263,600	7,686,600
TOTAL EXPENDITURES	4,735,264	5,190,834	7,550,000	7,975,100
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	4,735,264	5,190,834	7,550,000	7,975,100

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

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

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

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

General Government
School Facilities Construction Commission

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	134,918,000	129,898,300	129,071,300	125,243,600
Total General Fund	134,918,000	129,898,300	129,071,300	125,243,600
Restricted Funds				
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
Total Restricted Funds	26,954,201	4,711,264	8,811,400	5,911,400
TOTAL SOURCE OF FUNDS	161,872,201	134,609,564	137,882,700	131,155,000
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	134,918,000	129,898,300	129,071,300	125,243,600
EXPENDITURES BY FUND SOURCE				
General Fund	134,918,000	129,898,300	129,071,300	125,243,600
TOTAL EXPENDITURES	134,918,000	129,898,300	129,071,300	125,243,600
EXPENDITURES BY UNIT				
School Facilities Construction Commission	134,918,000	129,898,300	129,071,300	125,243,600
TOTAL EXPENDITURES	134,918,000	129,898,300	129,071,300	125,243,600

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	744,837,200	828,160,500	719,474,400	781,620,000
Surplus Expenditure Plan			70,000,000	
Total General Fund	744,837,200	828,160,500	789,474,400	781,620,000
Restricted Funds				
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
Total Restricted Funds	14,724,870	16,323,422	13,989,000	16,100,300
TOTAL SOURCE OF FUNDS	759,562,070	844,483,922	803,463,400	797,720,300
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	757,734,692	841,956,894	803,463,400	797,720,300
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	757,734,692	841,956,894	803,463,400	797,720,300
EXPENDITURES BY UNIT				
Teachers' Retirement System	757,734,692	841,956,894	803,463,400	797,720,300
TOTAL EXPENDITURES	757,734,692	841,956,894	803,463,400	797,720,300

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
SOURCE OF FUNDS				
General Fund				
Regular Appropriation				22,500,000
Current Year Appropriation			16,900,000	
Mandated Allotments	531,627	4,384,814		
Total General Fund	531,627	4,384,814	16,900,000	22,500,000
TOTAL SOURCE OF FUNDS	531,627	4,384,814	16,900,000	22,500,000
EXPENDITURES BY CLASS				
Personnel Costs		687,440		
Operating Expenses	531,627	3,697,374	16,900,000	22,500,000
TOTAL EXPENDITURES	531,627	4,384,814	16,900,000	22,500,000
EXPENDITURES BY FUND SOURCE				
General Fund	531,627	4,384,814	16,900,000	22,500,000
TOTAL EXPENDITURES	531,627	4,384,814	16,900,000	22,500,000
EXPENDITURES BY UNIT				
Judgments	531,627	4,384,814	16,900,000	22,500,000
TOTAL EXPENDITURES	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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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		
Total General Fund	19,734,554	25,764,795	19,026,400	14,526,400
TOTAL SOURCE OF FUNDS	19,734,554	25,764,795	19,026,400	14,526,400
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	19,734,554	25,764,718	19,026,400	14,526,400
EXPENDITURES BY FUND SOURCE				
General Fund	19,734,554	25,764,718	19,026,400	14,526,400
TOTAL EXPENDITURES	19,734,554	25,764,718	19,026,400	14,526,400
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	19,734,554	25,764,718	19,026,400	14,526,400

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

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation		33,387,400	34,268,300	34,220,000
Current Year Appropriation	2,820,200			
Other	22,753,775			
Total General Fund	25,573,975	33,387,400	34,268,300	34,220,000
Restricted Funds				
Balance Forward	4,247,063	3,806,615	2,293,100	793,100
Current Receipts				11,240,000
Non-Revenue Receipts		-973,756		
Total Restricted Funds	4,247,063	2,832,860	2,293,100	12,033,100
Federal Fund				
Current Receipts	6,139			
Non-Revenue Receipts	-1,612			
Total Federal Fund	4,527			
TOTAL SOURCE OF FUNDS	29,825,566	36,220,260	36,561,400	46,253,100
EXPENDITURES BY CLASS				
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			
TOTAL EXPENDITURES	25,299,019	33,927,075	35,768,300	46,253,100
EXPENDITURES BY FUND SOURCE				
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			
TOTAL EXPENDITURES	25,299,019	33,927,075	35,768,300	46,253,100
EXPENDITURES BY UNIT				
KY Communications Network Authority	25,060,246	33,927,075	35,768,300	46,253,100
Regional Strategic Development Funds	238,773			
TOTAL EXPENDITURES	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

Economic Development

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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			
Total General Fund	27,567,348	28,274,182	33,806,300	29,123,000
Restricted Funds				
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
Total Restricted Funds	4,603,827	4,936,506	5,292,800	3,985,200
Federal Fund				
Balance Forward	13,056	-12,289	-127,900	124,400
Current Receipts	255,665	384,343	652,300	304,400
Total Federal Fund	268,722	372,055	524,400	428,800
TOTAL SOURCE OF FUNDS	32,439,897	33,582,743	39,623,500	33,537,000
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	27,126,458	22,958,306	38,523,100	33,063,600
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	27,126,458	22,958,306	38,523,100	29,994,600
EXPENDITURES BY UNIT				
Economic Development	27,126,458	22,958,306	38,523,100	29,994,600
TOTAL EXPENDITURES	27,126,458	22,958,306	38,523,100	29,994,600

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

Department of Education

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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	
Total General Fund	4,120,533,264	4,122,433,400	4,127,898,300	4,106,080,500
Restricted Funds				
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
Total Restricted Funds	34,929,065	39,271,859	43,420,900	46,161,800
Federal Fund				
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			
Total Federal Fund	860,787,468	923,499,941	969,030,300	971,699,900
TOTAL SOURCE OF FUNDS	5,016,249,796	5,085,205,200	5,140,349,500	5,123,942,200
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	4,981,770,039	5,064,715,359	5,054,653,100	5,123,942,200
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	4,981,770,039	5,064,715,359	5,054,653,100	5,123,942,200
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	4,981,770,039	5,064,715,359	5,054,653,100	5,123,942,200

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
SOURCE OF FUNDS				
General Fund				
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			
Total General Fund	3,035,552,853	3,056,500,800	3,047,480,900	2,973,696,700
TOTAL SOURCE OF FUNDS	3,035,552,853	3,056,500,800	3,047,480,900	2,973,696,700
EXPENDITURES BY CLASS				
Grants Loans Benefits	3,022,599,253	3,056,500,800	2,961,784,500	2,973,696,700
TOTAL EXPENDITURES	3,022,599,253	3,056,500,800	2,961,784,500	2,973,696,700
EXPENDITURES BY FUND SOURCE				
General Fund	3,022,599,253	3,056,500,800	2,961,784,500	2,973,696,700
TOTAL EXPENDITURES	3,022,599,253	3,056,500,800	2,961,784,500	2,973,696,700
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	3,022,599,253	3,056,500,800	2,961,784,500	2,973,696,700

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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	
Total General Fund	58,515,552	59,534,200	57,605,300	55,615,100
Restricted Funds				
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
Total Restricted Funds	3,117,343	3,808,539	7,401,500	7,913,400
Federal Fund				
Balance Forward	120,549	189,141	171,000	
Current Receipts	383,454,288	393,270,784	409,007,100	410,152,800
Total Federal Fund	383,574,837	393,459,924	409,178,100	410,152,800
TOTAL SOURCE OF FUNDS	445,207,732	456,802,663	474,184,900	473,681,300
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	440,225,864	452,943,296	474,184,900	473,681,300
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	440,225,864	452,943,296	474,184,900	473,681,300
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	440,225,864	452,943,296	474,184,900	473,681,300

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

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

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

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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		
Total General Fund	15,533,852	17,310,100	14,683,200	14,564,100
Restricted Funds				
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
Total Restricted Funds	3,012,115	3,705,038	7,296,600	7,808,500
Federal Fund				
Balance Forward	119,121	187,713	171,000	
Current Receipts	383,454,288	393,270,784	409,007,100	410,152,800
Total Federal Fund	383,573,409	393,458,496	409,178,100	410,152,800
TOTAL SOURCE OF FUNDS	402,119,376	414,473,634	431,157,900	432,525,400
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	398,992,041	410,719,196	431,157,900	432,525,400
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	398,992,041	410,719,196	431,157,900	432,525,400
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	398,992,041	410,719,196	431,157,900	432,525,400

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**

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

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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	
Total General Fund	40,401,500	38,500,900	38,864,900	37,047,400
Federal Fund				
Balance Forward	1,428	1,428		
Total Federal Fund	1,428	1,428		
TOTAL SOURCE OF FUNDS	40,402,928	38,502,328	38,864,900	37,047,400
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	38,651,500	38,500,900	38,864,900	37,047,400
EXPENDITURES BY FUND SOURCE				
General Fund	38,651,500	38,500,900	38,864,900	37,047,400
TOTAL EXPENDITURES	38,651,500	38,500,900	38,864,900	37,047,400

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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	
Total General Fund	1,026,464,859	1,006,398,400	1,022,812,100	1,076,768,700
Restricted Funds				
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
Total Restricted Funds	31,811,722	35,463,321	36,019,400	38,248,400
Federal Fund				
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			
Total Federal Fund	477,212,631	530,040,017	559,852,200	561,547,100
TOTAL SOURCE OF FUNDS	1,535,489,212	1,571,901,737	1,618,683,700	1,676,564,200
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	1,518,944,922	1,555,271,263	1,618,683,700	1,676,564,200
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	1,518,944,922	1,555,271,263	1,618,683,700	1,676,564,200
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	1,518,944,922	1,555,271,263	1,618,683,700	1,676,564,200

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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		
Total General Fund	63,961,100	63,155,527	63,044,600	63,044,600
Restricted Funds				
Balance Forward				
Current Receipts			768,200	768,200
Total Restricted Funds			768,200	768,200
Federal Fund				
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			
Total Federal Fund	246,851,495	279,296,618	314,633,000	315,172,800
TOTAL SOURCE OF FUNDS	310,812,595	342,452,144	378,445,800	378,985,600
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	309,904,416	341,848,203	378,445,800	378,985,600
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	309,904,416	341,848,203	378,445,800	378,985,600
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	309,904,416	341,848,203	378,445,800	378,985,600

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	123,075,500	115,068,700	115,223,700	115,223,700
Budget Reduction-General Fund	-45,000			
Reorganization Adjustment		46,700		
Total General Fund	123,030,500	115,115,400	115,223,700	115,223,700
Federal Fund				
Balance Forward	174,858			
Current Receipts	167,053,963	180,840,983	186,000,000	186,847,100
Non-Revenue Receipts	-155,108			
Total Federal Fund	167,073,713	180,840,983	186,000,000	186,847,100
TOTAL SOURCE OF FUNDS	290,104,213	295,956,383	301,223,700	302,070,800
EXPENDITURES BY CLASS				
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			
TOTAL EXPENDITURES	290,104,213	295,760,096	301,223,700	302,070,800
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	290,104,213	295,760,096	301,223,700	302,070,800

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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	
Total General Fund	9,264,759	4,215,200	4,179,100	2,179,100
Restricted Funds				
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
Total Restricted Funds	7,538,476	10,302,428	8,430,200	4,931,300
Federal Fund				
Balance Forward	177,856			
Current Receipts	30,936,803	33,323,081	26,153,100	26,470,200
Non-Revenue Receipts	-126,136			
Total Federal Fund	30,988,524	33,323,081	26,153,100	26,470,200
TOTAL SOURCE OF FUNDS	47,791,759	47,840,709	38,762,400	33,580,600
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	42,219,380	39,213,035	38,762,400	33,580,600
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	42,219,380	39,213,035	38,762,400	33,580,600

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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		
Total General Fund	76,593,600	56,297,673	57,893,400	64,002,500
Federal Fund				
Balance Forward	565,594	3,357,764		
Current Receipts	11,997,762	12,879,497	15,066,100	15,066,100
Total Federal Fund	12,563,356	16,237,261	15,066,100	15,066,100
TOTAL SOURCE OF FUNDS	89,156,956	72,534,934	72,959,500	79,068,600
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	85,799,193	71,967,427	72,959,500	79,068,600
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	85,799,193	71,967,427	72,959,500	79,068,600

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	16,692,600	16,831,400	16,933,700	16,933,700
Budget Reduction-General Fund	-90,000			
Total General Fund	16,602,600	16,831,400	16,933,700	16,933,700
Restricted Funds				
Balance Forward	646,604	934,149	1,068,800	
Current Receipts	419,166	288,813	1,042,700	2,117,600
Total Restricted Funds	1,065,770	1,222,962	2,111,500	2,117,600
TOTAL SOURCE OF FUNDS	17,668,370	18,054,362	19,045,200	19,051,300
EXPENDITURES BY CLASS				
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			
TOTAL EXPENDITURES	16,734,221	16,985,593	19,045,200	19,051,300
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	16,734,221	16,985,593	19,045,200	19,051,300

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	40,000,000	38,759,300	39,770,600	64,149,700
Budget Reduction-General Fund	-516,600			
Reorganization Adjustment		460,400		
Total General Fund	39,483,400	39,219,700	39,770,600	64,149,700
Restricted Funds				
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
Total Restricted Funds	23,207,476	23,937,931	24,709,500	30,431,300
Federal Fund				
Balance Forward	2,302,023	2,443,648		
Current Receipts	17,433,518	17,898,426	18,000,000	17,990,900
Total Federal Fund	19,735,542	20,342,074	18,000,000	17,990,900
TOTAL SOURCE OF FUNDS	82,426,418	83,499,705	82,480,100	112,571,900
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	76,684,418	77,933,409	82,480,100	112,571,900
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	76,684,418	77,933,409	82,480,100	112,571,900

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**

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

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

Education and Workforce Development

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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		
Total General Fund	73,350,814	71,108,883	72,992,100	66,674,200
Tobacco Fund				
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		
Total Tobacco Fund	6,060,736	6,176,434	5,962,300	1,400,000
Restricted Funds				
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
Total Restricted Funds	59,959,129	35,531,445	39,052,100	36,748,900
Federal Fund				
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	
Total Federal Fund	457,291,453	438,525,190	528,666,700	516,343,600
TOTAL SOURCE OF FUNDS	596,662,133	551,341,952	646,673,200	621,166,700
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	582,501,456	526,390,393	635,803,200	614,363,800
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	582,501,456	526,390,393	635,803,200	614,363,800
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	582,501,456	526,390,393	635,803,200	614,363,800

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

The following agencies comprise the Education and Workforce Development Cabinet:

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

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	13,470,600	5,164,000	5,210,100	6,705,400
Budget Reduction-General Fund	-34,200			
Total General Fund	13,436,400	5,164,000	5,210,100	6,705,400
Tobacco Fund				
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		
Total Tobacco Fund	6,060,736	6,176,434	5,962,300	1,400,000
Restricted Funds				
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
Total Restricted Funds	5,921,406	8,328,341	9,636,400	9,951,000
Federal Fund				
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			
Total Federal Fund	6,839,828	5,500,620	11,061,900	11,146,500
TOTAL SOURCE OF FUNDS	32,258,370	25,169,396	31,870,700	29,202,900
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	28,065,289	18,490,703	30,074,500	27,220,700
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	28,065,289	18,490,703	30,074,500	27,220,700
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	28,065,289	18,490,703	30,074,500	27,220,700

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
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			
Total Restricted Funds	732,757	654,208	789,800	700,600
TOTAL SOURCE OF FUNDS	732,757	654,208	789,800	700,600
EXPENDITURES BY CLASS				
Personnel Costs	194,031	191,454	243,800	266,200
Operating Expenses	12,099	11,589	80,100	65,700
TOTAL EXPENDITURES	206,130	203,042	323,900	331,900
EXPENDITURES BY FUND SOURCE				
Restricted Funds	206,130	203,042	323,900	331,900
TOTAL EXPENDITURES	206,130	203,042	323,900	331,900
EXPENDITURES BY UNIT				
Proprietary Education	206,130	203,042	323,900	331,900
TOTAL EXPENDITURES	206,130	203,042	323,900	331,900

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

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

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	873,900	959,000	970,000	970,200
Budget Reduction-General Fund	-17,100			
Total General Fund	856,800	959,000	970,000	970,200
Restricted Funds				
Balance Forward	16,141			
Current Receipts	1,093,459	1,498,800	1,179,700	1,179,700
Total Restricted Funds	1,109,600	1,498,800	1,179,700	1,179,700
TOTAL SOURCE OF FUNDS	1,966,400	2,457,800	2,149,700	2,149,900
EXPENDITURES BY CLASS				
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			
TOTAL EXPENDITURES	1,966,400	2,457,800	2,149,700	2,148,400
EXPENDITURES BY FUND SOURCE				
General Fund	856,800	959,000	970,000	970,200
Restricted Funds	1,109,600	1,498,800	1,179,700	1,178,200
TOTAL EXPENDITURES	1,966,400	2,457,800	2,149,700	2,148,400
EXPENDITURES BY UNIT				
Commission on the Deaf and Hard of Hearing	1,966,400	2,457,800	2,149,700	2,148,400
TOTAL EXPENDITURES	1,966,400	2,457,800	2,149,700	2,148,400

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	13,923,200	15,047,600	15,036,100	15,054,000
Budget Reduction-General Fund	-718,800			
Total General Fund	13,204,400	15,047,600	15,036,100	15,054,000
Restricted Funds				
Current Receipts	1,337,694	1,242,512	1,524,800	1,524,800
Non-Revenue Receipts		-200,000		
Total Restricted Funds	1,337,694	1,042,512	1,524,800	1,524,800
TOTAL SOURCE OF FUNDS	14,542,094	16,090,112	16,560,900	16,578,800
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	14,542,094	16,090,112	16,560,900	16,578,800
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	14,542,094	16,090,112	16,560,900	16,578,800
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	14,542,094	16,090,112	16,560,900	16,578,800

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
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
Total Restricted Funds	336,151	566,955	693,600	607,900
Federal Fund				
Balance Forward		18,988	-40,900	
Current Receipts	67,533	132,347	356,900	316,000
Non-Revenue Receipts	-9,295			
Total Federal Fund	58,237	151,335	316,000	316,000
TOTAL SOURCE OF FUNDS	394,388	718,290	1,009,600	923,900
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	191,043	474,553	815,700	822,900
EXPENDITURES BY FUND SOURCE				
Restricted Funds	151,793	282,356	499,700	506,900
Federal Fund	39,250	192,197	316,000	316,000
TOTAL EXPENDITURES	191,043	474,553	815,700	822,900
EXPENDITURES BY UNIT				
Ky Environmental Education Council	191,043	474,553	815,700	822,900
TOTAL EXPENDITURES	191,043	474,553	815,700	822,900

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	13,001,800	13,095,200	13,156,700	9,076,700
Budget Reduction-General Fund	-1,213,100			
Total General Fund	11,788,700	13,095,200	13,156,700	9,076,700
Restricted Funds				
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
Total Restricted Funds	5,333,430	5,914,595	7,529,500	6,827,600
Federal Fund				
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	
Total Federal Fund	2,010,643	2,022,466	3,351,400	2,586,400
TOTAL SOURCE OF FUNDS	19,132,773	21,032,261	24,037,600	18,490,700
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	16,054,303	16,102,649	19,748,300	15,871,400
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	16,054,303	16,102,649	19,748,300	15,871,400
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	16,054,303	16,102,649	19,748,300	15,871,400

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

The Department is directed by three goals:

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

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

**Education and Workforce Development
Libraries and Archives**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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			
Total General Fund	5,730,600	6,265,600	6,327,100	4,747,100
Restricted Funds				
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
Total Restricted Funds	3,567,544	4,106,529	5,314,900	5,069,600
Federal Fund				
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	
Total Federal Fund	2,000,643	2,022,466	3,351,400	2,586,400
TOTAL SOURCE OF FUNDS	11,298,787	12,394,595	14,993,400	12,403,100
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	9,075,242	8,234,821	11,417,100	10,494,900
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	9,075,242	8,234,821	11,417,100	10,494,900
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	9,075,242	8,234,821	11,417,100	10,494,900

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

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

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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		
Total General Fund	34,064,514	36,843,083	38,619,200	34,867,900
Restricted Funds				
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
Total Restricted Funds	45,188,090	17,526,033	17,698,300	15,957,300
Federal Fund				
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	
Total Federal Fund	448,382,746	430,850,769	513,937,400	502,294,700
TOTAL SOURCE OF FUNDS	527,635,349	485,219,885	570,254,900	553,119,900
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	521,476,197	472,571,534	566,130,200	551,389,700
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	521,476,197	472,571,533	566,130,200	551,389,700
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	521,476,197	472,571,533	566,130,200	551,389,700

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Reorganization Adjustment		243,227		
Other		-5,900		
Total General Fund		237,327		
Restricted Funds				
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		
Total Restricted Funds	3,158,914	4,608,477	10,997,800	10,802,600
Federal Fund				
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			
Total Federal Fund	15,173,305	15,549,561	22,542,300	22,707,200
TOTAL SOURCE OF FUNDS	18,332,220	20,395,365	33,540,100	33,509,800
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	17,145,815	18,594,304	31,957,600	32,214,400
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	17,145,815	18,594,304	31,957,600	32,214,400

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	13,311,400	15,178,700		15,879,200
Reorganization Adjustment		55,200	15,349,800	
Other		40,000		
Total General Fund	13,311,400	15,273,900	15,349,800	15,879,200
Restricted Funds				
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
Total Restricted Funds	5,194,293	3,954,532	6,347,300	4,917,500
Federal Fund				
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		
Total Federal Fund	47,049,926	51,622,253	59,850,000	62,697,200
TOTAL SOURCE OF FUNDS	65,555,618	70,850,684	81,547,100	83,493,900
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	63,801,170	70,713,605	81,058,100	83,085,700
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	63,801,170	70,713,605	81,058,100	83,085,700
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	63,801,170	70,713,605	81,058,100	83,085,700

The Office of Vocational Rehabilitation provides for and improves the vocational rehabilitation of citizens with physical and mental disabilities and helps eligible persons with disabilities achieve suitable employment. The Office of Vocational Rehabilitation has professional staff located at the central office as well as in Kentucky Career Centers throughout the state. Kentucky Career Centers house not only Office of Vocational Rehabilitation staff, but also staff from partner agencies such as Office 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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	301,533	33,545		581,100
Reorganization Adjustment		305,594	578,200	
Other		5,900		
Total General Fund	301,533	345,039	578,200	581,100
Federal Fund				
Balance Forward		-26,269	-135,100	
Current Receipts	756,777	310,198	1,435,100	1,307,100
Total Federal Fund	756,777	283,929	1,300,000	1,307,100
TOTAL SOURCE OF FUNDS	1,058,310	628,968	1,878,200	1,888,200
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	1,084,579	764,115	1,878,200	1,888,200
EXPENDITURES BY FUND SOURCE				
General Fund	301,533	345,039	578,200	581,100
Federal Fund	783,046	419,076	1,300,000	1,307,100
TOTAL EXPENDITURES	1,084,579	764,115	1,878,200	1,888,200

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
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	
Total General Fund	20,451,581	20,986,817	22,691,200	18,407,600
Restricted Funds				
Balance Forward	49,517	91,137	169,300	53,200
Current Receipts	136,600	139,005	183,900	184,000
Total Restricted Funds	186,117	230,142	353,200	237,200
Federal Fund				
Balance Forward			-1,218,400	
Current Receipts	8,496,652	3,343,875	13,540,400	12,315,200
Total Federal Fund	8,496,652	3,343,875	12,322,000	12,315,200
TOTAL SOURCE OF FUNDS	29,134,350	24,560,834	35,366,400	30,960,000
EXPENDITURES BY CLASS				
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
TOTAL EXPENDITURES	26,231,461	21,326,242	33,313,200	30,933,400
EXPENDITURES BY FUND SOURCE				
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
TOTAL EXPENDITURES	26,231,461	21,326,242	33,313,200	30,933,400

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
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
Total Restricted Funds	36,648,766	8,732,882		
Federal Fund				
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	
Total Federal Fund	330,659,821	319,710,269	374,415,800	359,717,000
TOTAL SOURCE OF FUNDS	367,308,587	328,443,151	374,415,800	359,717,000
EXPENDITURES BY CLASS				
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		
TOTAL EXPENDITURES	365,951,130	319,495,576	374,415,800	359,717,000
EXPENDITURES BY FUND SOURCE				
Restricted Funds	37,156,353			
Federal Fund	328,794,777	319,495,576	374,415,800	359,717,000
TOTAL EXPENDITURES	365,951,130	319,495,576	374,415,800	359,717,000
EXPENDITURES BY UNIT				
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
TOTAL EXPENDITURES	365,951,130	319,495,576	374,415,800	359,717,000

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**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Federal Fund				
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		
Total Federal Fund	46,246,264	40,340,883	43,507,300	43,551,000
TOTAL SOURCE OF FUNDS	46,246,264	40,340,883	43,507,300	43,551,000
EXPENDITURES BY CLASS				
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			
TOTAL EXPENDITURES	47,262,041	41,677,692	43,507,300	43,551,000
EXPENDITURES BY FUND SOURCE				
Federal Fund	47,262,041	41,677,692	43,507,300	43,551,000
TOTAL EXPENDITURES	47,262,041	41,677,692	43,507,300	43,551,000

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.

Energy and Environment

Energy and Environment

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	78,063,510	87,443,600	88,054,000	86,352,900
Current Year Appropriation			700,000	
Continuing Approp-General Fund	610,679	1,063,213	1,798,500	1,400,000
Budget Reduction-General Fund	-3,647,000			
Reorganization Adjustment	851,515	2,023,500	2,049,300	
Mandated Allotments	3,271,273	74,691		
Total General Fund	79,149,977	90,605,004	92,601,800	87,752,900
Tobacco Fund				
Tobacco Settlement - Phase I	5,000,000	3,757,300	3,757,300	3,386,800
Continuing Approp-Tob Settlement	13,895,959	14,093,860	14,348,300	
Budget Reduction-Tobacco			-321,000	
Total Tobacco Fund	18,895,959	17,851,160	17,784,600	3,386,800
Restricted Funds				
Balance Forward	25,221,479	41,240,927	52,262,400	46,270,000
Current Receipts	26,786,472	27,969,242	27,361,700	27,515,200
Non-Revenue Receipts	67,308,780	71,935,361	74,750,400	91,576,500
Fund Transfers	-8,000,000	-15,333,812	-14,500,000	-31,500,000
Total Restricted Funds	111,316,731	125,811,718	139,874,500	133,861,700
Federal Fund				
Balance Forward	1,540	-5,247,859	-2,970,100	
Current Receipts	60,678,892	76,772,392	89,057,200	89,800,200
Non-Revenue Receipts	-9,278,671	-2,436,985	4,569,000	-2,312,300
Total Federal Fund	51,401,761	69,087,548	90,656,100	87,487,900
Road Fund				
Regular Appropriation	320,900	320,900	320,900	320,900
Total Road Fund	320,900	320,900	320,900	320,900
TOTAL SOURCE OF FUNDS	261,085,328	303,676,329	341,237,900	312,810,200
EXPENDITURES BY CLASS				
Personnel Costs	125,864,790	141,638,464	160,921,800	159,675,900
Operating Expenses	35,021,200	36,077,575	38,737,900	39,566,800
Grants Loans Benefits	26,258,821	26,070,716	40,535,500	47,550,800
Debt Service	654,500	424,500		140,000
Capital Outlay	3,053,709	8,236,283	7,117,000	5,900,200
Construction	12,014,168	19,289,136	39,770,500	39,477,300
TOTAL EXPENDITURES	202,867,187	231,736,674	287,082,700	292,311,000
EXPENDITURES BY FUND SOURCE				
General Fund	71,018,763	82,321,310	84,716,600	79,867,700
Tobacco Fund	4,802,100	3,502,887	17,784,600	3,386,800
Restricted Funds	70,075,804	73,534,211	93,604,500	121,247,700
Federal Fund	56,649,620	72,057,367	90,656,100	87,487,900
Road Fund	320,900	320,900	320,900	320,900
TOTAL EXPENDITURES	202,867,188	231,736,674	287,082,700	292,311,000
EXPENDITURES BY UNIT				
Secretary	5,119,246	6,418,568	7,179,100	27,403,600
Environmental Protection	101,872,114	113,020,968	120,002,900	124,874,500
Natural Resources	77,121,918	88,310,980	130,928,200	112,252,400
Public Service Commission	9,326,536	10,231,813	11,768,300	11,603,600
Office of Administrative Services	5,601,109	9,621,713	11,469,200	10,804,200

EXPENDITURES BY UNIT

Office of KY Nature Preserves	1,925,824	2,071,847	3,481,300	3,433,300
Office of Energy Policy	1,900,440	2,060,786	2,253,700	1,939,400
TOTAL EXPENDITURES	<u>202,867,188</u>	<u>231,736,674</u>	<u>287,082,700</u>	<u>292,311,000</u>

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

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

Energy and Environment

Secretary

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	3,059,400	3,330,000	3,372,100	3,769,800
Budget Reduction-General Fund	-156,700			
Reorganization Adjustment		369,600	369,600	
Other	156,700			
Total General Fund	3,059,400	3,699,600	3,741,700	3,769,800
Restricted Funds				
Balance Forward	1,048,561	1,426,496	1,077,900	482,000
Current Receipts	67,910	65,954	65,800	65,800
Non-Revenue Receipts	1,401,319	1,244,012	1,211,100	21,749,000
Total Restricted Funds	2,517,789	2,736,462	2,354,800	22,296,800
Federal Fund				
Balance Forward		-103,696	-87,100	
Current Receipts	912,308	1,086,862	1,681,600	1,348,300
Non-Revenue Receipts	-47,450	-9,812	-29,900	-11,300
Total Federal Fund	864,857	973,354	1,564,600	1,337,000
TOTAL SOURCE OF FUNDS	6,442,046	7,409,416	7,661,100	27,403,600
EXPENDITURES BY CLASS				
Personnel Costs	4,242,449	5,038,327	6,252,200	6,173,100
Operating Expenses	876,551	1,300,749	916,900	845,900
Grants Loans Benefits				20,378,600
Capital Outlay	246	79,492	10,000	6,000
TOTAL EXPENDITURES	5,119,246	6,418,568	7,179,100	27,403,600
EXPENDITURES BY FUND SOURCE				
General Fund	3,059,400	3,699,600	3,741,700	3,769,800
Restricted Funds	1,091,293	1,658,611	1,872,800	22,296,800
Federal Fund	968,553	1,060,356	1,564,600	1,337,000
TOTAL EXPENDITURES	5,119,246	6,418,568	7,179,100	27,403,600
EXPENDITURES BY UNIT				
Administrative Hearings	909,641	1,089,280	1,289,600	1,192,800
Ofc of Sec - Leg & Interg Aff - Gen Coun	4,209,605	5,329,288	5,889,500	26,210,800
TOTAL EXPENDITURES	5,119,246	6,418,568	7,179,100	27,403,600

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

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

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

The Office of Communications oversees all internal and external communications about the agency.

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

Policy

In 2016, the U.S. Department of Justice issued a partial consent decree settling claims by the U.S. EPA and the Federal Trade Commission against German automaker, Volkswagen AG (VW), for misrepresentation regarding the emissions from its “clean diesel” vehicles. As part of the settlement, \$20,378,649 in funding was made available to Kentucky to help improve air quality and accelerate cleaner transportation options in the state. The Budget of the Commonwealth allows that \$8,521,700 shall be used to reimburse local school districts for 50 percent of the purchase cost to replace up to five school buses meeting necessary criteria per district. \$8,521,700 shall be transferred to the Office of Transportation Delivery to replace public transit buses meeting necessary criteria. \$3,057,700 shall be used for the purchase of light-duty, zero-emission vehicle supply equipment meeting the necessary criteria. \$278,500 may be used for administrative costs.

**Energy and Environment
Office of Administrative Services**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	999,510			5,175,900
Budget Reduction-General Fund	-94,800			
Reorganization Adjustment	2,466,115	5,143,900	5,169,700	
Other	94,800			
Total General Fund	3,465,625	5,143,900	5,169,700	5,175,900
Restricted Funds				
Balance Forward	172,143	612,873	1,109,200	
Current Receipts	1,722	2,207	1,700	1,700
Non-Revenue Receipts	2,308,816	3,776,816	3,907,200	4,348,600
Total Restricted Funds	2,482,681	4,391,897	5,018,100	4,350,300
Federal Fund				
Balance Forward	1,540	5,509		
Current Receipts	513,315	1,211,899	1,309,500	1,310,900
Non-Revenue Receipts	-7,603	-22,272	-28,100	-32,900
Total Federal Fund	507,252	1,195,136	1,281,400	1,278,000
TOTAL SOURCE OF FUNDS	6,455,558	10,730,932	11,469,200	10,804,200
EXPENDITURES BY CLASS				
Personnel Costs	4,689,777	8,007,632	9,702,500	8,825,900
Operating Expenses	1,147,399	1,514,958	1,712,800	1,906,900
Capital Outlay		99,122	53,900	71,400
TOTAL EXPENDITURES	5,837,177	9,621,713	11,469,200	10,804,200
EXPENDITURES BY FUND SOURCE				
General Fund	3,465,625	5,143,900	5,169,700	5,175,900
Restricted Funds	1,869,808	3,282,677	5,018,100	4,350,300
Federal Fund	501,743	1,195,136	1,281,400	1,278,000
TOTAL EXPENDITURES	5,837,177	9,621,713	11,469,200	10,804,200
EXPENDITURES BY UNIT				
Office of Administrative Services	5,601,109	9,621,713	11,469,200	10,804,200
Technical and Administrative Support	236,068			
TOTAL EXPENDITURES	5,837,177	9,621,713	11,469,200	10,804,200

The Office of Administrative Services was established effective November 1, 2017 per Executive Order 2017-0748 and authorized by House Bill 264 during the 2018 regular session.

The establishment of the Office resulted in consolidated internal support functions for the Cabinet, which included administrative, financial management, human resource and information service roles.

**Energy and Environment
Environmental Protection**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	22,479,100	27,665,900	27,718,500	23,067,100
Current Year Appropriation			700,000	
Budget Reduction-General Fund	-1,142,300			
Reorganization Adjustment	-1,314,600	-3,216,000	-3,120,400	
Other		100,000	203,400	
Total General Fund	20,022,200	24,549,900	25,501,500	23,067,100
Restricted Funds				
Balance Forward	13,675,161	26,062,858	34,490,300	34,199,000
Current Receipts	20,632,265	21,382,830	22,747,600	22,190,400
Non-Revenue Receipts	58,687,670	63,920,203	60,938,900	58,275,400
Fund Transfers	-8,000,000	-14,500,000	-14,500,000	-31,500,000
Total Restricted Funds	84,995,096	96,865,892	103,676,800	83,164,800
Federal Fund				
Balance Forward		-4,185,073	-138,500	
Current Receipts	26,281,570	31,503,015	19,756,400	25,966,400
Non-Revenue Receipts	-7,869,866	-1,681,831	5,084,800	-1,538,600
Total Federal Fund	18,411,704	25,636,112	24,702,700	24,427,800
Road Fund				
Regular Appropriation	320,900	320,900	320,900	320,900
Total Road Fund	320,900	320,900	320,900	320,900
TOTAL SOURCE OF FUNDS	123,749,900	147,372,803	154,201,900	130,980,600
EXPENDITURES BY CLASS				
Personnel Costs	60,787,283	67,473,053	73,376,800	76,548,800
Operating Expenses	22,702,842	22,563,920	24,934,000	25,755,700
Grants Loans Benefits	15,726,831	16,820,348	16,971,700	18,401,400
Debt Service	180,500	424,500		140,000
Capital Outlay	1,382,422	4,732,491	4,670,400	3,978,600
Construction	1,092,237	1,006,656	50,000	50,000
TOTAL EXPENDITURES	101,872,114	113,020,968	120,002,900	124,874,500
EXPENDITURES BY FUND SOURCE				
General Fund	20,022,200	24,549,900	25,501,500	23,067,100
Restricted Funds	58,932,237	62,375,496	69,477,800	77,058,700
Federal Fund	22,596,777	25,774,672	24,702,700	24,427,800
Road Fund	320,900	320,900	320,900	320,900
TOTAL EXPENDITURES	101,872,114	113,020,968	120,002,900	124,874,500
EXPENDITURES BY UNIT				
Commissioner	814,763	889,398	1,121,500	1,111,800
Water	26,738,018	31,135,596	30,650,400	32,420,300
Waste Management	29,703,155	31,888,417	32,486,600	36,327,800
Air Quality	15,145,360	16,171,981	19,056,300	18,445,200
Environmental Program Support	4,864,061	3,666,235	3,657,300	3,500,000
Enforcement	1,845,373	2,084,953	2,483,100	2,361,100
Compliance Assistance	1,410,511	1,978,126	2,460,300	2,108,300
Petroleum Storage Tank	21,350,873	25,206,260	28,087,400	28,600,000
Environmental Assurance Fund				
TOTAL EXPENDITURES	101,872,114	113,020,968	120,002,900	124,874,500

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

**Energy and Environment
Environmental Protection
Commissioner**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	394,800	607,800	619,000	881,600
Budget Reduction-General Fund	-27,400			
Reorganization Adjustment		-95,600		
Other	286,900	100,000	203,400	
Total General Fund	654,300	612,200	822,400	881,600
Restricted Funds				
Balance Forward	42,243	113,280	67,600	
Non-Revenue Receipts	231,500	231,500	231,500	230,200
Total Restricted Funds	273,743	344,780	299,100	230,200
TOTAL SOURCE OF FUNDS	928,043	956,980	1,121,500	1,111,800
EXPENDITURES BY CLASS				
Personnel Costs	749,531	855,799	1,053,800	1,052,600
Operating Expenses	65,062	33,599	67,700	59,200
Capital Outlay	170			
TOTAL EXPENDITURES	814,763	889,398	1,121,500	1,111,800
EXPENDITURES BY FUND SOURCE				
General Fund	654,300	612,200	822,400	881,600
Restricted Funds	160,463	277,198	299,100	230,200
TOTAL EXPENDITURES	814,763	889,398	1,121,500	1,111,800

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

**Energy and Environment
Environmental Protection**

Water

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	10,061,500	13,615,100	13,339,700	11,472,800
Budget Reduction-General Fund	-537,300			
Other	361,600			
Total General Fund	9,885,800	13,615,100	13,339,700	11,472,800
Restricted Funds				
Balance Forward	1,927,200	2,225,402	3,686,100	4,115,100
Current Receipts	1,874,343	1,361,188	1,271,400	1,277,100
Non-Revenue Receipts	639,669	849,125	714,000	713,100
Total Restricted Funds	4,441,212	4,435,715	5,671,500	6,105,300
Federal Fund				
Balance Forward		2,147,931	3,826,000	
Current Receipts	17,209,573	19,051,431	12,361,600	16,193,300
Non-Revenue Receipts	-746,134	-923,347	-754,200	-862,100
Total Federal Fund	16,463,439	20,276,016	15,433,400	15,331,200
Road Fund				
Regular Appropriation	320,900	320,900	320,900	320,900
Total Road Fund	320,900	320,900	320,900	320,900
TOTAL SOURCE OF FUNDS	31,111,351	38,647,731	34,765,500	33,230,200
EXPENDITURES BY CLASS				
Personnel Costs	20,910,602	24,458,581	25,662,500	26,468,300
Operating Expenses	2,826,804	3,022,433	3,133,500	2,560,000
Grants Loans Benefits	2,787,402	3,125,045	2,844,400	3,047,100
Debt Service	180,500	424,500		140,000
Capital Outlay	32,709	105,037	-990,000	204,900
TOTAL EXPENDITURES	26,738,018	31,135,596	30,650,400	32,420,300
EXPENDITURES BY FUND SOURCE				
General Fund	9,885,800	13,615,100	13,339,700	11,472,800
Restricted Funds	2,215,809	749,530	1,556,400	5,295,400
Federal Fund	14,315,508	16,450,067	15,433,400	15,331,200
Road Fund	320,900	320,900	320,900	320,900
TOTAL EXPENDITURES	26,738,018	31,135,596	30,650,400	32,420,300

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

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

Policy

The Budget of the Commonwealth includes General Fund debt service in the amount of \$140,000 in fiscal year 2020-2021 to support new bonds as set forth in Part II, Capital Projects Budget.

**Energy and Environment
Environmental Protection
Waste Management**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	5,205,100	5,703,400	5,886,400	5,919,800
Current Year Appropriation			700,000	
Budget Reduction-General Fund	-260,400			
Other	-361,600			
Total General Fund	4,583,100	5,703,400	6,586,400	5,919,800
Restricted Funds				
Balance Forward	5,412,712	4,657,980	5,748,800	6,662,600
Current Receipts	3,975,734	5,147,513	4,168,000	4,048,800
Non-Revenue Receipts	15,183,754	19,383,620	20,011,600	19,181,800
Fund Transfers		-3,000,000	-3,000,000	-1,500,000
Total Restricted Funds	24,572,200	26,189,114	26,928,400	28,393,200
Federal Fund				
Balance Forward		104,138	1,751,100	
Current Receipts	5,713,019	7,910,837	4,398,000	6,106,500
Non-Revenue Receipts	-403,046	-519,157	-514,700	-494,500
Total Federal Fund	5,309,973	7,495,818	5,634,400	5,612,000
TOTAL SOURCE OF FUNDS	34,465,273	39,388,332	39,149,200	39,925,000
EXPENDITURES BY CLASS				
Personnel Costs	13,974,982	15,728,215	16,319,500	18,357,000
Operating Expenses	2,403,632	2,433,785	2,207,600	2,128,300
Grants Loans Benefits	12,775,731	12,999,583	13,174,600	14,767,900
Capital Outlay	548,810	726,834	734,900	1,024,600
Construction			50,000	50,000
TOTAL EXPENDITURES	29,703,155	31,888,417	32,486,600	36,327,800
EXPENDITURES BY FUND SOURCE				
General Fund	4,583,100	5,703,400	6,586,400	5,919,800
Restricted Funds	19,914,220	20,440,337	20,265,800	24,796,000
Federal Fund	5,205,834	5,744,681	5,634,400	5,612,000
TOTAL EXPENDITURES	29,703,155	31,888,417	32,486,600	36,327,800

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

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

Maxey Flats, once a low-level nuclear waste disposal site and closed in 1977, was designated to be in its Final Closure Period as of November, 2012. This includes the installation of a permanent vegetative cap, permanent surface water control features, and surface monuments to identify the location of buried waste. This project was funded in the 2012-14 biennial budget from private funds paid into a trust fund by the Private Settling Parties and from General Fund supported bonds. The final cap was substantially completed in November 2016. The Construction Final Completion Inspection was successfully conducted in September 2017 and the Certification of Completion is dependent on EPA approval of the commonwealth's Institutional Control Plan. The Commonwealth of Kentucky assumed ownership and responsibility for the toxic site in 1978, and is responsible for long-term monitoring and maintenance activities of the site in perpetuity. Ongoing monitoring and maintenance is funded from the General Fund.

Policy

The Budget of the Commonwealth includes a current year appropriation of \$700,000 in General Funds for reimbursement to the United States Environmental Protection Agency. The Cabinet received a Demand Letter from the United States Environmental Protection Agency to recover multiple years of cost of their response actions related to the Maxey Flats site.

The Budget of the Commonwealth includes a \$4,000,000 increase in restricted fund revenue as result of passage of HB351 from 2020 Regular Session of the General Assembly which expanded the requirement of a \$2 fee for each new motor vehicle tire to semitrailer and trailer.

**Energy and Environment
Environmental Protection**

Air Quality

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	1,154,475	1,947,614	1,678,200	1,509,200
Current Receipts	13,949,628	13,663,099	16,643,400	16,202,900
Non-Revenue Receipts	117,676	152,310	89,900	-552,400
Total Restricted Funds	15,221,780	15,763,023	18,411,500	17,159,700
Federal Fund				
Balance Forward		108,371	599,800	
Current Receipts	2,101,162	2,730,953	1,644,100	2,111,800
Non-Revenue Receipts	-121,597	-152,310	-89,900	-103,200
Total Federal Fund	1,979,566	2,687,014	2,154,000	2,008,600
TOTAL SOURCE OF FUNDS	17,201,346	18,450,038	20,565,500	19,168,300
EXPENDITURES BY CLASS				
Personnel Costs	12,650,778	13,827,647	15,781,800	15,934,800
Operating Expenses	1,951,604	2,012,204	2,050,600	1,999,600
Grants Loans Benefits	32,185	31,436	303,200	-12,300
Capital Outlay	510,793	300,694	920,700	523,100
TOTAL EXPENDITURES	15,145,360	16,171,981	19,056,300	18,445,200
EXPENDITURES BY FUND SOURCE				
Restricted Funds	13,274,166	14,084,803	16,902,300	16,436,600
Federal Fund	1,871,195	2,087,178	2,154,000	2,008,600
TOTAL EXPENDITURES	15,145,360	16,171,981	19,056,300	18,445,200

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

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

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	5,586,300	6,436,400	6,546,000	3,389,600
Budget Reduction-General Fund	-258,800			
Reorganization Adjustment	-1,314,600	-3,120,400	-3,120,400	
Other	-162,100			
Total General Fund	3,850,800	3,316,000	3,425,600	3,389,600
Restricted Funds				
Balance Forward	529,542	148,060	145,600	
Current Receipts	109,082	115,059	86,100	110,400
Non-Revenue Receipts	362,475	232,681		
Total Restricted Funds	1,001,098	495,800	231,700	110,400
Federal Fund				
Balance Forward		-51,048	-51,000	
Current Receipts	109,176		51,000	
Total Federal Fund	109,176	-51,048		
TOTAL SOURCE OF FUNDS	4,961,074	3,760,753	3,657,300	3,500,000
EXPENDITURES BY CLASS				
Personnel Costs	3,649,085	2,492,436	2,580,600	2,618,100
Operating Expenses	1,159,562	1,008,999	966,400	873,500
Grants Loans Benefits	1,248	8,417	1,200	8,400
Capital Outlay	54,166	156,382	109,100	
TOTAL EXPENDITURES	4,864,061	3,666,235	3,657,300	3,500,000
EXPENDITURES BY FUND SOURCE				
General Fund	3,850,800	3,316,000	3,425,600	3,389,600
Restricted Funds	853,038	350,235	231,700	110,400
Federal Fund	160,223			
TOTAL EXPENDITURES	4,864,061	3,666,235	3,657,300	3,500,000

The Division of Environmental Program Support provides centralized laboratory testing for the Department. Activities are conducted pursuant to KRS 224.10-100(7).

**Energy and Environment
Environmental Protection
Enforcement**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	922,400	1,082,900	1,103,000	1,047,200
Budget Reduction-General Fund	-48,500			
Total General Fund	873,900	1,082,900	1,103,000	1,047,200
Restricted Funds				
Balance Forward	108,409	195,069	282,400	170,200
Non-Revenue Receipts	713,487	771,104	850,100	805,900
Total Restricted Funds	821,896	966,173	1,132,500	976,100
Federal Fund				
Balance Forward		-169,169	60,900	
Current Receipts	205,968	579,265	392,900	452,500
Non-Revenue Receipts	-30,490	-30,938	-36,000	-36,000
Total Federal Fund	175,478	379,159	417,800	416,500
TOTAL SOURCE OF FUNDS	1,871,274	2,428,232	2,653,300	2,439,800
EXPENDITURES BY CLASS				
Personnel Costs	1,640,530	1,870,785	2,267,900	2,191,000
Operating Expenses	204,844	214,168	215,200	170,100
TOTAL EXPENDITURES	1,845,373	2,084,953	2,483,100	2,361,100
EXPENDITURES BY FUND SOURCE				
General Fund	873,900	1,082,900	1,103,000	1,047,200
Restricted Funds	626,827	683,755	962,300	897,400
Federal Fund	344,647	318,297	417,800	416,500
TOTAL EXPENDITURES	1,845,373	2,084,953	2,483,100	2,361,100

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

**Energy and Environment
Environmental Protection
Compliance Assistance**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	309,000	220,300	224,400	356,100
Budget Reduction-General Fund	-9,900			
Other	-124,800			
Total General Fund	174,300	220,300	224,400	356,100
Restricted Funds				
Balance Forward	602,692	635,930	629,400	98,600
Current Receipts	342,097	325,343	348,700	321,200
Non-Revenue Receipts	227,983	251,480	293,300	316,200
Total Restricted Funds	1,172,772	1,212,753	1,271,400	736,000
Federal Fund				
Balance Forward		-6,325,296	-6,325,300	
Current Receipts	942,673	1,230,528	908,800	1,102,300
Non-Revenue Receipts	-6,568,599	-56,080	6,479,600	-42,800
Total Federal Fund	-5,625,927	-5,150,848	1,063,100	1,059,500
TOTAL SOURCE OF FUNDS	-4,278,855	-3,717,795	2,558,900	2,151,600
EXPENDITURES BY CLASS				
Personnel Costs	1,121,694	1,214,697	1,748,300	1,466,600
Operating Expenses	230,013	232,854	220,700	208,400
Grants Loans Benefits	58,805	530,575	491,300	433,300
TOTAL EXPENDITURES	1,410,511	1,978,126	2,460,300	2,108,300
EXPENDITURES BY FUND SOURCE				
General Fund	174,300	220,300	224,400	356,100
Restricted Funds	536,842	583,378	1,172,800	692,700
Federal Fund	699,370	1,174,449	1,063,100	1,059,500
TOTAL EXPENDITURES	1,410,511	1,978,126	2,460,300	2,108,300

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

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	3,897,888	16,139,522	22,252,200	21,643,300
Current Receipts	381,381	770,629	230,000	230,000
Non-Revenue Receipts	41,211,125	42,048,383	38,748,500	37,580,600
Fund Transfers	-8,000,000	-11,500,000	-11,500,000	-30,000,000
Total Restricted Funds	37,490,395	47,458,534	49,730,700	29,453,900
TOTAL SOURCE OF FUNDS	37,490,395	47,458,534	49,730,700	29,453,900
EXPENDITURES BY CLASS				
Personnel Costs	6,090,080	7,024,892	7,962,400	8,460,400
Operating Expenses	13,861,322	13,605,877	16,072,300	17,756,600
Grants Loans Benefits	71,460	125,292	157,000	157,000
Capital Outlay	235,774	3,443,544	3,895,700	2,226,000
Construction	1,092,237	1,006,656		
TOTAL EXPENDITURES	21,350,873	25,206,260	28,087,400	28,600,000
EXPENDITURES BY FUND SOURCE				
Restricted Funds	21,350,873	25,206,260	28,087,400	28,600,000
TOTAL EXPENDITURES	21,350,873	25,206,260	28,087,400	28,600,000

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

Energy and Environment

Natural Resources

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	32,632,200	37,228,700	37,702,200	36,068,600
Budget Reduction-General Fund	-1,671,700			
Reorganization Adjustment	-243,700			
Mandated Allotments	3,271,273	74,691		
Other		100,000		
Total General Fund	33,988,073	37,403,391	37,702,200	36,068,600
Tobacco Fund				
Tobacco Settlement - Phase I	5,000,000	3,757,300	3,757,300	3,386,800
Continuing Approp-Tob Settlement	13,895,959	14,093,860	14,348,300	
Budget Reduction-Tobacco			-321,000	
Total Tobacco Fund	18,895,959	17,851,160	17,784,600	3,386,800
Restricted Funds				
Balance Forward	6,756,501	7,627,573	10,198,500	7,169,500
Current Receipts	3,765,229	5,515,031	3,331,600	4,129,700
Non-Revenue Receipts	3,863,952	2,126,612	7,570,000	6,288,100
Fund Transfers		-173,312		
Total Restricted Funds	14,385,682	15,095,905	21,100,100	17,587,300
Federal Fund				
Balance Forward		-819,791	-2,434,800	
Current Receipts	31,753,632	41,451,395	64,220,300	59,614,200
Non-Revenue Receipts	-999,786	-543,975	-274,700	-539,800
Total Federal Fund	30,753,846	40,087,629	61,510,800	59,074,400
TOTAL SOURCE OF FUNDS	98,023,560	110,438,084	138,097,700	116,117,100
EXPENDITURES BY CLASS				
Personnel Costs	46,232,528	50,044,306	57,796,000	54,421,900
Operating Expenses	8,504,456	8,560,218	8,998,900	9,115,700
Grants Loans Benefits	9,883,355	8,399,829	22,186,100	7,569,300
Capital Outlay	1,579,649	3,024,147	2,226,700	1,718,200
Construction	10,921,931	18,282,480	39,720,500	39,427,300
TOTAL EXPENDITURES	77,121,918	88,310,980	130,928,200	112,252,400
EXPENDITURES BY FUND SOURCE				
General Fund	33,988,073	37,403,391	37,702,200	36,068,600
Tobacco Fund	4,802,100	3,502,887	17,784,600	3,386,800
Restricted Funds	6,758,108	4,882,431	13,930,600	13,722,600
Federal Fund	31,573,637	42,522,272	61,510,800	59,074,400
TOTAL EXPENDITURES	77,121,918	88,310,980	130,928,200	112,252,400
EXPENDITURES BY UNIT				
Commissioner	975,902	1,278,324	1,308,500	1,177,300
Forestry	17,696,758	17,943,258	20,604,200	19,702,300
Technical and Administrative Support	236,068			
Conservation	7,437,869	5,391,174	19,918,800	5,466,300
Oil and Gas	2,112,858	2,597,165	4,583,100	3,027,400
Mine Permits	4,487,425	4,720,347	5,682,400	5,221,400
Mine Reclamation and Enforcement	12,324,920	14,247,908	15,097,100	14,386,400
Abandoned Mine Lands	10,486,461	11,425,831	15,960,400	15,815,500
Mine Safety	8,691,054	10,033,010	10,466,900	9,977,000

EXPENDITURES BY UNIT

Reclamation Guaranty Fund	1,008,227	508,880	2,053,800	2,225,800
Abandoned Mine Land Reclamation Projects	11,616,978	20,118,689	35,196,900	35,196,900
Mine Safety Review Commission	47,400	46,392	56,100	56,100
TOTAL EXPENDITURES	<u>77,121,918</u>	<u>88,310,980</u>	<u>130,928,200</u>	<u>112,252,400</u>

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

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

**Energy and Environment
Natural Resources
Commissioner**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	628,500	995,100	846,000	627,000
Budget Reduction-General Fund	-62,300			
Reorganization Adjustment	-119,700			
Other	220,100	30,175	-84,900	
Total General Fund	666,600	1,025,275	761,100	627,000
Restricted Funds				
Balance Forward	86,928	218,540	577,200	485,900
Current Receipts		205,075		
Non-Revenue Receipts	440,914	163,164	163,200	163,200
Total Restricted Funds	527,842	586,779	740,400	649,100
Federal Fund				
Current Receipts		245,979	295,400	294,800
Non-Revenue Receipts		-2,464	-2,500	-2,500
Total Federal Fund		243,515	292,900	292,300
TOTAL SOURCE OF FUNDS	1,194,442	1,855,569	1,794,400	1,568,400
EXPENDITURES BY CLASS				
Personnel Costs	900,300	986,743	1,193,100	1,080,100
Operating Expenses	75,432	111,224	115,400	97,200
Capital Outlay	170	180,357		
TOTAL EXPENDITURES	975,902	1,278,324	1,308,500	1,177,300
EXPENDITURES BY FUND SOURCE				
General Fund	666,600	1,025,275	761,100	627,000
Restricted Funds	309,302	9,534	254,500	258,000
Federal Fund		243,515	292,900	292,300
TOTAL EXPENDITURES	975,902	1,278,324	1,308,500	1,177,300

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

**Energy and Environment
Natural Resources**

Forestry

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	10,710,700	14,040,700	14,253,200	13,292,200
Budget Reduction-General Fund	-520,600			
Reorganization Adjustment	-42,400			
Mandated Allotments	3,271,273	74,691		
Other	360,000			
Total General Fund	13,778,973	14,115,391	14,253,200	13,292,200
Restricted Funds				
Balance Forward	1,464,240	2,103,865	3,702,300	2,280,000
Current Receipts	1,995,742	2,990,620	1,493,400	1,391,700
Non-Revenue Receipts	22,240	204,546	-296,500	-296,500
Fund Transfers		-173,312		
Total Restricted Funds	3,482,222	5,125,719	4,899,200	3,375,200
Federal Fund				
Balance Forward		-204,124	59,300	
Current Receipts	2,422,044	2,805,708	3,799,000	3,853,300
Non-Revenue Receipts	-86,740	-122,686	-126,500	-126,500
Total Federal Fund	2,335,304	2,478,898	3,731,800	3,726,800
TOTAL SOURCE OF FUNDS	19,596,499	21,720,008	22,884,200	20,394,200
EXPENDITURES BY CLASS				
Personnel Costs	13,045,482	13,166,631	14,890,800	14,586,900
Operating Expenses	3,144,436	3,075,628	3,080,800	3,125,100
Grants Loans Benefits	578,833	540,001	1,546,600	1,506,100
Capital Outlay	928,007	1,150,886	1,086,000	484,200
Construction		10,111		
TOTAL EXPENDITURES	17,696,758	17,943,258	20,604,200	19,702,300
EXPENDITURES BY FUND SOURCE				
General Fund	13,778,973	14,115,391	14,253,200	13,292,200
Restricted Funds	1,378,357	1,408,357	2,619,200	2,683,300
Federal Fund	2,539,428	2,419,511	3,731,800	3,726,800
TOTAL EXPENDITURES	17,696,758	17,943,258	20,604,200	19,702,300

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

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

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

**Energy and Environment
Natural Resources
Conservation**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,903,400	868,000	893,000	1,125,000
Budget Reduction-General Fund	-57,900			
Other	25,100	305,463	235,400	
Total General Fund	1,870,600	1,173,463	1,128,400	1,125,000
Tobacco Fund				
Tobacco Settlement - Phase I	5,000,000	3,757,300	3,757,300	3,386,800
Continuing Approp-Tob Settlement	13,895,959	14,093,860	14,348,300	
Budget Reduction-Tobacco			-321,000	
Total Tobacco Fund	18,895,959	17,851,160	17,784,600	3,386,800
Restricted Funds				
Balance Forward	2,638,816	2,360,282	2,052,800	1,582,900
Current Receipts	32,977	40	700	700
Non-Revenue Receipts	305,531	302,065	312,200	313,000
Total Restricted Funds	2,977,324	2,662,387	2,365,700	1,896,600
Federal Fund				
Balance Forward		2,228	-24,700	
Current Receipts	155,887	80,407	259,900	223,300
Non-Revenue Receipts	-5,531	-2,145	-12,200	-13,000
Total Federal Fund	150,356	80,490	223,000	210,300
TOTAL SOURCE OF FUNDS	23,894,239	21,767,500	21,501,700	6,618,700
EXPENDITURES BY CLASS				
Personnel Costs	1,227,484	1,310,479	1,513,300	1,445,300
Operating Expenses	138,189	138,995	152,400	167,000
Grants Loans Benefits	6,072,196	3,941,700	18,253,100	3,829,000
Capital Outlay				25,000
TOTAL EXPENDITURES	7,437,869	5,391,174	19,918,800	5,466,300
EXPENDITURES BY FUND SOURCE				
General Fund	1,870,600	1,173,463	1,128,400	1,125,000
Tobacco Fund	4,802,100	3,502,887	17,784,600	3,386,800
Restricted Funds	617,042	609,661	782,800	744,200
Federal Fund	148,127	105,163	223,000	210,300
TOTAL EXPENDITURES	7,437,869	5,391,174	19,918,800	5,466,300

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

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

Policy

The Budget of the Commonwealth provides Phase I Tobacco Settlement Funds in the amount of \$2,479,500 in fiscal year 2021 for the state share of the Environmental Stewardship Program.

The Budget of the Commonwealth provides Phase I Tobacco Settlement Funds in the amount of \$907,300 in fiscal year 2021 for the Division of Conservation to provide direct aid to local conservation districts.

Energy and Environment

Natural Resources

Oil and Gas

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,847,300	2,134,600	2,244,100	2,540,900
Budget Reduction-General Fund	-99,800			
Other	123,200	216,000	161,800	
Total General Fund	1,870,700	2,350,600	2,405,900	2,540,900
Restricted Funds				
Balance Forward	181,046	333,904	611,000	210,400
Current Receipts	231,785	345,863	220,400	220,400
Non-Revenue Receipts	14,428	-63,999	1,424,200	-75,800
Total Restricted Funds	427,260	615,769	2,255,600	355,000
Federal Fund				
Current Receipts	163,231	261,605	140,000	139,500
Non-Revenue Receipts	-14,428	-19,801	-8,000	-8,000
Total Federal Fund	148,803	241,804	132,000	131,500
TOTAL SOURCE OF FUNDS	2,446,763	3,208,172	4,793,500	3,027,400
EXPENDITURES BY CLASS				
Personnel Costs	1,793,813	2,135,765	2,739,600	2,626,500
Operating Expenses	299,502	295,261	283,500	295,900
Grants Loans Benefits	19,543	9,072		
Capital Outlay		157,066	60,000	105,000
Construction			1,500,000	
TOTAL EXPENDITURES	2,112,858	2,597,165	4,583,100	3,027,400
EXPENDITURES BY FUND SOURCE				
General Fund	1,870,700	2,350,600	2,405,900	2,540,900
Restricted Funds	93,355	4,761	2,045,200	355,000
Federal Fund	148,803	241,804	132,000	131,500
TOTAL EXPENDITURES	2,112,858	2,597,165	4,583,100	3,027,400

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

Energy and Environment

Natural Resources

Mine Permits

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,634,300	2,094,400	2,000,600	1,846,200
Budget Reduction-General Fund	-88,500			
Reorganization Adjustment	-58,600			
Other	200,200			
Total General Fund	1,687,400	2,094,400	2,000,600	1,846,200
Restricted Funds				
Balance Forward	490,029	510,651	961,600	757,300
Current Receipts	752,006	1,045,825	908,200	791,900
Non-Revenue Receipts	-344,776	-483,969	-480,000	-482,800
Total Restricted Funds	897,258	1,072,507	1,389,800	1,066,400
Federal Fund				
Balance Forward		-302,572	-297,500	
Current Receipts	2,479,932	2,569,493	3,119,100	2,844,300
Non-Revenue Receipts	-369,086	-49,331	227,700	-50,500
Total Federal Fund	2,110,846	2,217,590	3,049,300	2,793,800
TOTAL SOURCE OF FUNDS	4,695,504	5,384,497	6,439,700	5,706,400
EXPENDITURES BY CLASS				
Personnel Costs	3,680,602	4,006,969	4,829,400	4,528,400
Operating Expenses	572,647	502,249	527,000	406,400
Grants Loans Benefits	209,425	211,128	300,000	286,600
Capital Outlay	24,750		26,000	
TOTAL EXPENDITURES	4,487,425	4,720,347	5,682,400	5,221,400
EXPENDITURES BY FUND SOURCE				
General Fund	1,687,400	2,094,400	2,000,600	1,846,200
Restricted Funds	386,607	110,929	632,500	581,400
Federal Fund	2,413,418	2,515,017	3,049,300	2,793,800
TOTAL EXPENDITURES	4,487,425	4,720,347	5,682,400	5,221,400

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

**Energy and Environment
Natural Resources**

Mine Reclamation and Enforcement

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	6,462,300	7,257,700	7,324,800	7,256,900
Budget Reduction-General Fund	-322,900			
Reorganization Adjustment	-23,000			
Other	-100,000			
Total General Fund	6,016,400	7,257,700	7,324,800	7,256,900
Restricted Funds				
Balance Forward	336,882	631,681	656,800	369,400
Current Receipts	118,019	80,359	71,700	44,700
Non-Revenue Receipts	249,530	177,878	148,800	118,300
Total Restricted Funds	704,430	889,919	877,300	532,400
Federal Fund				
Balance Forward		-34,437	-57,000	
Current Receipts	6,403,409	6,860,837	7,450,700	6,882,900
Non-Revenue Receipts	-202,075	-126,322	-129,300	-118,300
Total Federal Fund	6,201,334	6,700,079	7,264,400	6,764,600
TOTAL SOURCE OF FUNDS	12,922,164	14,847,697	15,466,500	14,553,900
EXPENDITURES BY CLASS				
Personnel Costs	9,576,469	11,393,408	12,646,600	12,011,300
Operating Expenses	1,981,296	2,136,123	1,935,900	1,834,100
Grants Loans Benefits	151,332	153,261	160,000	110,000
Capital Outlay	615,822	565,116	354,600	431,000
TOTAL EXPENDITURES	12,324,920	14,247,908	15,097,100	14,386,400
EXPENDITURES BY FUND SOURCE				
General Fund	6,016,400	7,257,700	7,324,800	7,256,900
Restricted Funds	72,748	233,104	507,900	364,900
Federal Fund	6,235,771	6,757,105	7,264,400	6,764,600
TOTAL EXPENDITURES	12,324,920	14,247,908	15,097,100	14,386,400

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

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	1,289,730	1,071,494	1,089,400	927,200
Current Receipts	366,604	549,640	372,500	1,429,000
Non-Revenue Receipts	2,498,209	1,536,946	4,857,100	4,650,900
Total Restricted Funds	4,154,543	3,158,080	6,319,000	7,007,100
Federal Fund				
Balance Forward		-280,887	-620,700	
Current Receipts	7,418,133	9,217,985	11,389,900	9,367,800
Non-Revenue Receipts	-295,609	-200,646	-200,600	-200,600
Total Federal Fund	7,122,525	8,736,451	10,568,600	9,167,200
TOTAL SOURCE OF FUNDS	11,277,068	11,894,531	16,887,600	16,174,300
EXPENDITURES BY CLASS				
Personnel Costs	7,284,299	8,042,537	9,507,700	8,545,800
Operating Expenses	1,062,924	1,104,304	1,202,700	901,700
Grants Loans Benefits	5,000	12,342	412,400	337,600
Capital Outlay		546,577	250,000	250,000
Construction	2,134,238	1,720,071	4,587,600	5,780,400
TOTAL EXPENDITURES	10,486,461	11,425,831	15,960,400	15,815,500
EXPENDITURES BY FUND SOURCE				
Restricted Funds	3,083,049	2,068,675	5,391,800	6,648,300
Federal Fund	7,403,412	9,357,156	10,568,600	9,167,200
TOTAL EXPENDITURES	10,486,461	11,425,831	15,960,400	15,815,500

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

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

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

**Energy and Environment
Natural Resources**

Mine Safety

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	9,301,500	9,634,800	9,933,800	9,324,300
Budget Reduction-General Fund	-515,900			
Other	-735,600	-294,630	-161,700	
Total General Fund	8,050,000	9,340,170	9,772,100	9,324,300
Restricted Funds				
Balance Forward	137,868	358,150	489,400	556,400
Current Receipts	266,848	294,918	263,500	250,100
Non-Revenue Receipts	16,252	15,521	17,400	16,400
Total Restricted Funds	420,968	668,588	770,300	822,900
Federal Fund				
Current Receipts	594,488	529,102	498,300	464,200
Non-Revenue Receipts	-16,252	-15,521	-17,400	-16,400
Total Federal Fund	578,236	513,581	480,900	447,800
TOTAL SOURCE OF FUNDS	9,049,204	10,522,339	11,023,300	10,595,000
EXPENDITURES BY CLASS				
Personnel Costs	7,537,608	8,482,302	8,804,700	8,323,200
Operating Expenses	1,142,546	1,126,564	1,212,100	1,230,800
Capital Outlay	10,900	424,144	450,100	423,000
TOTAL EXPENDITURES	8,691,054	10,033,010	10,466,900	9,977,000
EXPENDITURES BY FUND SOURCE				
General Fund	8,050,000	9,340,170	9,772,100	9,324,300
Restricted Funds	62,818	179,260	213,900	204,900
Federal Fund	578,236	513,581	480,900	447,800
TOTAL EXPENDITURES	8,691,054	10,033,010	10,466,900	9,977,000

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

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

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

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

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

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

Policy

No Mine Safety Specialist vacancies shall be filled in the 2020-2022 fiscal biennium.

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	101,676	39,005	58,000	
Current Receipts	1,248	2,693	1,200	1,200
Non-Revenue Receipts	454,843	274,459	1,423,600	1,881,400
Total Restricted Funds	557,767	316,158	1,482,800	1,882,600
Federal Fund				
Current Receipts	499,530	255,790	576,900	347,200
Non-Revenue Receipts	-10,065	-5,059	-5,900	-4,000
Total Federal Fund	489,465	250,731	571,000	343,200
TOTAL SOURCE OF FUNDS	1,047,232	566,889	2,053,800	2,225,800
EXPENDITURES BY CLASS				
Personnel Costs	937,464	445,015	1,572,400	1,176,000
Operating Expenses	53,021	63,865	481,400	1,049,800
Grants Loans Benefits	17,742			
TOTAL EXPENDITURES	1,008,227	508,880	2,053,800	2,225,800
EXPENDITURES BY FUND SOURCE				
Restricted Funds	518,762	258,149	1,482,800	1,882,600
Federal Fund	489,465	250,731	571,000	343,200
TOTAL EXPENDITURES	1,008,227	508,880	2,053,800	2,225,800

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

**Energy and Environment
Natural Resources**

Abandoned Mine Land Reclamation Projects

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Federal Fund				
Balance Forward			-1,494,200	
Current Receipts	11,616,978	18,624,490	36,691,100	35,196,900
Total Federal Fund	11,616,978	18,624,490	35,196,900	35,196,900
TOTAL SOURCE OF FUNDS	11,616,978	18,624,490	35,196,900	35,196,900
EXPENDITURES BY CLASS				
Personnel Costs		34,067	50,000	50,000
Grants Loans Benefits	2,829,285	3,532,324	1,514,000	1,500,000
Construction	8,787,693	16,552,298	33,632,900	33,646,900
TOTAL EXPENDITURES	11,616,978	20,118,689	35,196,900	35,196,900
EXPENDITURES BY FUND SOURCE				
Federal Fund	11,616,978	20,118,689	35,196,900	35,196,900
TOTAL EXPENDITURES	11,616,978	20,118,689	35,196,900	35,196,900

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

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	144,200	203,400	206,700	56,100
Budget Reduction-General Fund	-3,800			
Other	-93,000	-157,008	-150,600	
Total General Fund	47,400	46,392	56,100	56,100
TOTAL SOURCE OF FUNDS	47,400	46,392	56,100	56,100
EXPENDITURES BY CLASS				
Personnel Costs	37,205	40,389	48,400	48,400
Operating Expenses	10,195	6,003	7,700	7,700
TOTAL EXPENDITURES	47,400	46,392	56,100	56,100
EXPENDITURES BY FUND SOURCE				
General Fund	47,400	46,392	56,100	56,100
TOTAL EXPENDITURES	47,400	46,392	56,100	56,100

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

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

**Energy and Environment
Office of Energy Policy**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,249,200	1,412,000	1,433,800	361,300
Budget Reduction-General Fund	-64,000			
Reorganization Adjustment	-56,300	-274,000	-369,600	
Other	-251,500	-400,000	-203,400	
Total General Fund	877,400	738,000	860,800	361,300
Restricted Funds				
Balance Forward	2,200,298	2,188,208	2,057,500	1,836,300
Current Receipts	21,047	30,449	22,900	
Non-Revenue Receipts	636,528	372,076	435,900	234,700
Total Restricted Funds	2,857,873	2,590,733	2,516,300	2,071,000
Federal Fund				
Balance Forward		-1,064	-39,700	
Current Receipts	640,767	789,707	783,900	580,900
Non-Revenue Receipts	-288,456	-38,684	-31,300	-34,700
Total Federal Fund	352,312	749,959	712,900	546,200
TOTAL SOURCE OF FUNDS	4,087,584	4,078,692	4,090,000	2,978,500
EXPENDITURES BY CLASS				
Personnel Costs	1,190,805	974,815	1,190,600	883,300
Operating Expenses	193,021	315,464	190,800	178,500
Grants Loans Benefits	516,614	770,507	872,300	877,600
TOTAL EXPENDITURES	1,900,440	2,060,786	2,253,700	1,939,400
EXPENDITURES BY FUND SOURCE				
General Fund	877,400	738,000	860,800	361,300
Restricted Funds	669,664	533,193	680,000	1,031,900
Federal Fund	353,376	789,593	712,900	546,200
TOTAL EXPENDITURES	1,900,440	2,060,786	2,253,700	1,939,400
EXPENDITURES BY UNIT				
Office of Energy Policy	1,900,440	2,060,786	2,253,700	1,939,400
TOTAL EXPENDITURES	1,900,440	2,060,786	2,253,700	1,939,400

The Office of Energy Policy, formerly known as the Department for Energy Development and Independence, was reorganized as result of the passage of Senate Bill 129 during the 2018 regular session.

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

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

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

**Energy and Environment
Office of KY Nature Preserves**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,061,500	1,224,400	1,244,800	1,253,600
Budget Reduction-General Fund	-54,400			
Other		200,000		
Total General Fund	1,007,100	1,424,400	1,244,800	1,253,600
Restricted Funds				
Balance Forward	1,329,022	2,716,719	2,806,800	1,887,600
Current Receipts	1,643,080	313,339	806,200	591,700
Non-Revenue Receipts	617,276	358,043	340,400	339,500
Total Restricted Funds	3,589,378	3,388,101	3,953,400	2,818,800
Federal Fund				
Balance Forward			-2,700	
Current Receipts	47,579	66,295	178,300	117,900
Non-Revenue Receipts	-1,515	-2,812	-4,900	-4,000
Total Federal Fund	46,064	63,482	170,700	113,900
TOTAL SOURCE OF FUNDS	4,642,543	4,875,983	5,368,900	4,186,300
EXPENDITURES BY CLASS				
Personnel Costs	1,468,649	1,636,474	2,623,900	2,631,300
Operating Expenses	254,238	319,475	296,000	352,100
Grants Loans Benefits	132,020	80,032	505,400	323,900
Capital Outlay	70,916	35,866	56,000	126,000
TOTAL EXPENDITURES	1,925,824	2,071,847	3,481,300	3,433,300
EXPENDITURES BY FUND SOURCE				
General Fund	1,007,100	1,424,400	1,244,800	1,253,600
Restricted Funds	872,660	581,309	2,065,800	2,065,800
Federal Fund	46,064	66,138	170,700	113,900
TOTAL EXPENDITURES	1,925,824	2,071,847	3,481,300	3,433,300
EXPENDITURES BY UNIT				
Office of KY Nature Preserves	1,925,824	2,071,847	3,481,300	3,433,300
TOTAL EXPENDITURES	1,925,824	2,071,847	3,481,300	3,433,300

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

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

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

**Energy and Environment
Public Service Commission**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	16,582,600	16,582,600	16,582,600	16,656,600
Continuing Approp-General Fund	610,679	1,063,213	1,798,500	1,400,000
Budget Reduction-General Fund	-463,100			
Total General Fund	16,730,179	17,645,813	18,381,100	18,056,600
Restricted Funds				
Balance Forward	69,080	606,200	522,200	695,600
Current Receipts	655,221	659,430	385,900	535,900
Non-Revenue Receipts		137,598	346,900	341,200
Fund Transfers		-660,500		
Total Restricted Funds	724,301	742,728	1,255,000	1,572,700
Federal Fund				
Balance Forward	0	-143,744	-267,300	
Current Receipts	529,720	663,219	1,127,200	861,600
Non-Revenue Receipts	-63,995	-137,598	-146,900	-151,000
Total Federal Fund	465,725	381,877	713,000	710,600
TOTAL SOURCE OF FUNDS	17,920,205	18,770,418	20,349,100	20,339,900
EXPENDITURES BY CLASS				
Personnel Costs	7,465,101	8,463,857	9,979,800	10,191,600
Operating Expenses	1,366,958	1,502,790	1,688,500	1,412,000
Debt Service	474,000			
Capital Outlay	20,477	265,166	100,000	
TOTAL EXPENDITURES	9,326,536	10,231,813	11,768,300	11,603,600
EXPENDITURES BY FUND SOURCE				
General Fund	8,598,965	9,362,119	10,495,900	10,171,400
Restricted Funds	118,101	220,493	559,400	721,600
Federal Fund	609,469	649,201	713,000	710,600
TOTAL EXPENDITURES	9,326,536	10,231,813	11,768,300	11,603,600
EXPENDITURES BY UNIT				
Public Service Commission	9,326,536	10,231,813	11,768,300	11,603,600
TOTAL EXPENDITURES	9,326,536	10,231,813	11,768,300	11,603,600

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

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

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

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

Policy

The Budget of the Commonwealth includes \$7,185,200 in each fiscal year that shall lapse to the credit of the General Fund from the Public Service Commission.

Finance and Administration

Finance and Administration

Finance and Administration

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	649,545,100	666,827,500	702,674,300	685,172,300
Special Appropriation			3,181,500	
Current Year Appropriation	2,438,400		2,800,000	
Budget Reduction-General Fund	-8,015,100			
Mandated Allotments	5,990,463	2,438,200		
Other	-22,753,775			
Total General Fund	627,205,088	669,265,700	708,655,800	685,172,300
Tobacco Fund				
Tobacco Settlement - Phase I	26,917,700	29,224,900	32,128,700	31,113,200
Continuing Approp-Tob Settlement		6		
Total Tobacco Fund	26,917,700	29,224,906	32,128,700	31,113,200
Restricted Funds				
Balance Forward	40,969,289	39,008,209	40,603,100	34,855,400
Current Receipts	217,258,453	232,360,293	238,165,300	245,057,200
Non-Revenue Receipts	3,770,041	-619,925	3,015,600	3,262,700
Fund Transfers	-17,008,100	-2,800,000	-2,800,000	-16,994,400
Total Restricted Funds	244,989,682	267,948,577	278,984,000	266,180,900
Federal Fund				
Balance Forward	1	3,049	3,069	
Current Receipts	11,534	100,467	391,231	150,400
Non-Revenue Receipts	-1,856			
Total Federal Fund	9,678	103,516	394,300	150,400
Road Fund				
Regular Appropriation	3,545,900	3,842,300	3,887,400	4,047,400
Total Road Fund	3,545,900	3,842,300	3,887,400	4,047,400
TOTAL SOURCE OF FUNDS	902,668,049	970,384,999	1,024,050,200	986,664,200
EXPENDITURES BY CLASS				
Personnel Costs	233,634,441	258,267,017	272,415,100	267,444,600
Operating Expenses	124,856,770	138,429,850	150,657,000	159,269,200
Grants Loans Benefits	445,737	784,069	1,052,500	1,052,500
Debt Service	455,805,609	493,468,167	500,779,700	510,718,700
Capital Outlay	23,276,609	26,793,029	20,488,200	21,367,600
Construction	1,225			
TOTAL EXPENDITURES	838,020,390	917,742,132	945,392,500	959,852,600
EXPENDITURES BY FUND SOURCE				
General Fund	604,211,019	659,373,583	666,841,000	674,457,300
Tobacco Fund	24,601,729	27,193,506	30,141,200	29,186,600
Restricted Funds	205,981,473	227,345,486	244,128,600	252,010,900
Federal Fund	6,630	100,482	394,300	150,400
Road Fund	3,219,540	3,729,073	3,887,400	4,047,400
TOTAL EXPENDITURES	838,020,390	917,742,132	945,392,500	959,852,600
EXPENDITURES BY UNIT				
General Administration	38,657,655	35,747,317	38,819,900	36,418,800
Controller	16,313,078	17,259,757	19,627,800	19,929,400
Office of Inspector General	1,238,716	1,089,529	1,379,800	1,269,700
Debt Service	448,368,109	492,635,167	500,779,700	510,185,700
Facilities and Support Services	47,869,225	49,051,072	52,448,100	58,784,600
County Costs	22,845,627	23,501,615	24,246,000	21,446,000

EXPENDITURES BY UNIT

Commonwealth Office of Technology	110,094,646	127,065,539	130,606,300	135,042,000
Revenue	100,919,658	112,635,483	117,846,000	116,829,700
Property Valuation Administrators	51,713,678	58,756,653	59,638,900	59,946,700
TOTAL EXPENDITURES	<u>838,020,390</u>	<u>917,742,132</u>	<u>945,392,500</u>	<u>959,852,600</u>

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

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

Finance and Administration
General Administration

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	13,575,300	7,572,800	7,889,800	7,129,200
Budget Reduction-General Fund	-354,200			
Other				
Total General Fund	13,221,100	7,572,800	7,889,800	7,129,200
Restricted Funds				
Balance Forward	13,867,156	13,743,372	11,960,100	7,331,000
Current Receipts	31,525,238	26,456,914	26,197,500	26,197,500
Non-Revenue Receipts	-334,300	-217,200	-162,900	114,200
Fund Transfers	-6,000,000			-250,000
Total Restricted Funds	39,058,095	39,983,086	37,994,700	33,392,700
Federal Fund				
Balance Forward	1	1		
Total Federal Fund	1	1		
Road Fund				
Regular Appropriation	448,100	264,800	266,400	273,600
Total Road Fund	448,100	264,800	266,400	273,600
TOTAL SOURCE OF FUNDS	52,727,296	47,820,687	46,150,900	40,795,500
EXPENDITURES BY CLASS				
Personnel Costs	9,954,435	11,042,474	11,910,000	11,551,700
Operating Expenses	14,000,395	15,798,067	17,403,500	17,587,600
Debt Service	6,662,000			
Capital Outlay	8,040,825	8,906,776	9,506,400	7,279,500
TOTAL EXPENDITURES	38,657,655	35,747,317	38,819,900	36,418,800
EXPENDITURES BY FUND SOURCE				
General Fund	13,221,100	7,572,799	7,889,800	7,129,200
Restricted Funds	25,314,722	28,022,944	30,663,700	29,016,000
Road Fund	121,832	151,573	266,400	273,600
TOTAL EXPENDITURES	38,657,655	35,747,317	38,819,900	36,418,800
EXPENDITURES BY UNIT				
Secretary	8,334,909	1,918,760	2,012,700	1,990,400
Gubernatorial Transition			220,000	
Office of General Counsel	1,904,244	2,194,977	2,551,500	2,363,100
Office of Administrative Services	2,955,781	2,819,146	2,963,300	2,912,500
Fleet Management	22,123,118	24,952,330	27,053,600	25,032,600
Postal Services	2,486,968	2,836,205	2,979,400	3,161,400
Policy and Audit	852,636	1,025,899	1,039,400	958,800
TOTAL EXPENDITURES	38,657,655	35,747,317	38,819,900	36,418,800

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

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

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

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

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

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

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

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

Policy

The Budget of the Commonwealth includes a cut to the General Fund base budget in the General Administration appropriation unit of \$652,000 or approximately 8.5%.

Finance and Administration

Controller

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	5,893,900	6,351,000	6,422,500	5,576,700
Budget Reduction-General Fund	-301,900			
Total General Fund	5,592,000	6,351,000	6,422,500	5,576,700
Restricted Funds				
Balance Forward	3,611,241	3,884,400	5,700,900	6,523,100
Current Receipts	8,296,006	11,205,683	11,511,900	10,985,300
Non-Revenue Receipts	2,698,232	1,519,469	2,515,600	2,762,700
Fund Transfers				-2,000,000
Total Restricted Funds	14,605,478	16,609,553	19,728,400	18,271,100
TOTAL SOURCE OF FUNDS	20,197,478	22,960,553	26,150,900	23,847,800
EXPENDITURES BY CLASS				
Personnel Costs	8,837,259	9,416,300	10,750,100	10,525,700
Operating Expenses	7,475,819	7,843,457	8,877,700	9,403,700
TOTAL EXPENDITURES	16,313,078	17,259,757	19,627,800	19,929,400
EXPENDITURES BY FUND SOURCE				
General Fund	5,592,000	6,351,000	6,422,500	5,576,700
Restricted Funds	10,721,078	10,908,757	13,205,300	14,352,700
TOTAL EXPENDITURES	16,313,078	17,259,757	19,627,800	19,929,400
EXPENDITURES BY UNIT				
Controller	3,465,560	3,184,311	3,511,900	3,147,200
Local Government Services	694,981	782,030	829,500	772,100
Financial Management	3,699,727	4,003,133	4,364,000	4,769,100
Procurement Services	1,798,961	2,129,620	2,928,500	2,861,000
Customer Resource Center	4,771,967	4,870,565	5,344,100	5,555,800
State Risk and Insurance Services	1,881,883	2,290,097	2,649,800	2,824,200
TOTAL EXPENDITURES	16,313,078	17,259,757	19,627,800	19,929,400

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

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

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

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

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

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

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

Policy

The Budget of the Commonwealth includes a cut to the General Fund base budget in the Office of the Controller of \$992,900 or nearly 15.5%.

**Finance and Administration
Office of Inspector General**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation		790,500	802,700	596,000
Budget Reduction-General Fund	-35,900			
Reorganization Adjustment	700,000			
Total General Fund	664,100	790,500	802,700	596,000
Restricted Funds				
Balance Forward	38,366	48,751	486,900	572,700
Non-Revenue Receipts	585,000	737,200	662,900	385,800
Total Restricted Funds	623,366	785,951	1,149,800	958,500
TOTAL SOURCE OF FUNDS	1,287,466	1,576,451	1,952,500	1,554,500
EXPENDITURES BY CLASS				
Personnel Costs	1,214,011	1,057,724	1,347,500	1,233,000
Operating Expenses	24,704	31,805	32,300	36,700
TOTAL EXPENDITURES	1,238,716	1,089,529	1,379,800	1,269,700
EXPENDITURES BY FUND SOURCE				
General Fund	664,100	790,500	802,700	596,000
Restricted Funds	574,616	299,029	577,100	673,700
TOTAL EXPENDITURES	1,238,716	1,089,529	1,379,800	1,269,700
EXPENDITURES BY UNIT				
Office of Inspector General	1,238,716	1,089,529	1,379,800	1,269,700
TOTAL EXPENDITURES	1,238,716	1,089,529	1,379,800	1,269,700

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

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

Policy

The Budget of the Commonwealth includes a cut to the General Fund base budget in the Office of the Inspector General of \$211,900 or nearly 26.4%.

Finance and Administration

Debt Service

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	469,749,500	475,583,700	509,521,800	491,964,100
Special Appropriation			3,181,500	
Other	-22,753,775			
Total General Fund	446,995,725	475,583,700	512,703,300	491,964,100
Tobacco Fund				
Tobacco Settlement - Phase I	26,667,700	28,974,900	31,878,700	30,863,200
Total Tobacco Fund	26,667,700	28,974,900	31,878,700	30,863,200
TOTAL SOURCE OF FUNDS	473,663,425	504,558,600	544,582,000	522,827,300
EXPENDITURES BY CLASS				
Debt Service	448,368,109	492,635,167	500,779,700	510,185,700
TOTAL EXPENDITURES	448,368,109	492,635,167	500,779,700	510,185,700
EXPENDITURES BY FUND SOURCE				
General Fund	424,016,373	465,691,667	470,888,500	481,249,100
Tobacco Fund	24,351,736	26,943,500	29,891,200	28,936,600
TOTAL EXPENDITURES	448,368,109	492,635,167	500,779,700	510,185,700
EXPENDITURES BY UNIT				
Debt Service	448,368,109	492,635,167	500,779,700	510,185,700
TOTAL EXPENDITURES	448,368,109	492,635,167	500,779,700	510,185,700

Previously authorized State Property and Buildings Commission General Fund debt service for all agencies is consolidated in the Finance and Administration Cabinet. All new 2020-2022 General Fund debt service is reflected in budgets of the affected agencies.

Policy

The American Recovery and Reinvestment Act of 2009 created a new debt instrument for tax-exempt municipal bond issuers, called Build America Bonds. Municipal bond issuers could issue Build America Bonds for eligible tax-exempt purposes on a permanent basis only. The Commonwealth was eligible for a subsidy for bonds issued as Build America Bonds prior to December 31, 2010. Subsidies from the Build America Bonds shall lapse to the General Fund. The amount of the General Fund lapse is \$10,715,000 in fiscal year 2021 and the amount of Tobacco Fund lapse is \$1,926,600 in fiscal year 2021.

House Bill 268 from the 2019 Regular Session of the General Assembly appropriated \$3,181,500 from the General Fund in the current fiscal year to the Economic Development Cabinet and the Department of Parks for debt service to support new bonds. That appropriation is displayed here.

**Finance and Administration
Facilities and Support Services**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	6,072,800	6,115,900	6,010,000	4,002,000
Budget Reduction-General Fund	-271,400			
Total General Fund	5,801,400	6,115,900	6,010,000	4,002,000
Restricted Funds				
Balance Forward	9,336,166	8,552,775	7,702,000	4,443,700
Current Receipts	40,725,152	40,743,929	43,179,800	54,058,800
Non-Revenue Receipts	781,600	1,340,476		
Fund Transfers	-208,100			-700,000
Total Restricted Funds	50,634,818	50,637,180	50,881,800	57,802,500
TOTAL SOURCE OF FUNDS	56,436,218	56,753,080	56,891,800	61,804,500
EXPENDITURES BY CLASS				
Personnel Costs	22,156,887	25,283,449	27,252,000	25,310,700
Operating Expenses	21,050,687	20,483,745	23,196,100	30,065,900
Grants Loans Benefits	668	-6,997		
Debt Service	775,500	192,000		533,000
Capital Outlay	3,884,259	3,098,876	2,000,000	2,875,000
Construction	1,225			
TOTAL EXPENDITURES	47,869,225	49,051,072	52,448,100	58,784,600
EXPENDITURES BY FUND SOURCE				
General Fund	5,787,182	6,115,900	6,010,000	4,002,000
Restricted Funds	42,082,043	42,935,172	46,438,100	54,782,600
TOTAL EXPENDITURES	47,869,225	49,051,072	52,448,100	58,784,600
EXPENDITURES BY UNIT				
Commissioner's Office	661,227	820,954	974,500	1,473,200
Facility Development and Efficiency	5,216,036	5,569,284	6,333,100	4,846,000
Real Property	1,422,215	1,626,751	1,799,900	1,046,100
Historic Properties	319,886	372,649	386,000	403,300
Building and Mechanical Services	39,173,020	39,450,457	41,773,700	49,736,600
State Surplus Property	685,449	856,784	850,000	1,006,000
Federal Surplus Property	391,392	354,192	330,900	273,400
TOTAL EXPENDITURES	47,869,225	49,051,072	52,448,100	58,784,600

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

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

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

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

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

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

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

The Office of Building and Mechanical Services, which includes the Division of Building Services and the Division of Mechanical Services, as authorized by KRS 42.027, provides services for all Finance and Administration Cabinet-operated buildings and for the state agencies occupying those facilities. The Office is responsible for several buildings in Frankfort including the Capitol, New Capitol Annex, Old Capitol, Old Capitol Annex, Human Resources Building, Executive Mansion, Old Governor's Mansion, 300 Building, State Office Building, KHEAA Building, Library and Archives Building, Central Lab Facility, the Kentucky History Center, the Transportation Cabinet building, and the new Mayo-Underwood Building. The Office also services buildings at the London Regional state office complex, the Spindletop Research Complex in Fayette County, and offices in Louisville and Richmond that were formerly owned and operated by Cabinet for Health and Family Services. Services provided include minor renovations; maintaining parking lots, sidewalks and ramps; janitorial and landscaping services; maintaining the heating, ventilating, and air conditioning systems; maintaining special equipment within the buildings as requested; roof repair; fire alarm and security systems; electrical systems; energy conservation; maintaining elevators and escalators; maintaining emergency power systems; and after-hours emergency services.

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

Recently, the Department entered into two public-private partnerships for the development of new state office space in Franklin County. The first, included in the 2014-2016 Executive Branch appropriations act, authorized the Department for Facilities and Support Services to construct a new state office building to house displaced state workers from the Capital Plaza Tower and privately leased space. The Department entered into an agreement with a private developer to construct, operate, and maintain the property at 300 Sower Boulevard in Franklin County for a period of 35 years, at which time the Commonwealth will take over ownership of the property. Construction was complete in the spring of 2016, and state employees began to occupy the new building shortly thereafter. Payments to the developer for amortization of the construction cost and for ongoing maintenance and operations are made by the Department for Facilities and Support Services in conjunction with the Office of Financial Management. The second project was authorized by Senate Bill 238 from the 2017 Regular Session of the General Assembly and was completed in the Fall of 2019. The Mayo-Underwood

Building is on the former site of the Capital Plaza Tower in downtown Frankfort. Both new construction projects are consistent with the Cabinet's goal of reducing the Commonwealth's reliance on private leases.

Policy

The Budget of the Commonwealth includes General Fund in the amount of \$533,000 in fiscal year 2021 for debt service on new bonds included in the capital budget.

The Budget of the Commonwealth includes a cut to the General Fund base budget in the Facilities and Support Services budget unit of \$2,577,300 or nearly 43%.

Finance and Administration

County Costs

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	15,897,000	19,743,500	19,743,500	19,743,500
Current Year Appropriation			2,800,000	
Mandated Allotments	5,990,463	2,438,200		
Total General Fund	21,887,463	22,181,700	22,543,500	19,743,500
Restricted Funds				
Balance Forward	123	174,892		
Current Receipts	1,132,933	1,145,059	1,702,500	1,702,500
Total Restricted Funds	1,133,056	1,319,951	1,702,500	1,702,500
TOTAL SOURCE OF FUNDS	23,020,519	23,501,651	24,246,000	21,446,000
EXPENDITURES BY CLASS				
Personnel Costs	3,793,385	3,995,945	4,034,100	4,034,100
Operating Expenses	18,607,173	18,714,604	19,159,400	16,359,400
Grants Loans Benefits	445,069	791,066	1,052,500	1,052,500
TOTAL EXPENDITURES	22,845,627	23,501,615	24,246,000	21,446,000
EXPENDITURES BY FUND SOURCE				
General Fund	21,887,463	22,181,691	22,543,500	19,743,500
Restricted Funds	958,164	1,319,924	1,702,500	1,702,500
TOTAL EXPENDITURES	22,845,627	23,501,615	24,246,000	21,446,000
EXPENDITURES BY UNIT				
Public Defender Program	3,760,462	3,973,752	4,001,200	4,001,200
Witnesses	90,747	76,540	90,000	90,000
DUI Service Fees	445,069	791,066	1,052,500	1,052,500
Sheriffs Fees'	14,175,962	14,524,055	14,635,800	11,835,800
County Clerks (Make Tax Bills)	294,113	254,003	304,000	304,000
Board Of Assessment Appeals	35,900	27,100	40,000	40,000
Fugitive From Justice	1,027,962	1,079,968	1,052,000	1,052,000
Jury Fund	2,546,605	2,449,761	2,600,000	2,600,000
Sheriffs Expense Allowance	465,485	321,324	465,500	465,500
Premium On Sheriffs' Bonds	3,322	4,045	5,000	5,000
TOTAL EXPENDITURES	22,845,627	23,501,615	24,246,000	21,446,000

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

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

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

The service fee imposed by KRS 189A.050 for persons convicted of driving under the influence of alcohol or other substances shall be disbursed among various state and local agencies to fund such programs as enforcement, indigent defense, and the traumatic brain injury trust fund.

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

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

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

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

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

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

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

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

Policy

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

The Budget of the Commonwealth suspends the provisions of KRS 64.092(6) and includes a wage of \$9 per hour for court security officers.

The Budget of the Commonwealth suspends the provisions of KRS 70.170 and provides for a \$200 per month expense allowance for each sheriff performing duties required under KRS 70.150.

Additional General Fund in the amount of \$2,800,000 is included in fiscal year 2020 for known liabilities in the Sheriff's Fees program.

Finance and Administration
Commonwealth Office of Technology

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation		641,000		
Total General Fund		641,000		
Restricted Funds				
Balance Forward	10,666,656	9,212,554	10,962,700	13,933,900
Current Receipts	119,401,034	134,893,544	136,227,100	136,227,100
Non-Revenue Receipts	39,509	-3,999,870		
Fund Transfers	-10,800,000	-2,800,000	-2,800,000	-14,044,400
Total Restricted Funds	119,307,199	137,306,227	144,389,800	136,116,600
Federal Fund				
Balance Forward		4,269	4,269	
Current Receipts	6,125	80,976	146,131	150,400
Non-Revenue Receipts	-1,856			
Total Federal Fund	4,269	85,245	150,400	150,400
TOTAL SOURCE OF FUNDS	119,311,468	138,032,472	144,540,200	136,267,000
EXPENDITURES BY CLASS				
Personnel Costs	60,613,238	66,551,000	71,045,600	71,268,100
Operating Expenses	38,129,883	45,086,162	50,578,900	52,560,800
Debt Service		641,000		
Capital Outlay	11,351,525	14,787,377	8,981,800	11,213,100
TOTAL EXPENDITURES	110,094,646	127,065,539	130,606,300	135,042,000
EXPENDITURES BY FUND SOURCE				
General Fund		641,000		
Restricted Funds	110,094,646	126,343,562	130,455,900	134,891,600
Federal Fund		80,976	150,400	150,400
TOTAL EXPENDITURES	110,094,646	127,065,539	130,606,300	135,042,000
EXPENDITURES BY UNIT				
Commonwealth Office of Technology	3,083,797	4,378,073	6,404,000	6,454,500
Chief Information Security Officer	5,789,484	6,442,369	8,426,000	8,575,200
IT Services and Delivery	81,249,109	89,337,698	83,805,700	85,232,800
KY Business One-Stop	2,912,461	1,783,873	1,882,100	1,895,000
Project Management	1,057,926	2,964,170	3,467,400	3,502,400
Architect and Governance	16,001,868	22,159,355	26,621,100	29,382,100
TOTAL EXPENDITURES	110,094,646	127,065,539	130,606,300	135,042,000

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

COT consists of six units: Commissioner, Chief Information Security Officer, Architecture and Governance, IT Services and Delivery, Kentucky Business One-Stop, and Project Management.

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

The Chief Information Security Officer manages security, access and acceptable use policies for all COT functions. As more and more of the Commonwealth's mission-critical applications go on-line, their potential exposure to malicious

activity increases. In addition to maintaining the physical security of the Commonwealth Data Center and other COT facilities, the Security Office develops and maintains the disaster recovery business continuity plan.

The Office of Architecture and Governance is responsible for providing comprehensive application development services. These services are provided upon request to Commonwealth agencies and adhere to the structure of the Office's system development lifecycle process that follows industry best practices for software development.

The Office of IT Services and Delivery is responsible for operation of the Commonwealth enterprise computing and communications environment. The office offers day-to-day technical support and operation of Executive Branch IT resources and operates the Commonwealth Data Center. This includes oversight of shared IT infrastructure resources and services, including large-scale computing, server hosting, IT security, data and voice communications networks, and phone systems.

The Kentucky Business One-Stop office is responsible for project management, analysis, and application development for the Kentucky Business One-Stop Program on behalf of the Commonwealth. This office has created and established a one-stop electronic business portal that serves as a single, unified entry point for business owners to access initial and ongoing state services and complete reporting requirements related to the creation and ongoing operation of a business located in the Commonwealth.

The Office of Project Management is responsible for overseeing large and/or complex information technology projects across the Executive Branch for compliance with statewide strategies, policies, and standards.

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

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

Executive Order 2017-889, effective December 16, 2017, directed that the Executive Director of the Commonwealth Office of Technology would also serve as the Chief Information Officer of all Executive Branch agencies. The Commonwealth Office of Technology shall be the lead agency within the Executive Branch concerning delivery of information technology services, including application development and delivery.

Policy

The Budget of the Commonwealth directs the Commonwealth Office of Technology to maintain the rate and assessment schedule in effect in fiscal year 2020 for services rendered or materials furnished during fiscal year 2020-2021. Enterprise assessments and security assessments not directly related to specific rated services are not to exceed fiscal year 2019-2020 levels.

Finance and Administration

Revenue

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	90,756,400	95,204,300	96,145,100	99,714,100
Budget Reduction-General Fund	-4,613,300			
Reorganization Adjustment	-700,000			
Total General Fund	85,443,100	95,204,300	96,145,100	99,714,100
Tobacco Fund				
Tobacco Settlement - Phase I	250,000	250,000	250,000	250,000
Continuing Approp-Tob Settlement		6		
Total Tobacco Fund	250,000	250,006	250,000	250,000
Restricted Funds				
Balance Forward	3,251,058	2,926,894	3,242,100	1,502,600
Current Receipts	11,798,563	13,899,470	15,846,500	12,386,000
Total Restricted Funds	15,049,621	16,826,364	19,088,600	13,888,600
Federal Fund				
Balance Forward		-1,221	-1,200	
Current Receipts	5,409	19,491	245,100	
Total Federal Fund	5,409	18,270	243,900	
Road Fund				
Regular Appropriation	3,097,800	3,577,500	3,621,000	3,773,800
Total Road Fund	3,097,800	3,577,500	3,621,000	3,773,800
TOTAL SOURCE OF FUNDS	103,845,930	115,876,440	119,348,600	117,626,500
EXPENDITURES BY CLASS				
Personnel Costs	75,827,486	82,509,511	86,724,900	83,574,600
Operating Expenses	25,092,172	30,125,972	31,121,100	33,255,100
TOTAL EXPENDITURES	100,919,658	112,635,483	117,846,000	116,829,700
EXPENDITURES BY FUND SOURCE				
General Fund	85,442,600	95,204,227	96,145,100	99,714,100
Tobacco Fund	249,994	250,006	250,000	250,000
Restricted Funds	12,122,727	13,584,244	17,586,000	13,091,800
Federal Fund	6,630	19,506	243,900	
Road Fund	3,097,707	3,577,500	3,621,000	3,773,800
TOTAL EXPENDITURES	100,919,658	112,635,483	117,846,000	116,829,700
EXPENDITURES BY UNIT				
Commissioner's Office	34,960,000	38,612,900	38,997,200	39,637,200
Property Valuation	7,022,630	6,862,982	7,214,800	7,653,900
Field Operations	13,165,372	15,234,814	15,695,200	14,798,500
Income Taxation	9,214,628	10,005,900	10,612,500	10,324,800
Sales and Excise Taxes	8,140,011	9,774,622	9,766,200	9,795,900
Processing and Enforcement	27,997,145	31,537,465	34,677,300	33,729,900
Office of Tax Policy & Regulation	419,872	606,800	882,800	889,500
TOTAL EXPENDITURES	100,919,658	112,635,483	117,846,000	116,829,700

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

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

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

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

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

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

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

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

Finance and Administration
Property Valuation Administrators

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	47,600,200	54,824,800	56,138,900	56,446,700
Current Year Appropriation	2,438,400			
Budget Reduction-General Fund	-2,438,400			
Total General Fund	47,600,200	54,824,800	56,138,900	56,446,700
Restricted Funds				
Balance Forward	198,524	464,572	548,400	548,400
Current Receipts	4,379,525	4,015,694	3,500,000	3,500,000
Total Restricted Funds	4,578,049	4,480,266	4,048,400	4,048,400
TOTAL SOURCE OF FUNDS	52,178,249	59,305,066	60,187,300	60,495,100
EXPENDITURES BY CLASS				
Personnel Costs	51,237,740	58,410,615	59,350,900	59,946,700
Operating Expenses	475,937	346,038	288,000	
TOTAL EXPENDITURES	51,713,678	58,756,653	59,638,900	59,946,700
EXPENDITURES BY FUND SOURCE				
General Fund	47,600,200	54,824,800	56,138,900	56,446,700
Restricted Funds	4,113,478	3,931,853	3,500,000	3,500,000
TOTAL EXPENDITURES	51,713,678	58,756,653	59,638,900	59,946,700
EXPENDITURES BY UNIT				
Property Valuation Administrators	51,713,678	58,756,653	59,638,900	59,946,700
TOTAL EXPENDITURES	51,713,678	58,756,653	59,638,900	59,946,700

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

Policy

The Budget of the Commonwealth suspends the provisions of KRS 132.597 and provides for a \$200 per month expense allowance for each PVA.

Health and Family Services

Health and Family Services

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	2,714,393,178	2,706,415,687	2,870,293,300	2,902,696,700
Current Year Appropriation	6,600,000		300,000	
Budget Reduction-General Fund	-69,620,100			
Reorganization Adjustment		-151,800	-151,800	
Total General Fund	2,651,373,078	2,706,263,887	2,870,441,500	2,902,696,700
Tobacco Fund				
Tobacco Settlement - Phase I	23,954,200	30,614,900	29,222,900	26,039,100
Continuing Approp-Tob Settlement	9,034,216	10,420,196	14,467,200	
Budget Reduction-Tobacco			-2,436,700	
Other		-610,845		
Total Tobacco Fund	32,988,416	40,424,251	41,253,400	26,039,100
Restricted Funds				
Balance Forward	75,672,600	108,983,922	91,546,900	117,573,600
Current Receipts	638,957,120	670,449,188	904,075,400	901,329,000
Non-Revenue Receipts	389,374,399	324,970,166	435,904,000	417,374,400
Total Restricted Funds	1,104,004,119	1,104,403,276	1,431,526,300	1,436,277,000
Federal Fund				
Balance Forward	25,071,438	7,759,271	-23,187,000	3,400
Current Receipts	9,237,485,560	9,222,348,120	10,581,215,500	10,626,252,200
Non-Revenue Receipts	-8,925,795	659	-100	
Total Federal Fund	9,253,631,203	9,230,108,050	10,558,028,400	10,626,255,600
TOTAL SOURCE OF FUNDS	13,041,996,816	13,081,199,464	14,901,249,600	14,991,268,400
EXPENDITURES BY CLASS				
Personnel Costs	854,529,959	948,582,460	959,748,200	999,378,900
Operating Expenses	121,982,977	136,934,811	140,691,300	132,466,600
Grants Loans Benefits	11,925,603,151	11,901,001,660	13,671,729,100	13,801,044,600
Debt Service	11,793,725	11,430,975	11,256,200	11,730,700
Capital Outlay	914,316	421,675	247,800	753,500
Construction	9,300	850		
TOTAL EXPENDITURES	12,914,833,428	12,998,372,431	14,783,672,600	14,945,374,300
EXPENDITURES BY FUND SOURCE				
General Fund	2,651,373,078	2,706,263,887	2,870,441,500	2,902,696,700
Tobacco Fund	22,568,220	25,957,085	41,253,400	26,039,100
Restricted Funds	995,020,197	1,012,856,459	1,313,952,700	1,390,564,700
Federal Fund	9,245,871,933	9,253,295,000	10,558,025,000	10,626,073,800
TOTAL EXPENDITURES	12,914,833,428	12,998,372,431	14,783,672,600	14,945,374,300
EXPENDITURES BY UNIT				
General Administration and Program Support	91,156,774	93,930,223	100,673,500	109,121,900
Aging and Independent Living	66,386,680	68,225,480	72,236,900	72,912,900
Income Support	94,219,070	104,218,820	110,404,100	115,191,100
Public Health	325,245,634	332,665,589	381,143,300	369,577,200
Behavioral Health, Developmental & Intellectual Disabilities	427,273,368	438,936,242	464,055,000	431,612,300
Family Resource Centers and Volunteer Services	12,078,053	18,039,069	18,389,700	18,402,200
Community Based Services	1,112,099,313	1,265,393,994	1,338,820,000	1,370,277,800
Medicaid Services	10,747,903,076	10,641,303,722	12,258,055,500	12,427,229,000

EXPENDITURES BY UNIT

Office for Children with Special Health Care Needs	17,970,515	18,530,859	21,292,500	19,854,400
Office of Health Data and Analytics	20,500,944	17,128,432	18,602,100	11,195,500
TOTAL EXPENDITURES	<u>12,914,833,428</u>	<u>12,998,372,431</u>	<u>14,783,672,600</u>	<u>14,945,374,300</u>

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

Health and Family Services
General Administration and Program Support

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	31,052,200	35,784,800	36,168,400	10,323,200
Budget Reduction-General Fund	-89,800			
Reorganization Adjustment	586,800			
Total General Fund	31,549,200	35,784,800	36,168,400	10,323,200
Restricted Funds				
Balance Forward	3,832,950	4,328,290	4,689,300	4,955,100
Current Receipts	9,650,683	2,822,184	8,312,900	6,349,000
Non-Revenue Receipts	8,450,947	14,245,345	10,500,500	42,717,100
Total Restricted Funds	21,934,580	21,395,819	23,502,700	54,021,200
Federal Fund				
Balance Forward	2,957,776	2,070,705	2,817,600	
Current Receipts	42,790,691	42,185,909	43,139,900	48,932,500
Non-Revenue Receipts	-1,676,479			
Total Federal Fund	44,071,989	44,256,615	45,957,500	48,932,500
TOTAL SOURCE OF FUNDS	97,555,769	101,437,234	105,628,600	113,276,900
EXPENDITURES BY CLASS				
Personnel Costs	67,503,038	67,871,890	74,212,600	76,973,300
Operating Expenses	23,347,987	25,871,951	26,460,900	31,899,600
Grants Loans Benefits				50,000
Debt Service	304,500	102,500		199,000
Capital Outlay	1,249	83,881		
TOTAL EXPENDITURES	91,156,774	93,930,223	100,673,500	109,121,900
EXPENDITURES BY FUND SOURCE				
General Fund	31,549,200	35,784,800	36,168,400	10,323,200
Restricted Funds	17,606,291	16,706,458	18,547,600	49,866,200
Federal Fund	42,001,283	41,438,965	45,957,500	48,932,500
TOTAL EXPENDITURES	91,156,774	93,930,223	100,673,500	109,121,900
EXPENDITURES BY UNIT				
Administrative Support	67,384,759	66,088,363	71,065,200	77,604,000
Inspector General	23,772,015	27,841,860	29,608,300	31,517,900
TOTAL EXPENDITURES	91,156,774	93,930,223	100,673,500	109,121,900

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

The Administrative Support function includes the Office of the Secretary, the Office of Public Affairs, the Office of Legal Services, the Office of Administrative Services, the Office of Application Technology Services, the Office of Human Resource Management, the Office of Legislative & Regulatory Affairs, the Office of Finance and Budget, and the Office of the Ombudsman and Administrative Review. These offices provide policy, administrative, legal, financial, technological, and personnel support services to the program areas of the Cabinet.

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

The OIG has four major functions:

- Audits and Investigations
- Regulated Child Care
- Health Care Licensing
- Certificate of Need

Policy

The Budget of the Commonwealth includes General Fund in the amount of \$199,000 in fiscal year 2020-2021 to support new bonds as set forth in Part II, Capital Projects Budget.

The Budget of the Commonwealth includes additional General Fund in the amount of \$50,000 in fiscal year 2020-2021 to support Special Olympics.

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	25,635,800	29,321,400	29,577,700	1,637,500
Reorganization Adjustment	586,800			
Total General Fund	26,222,600	29,321,400	29,577,700	1,637,500
Restricted Funds				
Balance Forward	1,260,556	107,223	149,900	
Current Receipts	4,750,153	-3,456,988	2,806,600	2,751,500
Non-Revenue Receipts	8,143,571	15,183,660	10,400,500	42,617,100
Total Restricted Funds	14,154,281	11,833,895	13,357,000	45,368,600
Federal Fund				
Balance Forward	2,957,776	1,438,111	1,790,500	
Current Receipts	27,225,974	25,435,408	26,340,000	30,597,900
Non-Revenue Receipts	-1,630,538			
Total Federal Fund	28,553,213	26,873,520	28,130,500	30,597,900
TOTAL SOURCE OF FUNDS	68,930,093	68,028,815	71,065,200	77,604,000
EXPENDITURES BY CLASS				
Personnel Costs	46,607,236	43,806,960	48,886,300	49,879,000
Operating Expenses	20,473,023	22,095,022	22,178,900	27,476,000
Grants Loans Benefits				50,000
Debt Service	304,500	102,500		199,000
Capital Outlay		83,881		
TOTAL EXPENDITURES	67,384,759	66,088,363	71,065,200	77,604,000
EXPENDITURES BY FUND SOURCE				
General Fund	26,222,600	29,321,400	29,577,700	1,637,500
Restricted Funds	14,047,057	11,683,968	13,357,000	45,368,600
Federal Fund	27,115,101	25,082,995	28,130,500	30,597,900
TOTAL EXPENDITURES	67,384,759	66,088,363	71,065,200	77,604,000

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

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

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

Administrative Services consists of Cabinet functions related to accounting, facilities management, and procurement; Accounting services supports and oversees the cabinet's accounting functions. Facility Services oversees the management of facilities, fixed assets and leased properties; Procurement services oversees grants and Memoranda of Agreement, personal services contracts, acquisition of commodities and services, IT procurement and requests for proposals.

Application Technology Services is responsible for providing CHFS agencies information technology (IT) support for cabinet and agency IT systems, including development, maintenance and operations, technical support (help desk), project management and oversight of all vendor developed/lead IT systems.

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

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

Finance and Budget manages the cabinet's \$14 billion annual budget in coordination with departments on behalf of the Office of the Secretary. This office reviews and coordinates activities related to budgetary and programmatic issues across agency lines within the cabinet as well as with other state agencies outside the cabinet, including the Governor's Office for Policy and Management, the Finance and Administration Cabinet, and the Legislative Research Commission. In addition, the office reviews legislation for fiscal impact on the cabinet and responds to budgetary requests for information from various sources.

Ombudsman and Administrative Review answers questions from recipients of CHFS programs and provides information to the public about CHFS programs. The Office also investigates customer complaints and works with CHFS management to resolve them. The Ombudsman advises CHFS management regarding patterns of complaints and recommends corrective action when appropriate. Staff conducts federally mandated management evaluation and access reviews for the food stamp program and assists in writing county and regional corrective action plans. The Ombudsman is responsible for determining administrative hearing eligibility related to service complaints regarding the Department for Community Based Services Protection and Permanency cases and requests to appeal child abuse and/or child neglect substantiations.

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	5,416,400	6,463,400	6,590,700	8,685,700
Budget Reduction-General Fund	-89,800			
Total General Fund	5,326,600	6,463,400	6,590,700	8,685,700
Restricted Funds				
Balance Forward	2,572,395	4,221,067	4,539,400	4,955,100
Current Receipts	4,900,530	6,279,173	5,506,300	3,597,500
Non-Revenue Receipts	307,376	-938,315	100,000	100,000
Total Restricted Funds	7,780,300	9,561,924	10,145,700	8,652,600
Federal Fund				
Balance Forward		632,594	1,027,100	
Current Receipts	15,564,717	16,750,501	16,799,900	18,334,600
Non-Revenue Receipts	-45,941			
Total Federal Fund	15,518,776	17,383,095	17,827,000	18,334,600
TOTAL SOURCE OF FUNDS	28,625,676	33,408,419	34,563,400	35,672,900
EXPENDITURES BY CLASS				
Personnel Costs	20,895,802	24,064,930	25,326,300	27,094,300
Operating Expenses	2,874,965	3,776,930	4,282,000	4,423,600
Capital Outlay	1,249			
TOTAL EXPENDITURES	23,772,015	27,841,860	29,608,300	31,517,900
EXPENDITURES BY FUND SOURCE				
General Fund	5,326,600	6,463,400	6,590,700	8,685,700
Restricted Funds	3,559,233	5,022,490	5,190,600	4,497,600
Federal Fund	14,886,182	16,355,970	17,827,000	18,334,600
TOTAL EXPENDITURES	23,772,015	27,841,860	29,608,300	31,517,900

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

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

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

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

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

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	5,824,800	5,249,000	5,249,000	3,863,100
Reorganization Adjustment	-200,000			
Total General Fund	5,624,800	5,249,000	5,249,000	3,863,100
Restricted Funds				
Balance Forward	4,724,576	4,394,603	3,739,200	978,800
Current Receipts	11,105,277	7,115,128	8,767,000	10,734,300
Non-Revenue Receipts	-3,655,636	-49,713	-50,000	-50,000
Total Restricted Funds	12,174,218	11,460,019	12,456,200	11,663,100
Federal Fund				
Balance Forward	14,712	33,393	-16,300	3,400
Current Receipts	4,584,781	5,511,307	4,585,800	4,564,000
Total Federal Fund	4,599,493	5,544,700	4,569,500	4,567,400
TOTAL SOURCE OF FUNDS	22,398,511	22,253,719	22,274,700	20,093,600
EXPENDITURES BY CLASS				
Personnel Costs	12,299,722	13,301,542	13,223,300	15,937,100
Operating Expenses	2,252,316	2,192,001	2,266,300	2,279,500
Grants Loans Benefits	3,166,808	2,952,168	5,601,300	930,500
Capital Outlay	251,669	85,148	201,600	707,300
TOTAL EXPENDITURES	17,970,515	18,530,859	21,292,500	19,854,400
EXPENDITURES BY FUND SOURCE				
General Fund	5,624,800	5,249,000	5,249,000	3,863,100
Restricted Funds	7,779,615	7,720,866	11,477,400	11,439,500
Federal Fund	4,566,100	5,560,993	4,566,100	4,551,800
TOTAL EXPENDITURES	17,970,515	18,530,859	21,292,500	19,854,400
EXPENDITURES BY UNIT				
Children's Health Services	17,970,515	18,530,859	21,292,500	19,854,400
TOTAL EXPENDITURES	17,970,515	18,530,859	21,292,500	19,854,400

The Office for Children with Special Health Care Needs (OCSHCN), formerly the Commission for Children with Special Health Care Needs, provides comprehensive care to children and youth with special health care needs who are Kentucky residents; younger than 21 years of age; meet medical eligibility; and meet financial eligibility. OCSHCN's mission is to enhance the quality of life for Kentucky's children with special health care needs through quality service, leadership, advocacy, education and collaboration. OCSHCN supports the highest quality of life for Kentucky's children with special health care needs and their families through collaboration and creation of a more accessible community based system of support.

OCSHCN believes in working with partners including families on new initiatives to develop and promote a more robust system of care. OCSHCN continues to build collaborations to ensure more of Kentucky's most vulnerable children will have access to the care they need for a wide variety of direct, enabling, population-based and surveillance programs which provide specialized health care; early periodic screening diagnosis and treatment services; social services and support to children, youth, and his/her families.

The programs/services currently operating within OCSHCN are:

- **Support Services:** Outreaches to providers, schools, and the community through trainings, meetings, and participation in health fairs and educational symposiums. OCSHCN increases community and family engagement through the agency's Facebook page, Youth Advisory Committee, Parent Advisory Committee and Spanish speaking support groups. OCSHCN provides interpreters (at no cost to families) for those directly enrolled in OCSHCN services who have limited English proficiency.

- Family to Family: OCSHCN employs two family consultants who oversee family-to-family connections in each OCSHCN district office through a mentoring program called the Family-to-Family (F2F) Health Information Center. The mentors identify available community resources and educate families, children, and young adults about how to navigate and access those resources. Over the last few fiscal years, F2F had over 70 support parents across the state assisting over 1,000 families for various needs related to healthcare. OCSHCN utilizes data to identify areas of the Commonwealth where there may be gaps in services. Based on the data, outreach is increased and partnerships are pursued. To ensure a successful transition from pediatric to adult health care, OCSHCN works with the patient and their family to connect the patient with an adult health care provider prior to discharge from OCSHCN services at 21 years of age. OCSHCN partners with schools, state and local agencies and other community organizations, to encourage family centered decision-making, which leads to each child reaching his/her personal goals for the future. The transition administrator conducts regular follow-up calls to aged-out youth – of over 100 patients who have been contacted, 98% have successfully transitioned to adult health care providers.
- Clinical and Augmentative Services Program: Provides services to children with special needs under 21 years of age throughout the Commonwealth as authorized by KRS 200.460 - 200.499 and 902 KAR 4:100. Three new OCSHCN regulations became effective July 2019 and August 2019: Application to Clinical programs (911 KAR 1:010), Billing and fees (911 KAR 1:020) and Medical staff (911 KAR 1:060). The program provides preventative, diagnostic, and treatment services, which include: medical care; hospitalization; durable medical goods; care coordination/medical case management; therapy; transportation; and nutritional education. Diagnostic conditions eligible for direct service, care coordination/case management and/or financial assistance include: asthma (severe), autism spectrum disorder; cardiology, cerebral palsy; craniofacial anomalies, cleft lip & palate, cystic fibrosis, diabetes; hearing loss, hemophilia, neurology, ophthalmology, orthopedic, otology, rheumatology, scoliosis and spina bifida. The critical services provided enhances the quality of many children's lives enabling them to reach their full potential during their lives.
- Hemophilia Program: Mandated by KRS 200.550 and KRS 200.560. It is a unique program that provides care for both children and adults with hemophilia and related bleeding disorders. This program is designed to assist those people who require continuing treatment with blood derivatives or a manufactured product to avoid debilitating effects and premium assistance toward health insurance for qualified patients. The program is operated through partnership with both University of Louisville and the University of Kentucky. Together they provide clinical services and systems of intervention and education in order to provide a safety net for this vulnerable population and improve the quality of life for those enrolled in the program across the commonwealth.
- Foster Care: Provides children and youth safe and nurturing foster homes that cultivate trust and stability and provide for their health needs, as well as a service delivery system that supports access among our community's most vulnerable citizens, the children and youth who are medically complex and in foster care. Nurses stationed in child welfare offices (and those in regional OCSHCN offices) now convene individual health planning meetings and reviews, as well as conduct monthly home visits to approximately 140 medically complex children placed in out-of-home care throughout the state. Annually, over 1,500 visits are conducted by OCSHCN. Medical consultation is also available on behalf of any child in or at risk of placement in the child welfare system on an as-needed basis.
- Early Hearing Detection and Intervention (EHDI) Program: Mandated by KRS 216.2970 with the goal of ensuring that infants diagnosed with permanent hearing loss receive timely and appropriate services, and thereby live a greater quality of life. It strives to ensure that all infants born in a Kentucky hospital (with at least 40 births annually) receive a physiologic hearing screening prior to discharge, and that the results of the screen are shared with the parents, physicians, and OCSHCN for tracking and follow-up purposes. The program is designed to assist families in obtaining diagnostic follow-up and early intervention in a timely manner. EHDI supports statewide screening for the early detection of hearing disorders and referral for follow-up treatment. The program has strong partnerships with Kentucky birthing hospitals, resulting in a consistently high hearing screening rate (98%) prior to discharge.
- First Steps Point of Entry (POE) for KIPDA Region: Serves as the Local Lead Agency in the KIPDA Region for Kentucky's Early Intervention System (KEIS). KEIS is mandated by 20 US Code Chapter 33: Education of Individuals with Disabilities, Part 303 (Part C) –Early Intervention Program for Infants and Toddlers with Disabilities the program serve children from birth to age three that have significant developmental delay or a specific medically established risk condition that is known to cause a developmental delay. The Department for Public Health, which serves as the state lead agency, funds the POE for the KIPDA region. The POE ensures access to core services, which include screenings; service coordination; evaluation and assessment; individualized family service plan development; and implementation of procedural safeguards. The EHDI program expanded the Early Childhood Hearing Outreach in Kentucky that distributed Otoacoustic Emissions equipment to Part 303 (Part C) –Early Intervention Program for Infants and Toddlers with Disabilities (First Steps) point of entry staff, and provided training in service delivery and EHDI reporting procedures. OCSHCN district offices receive direct referrals from First Steps for any child at risk of hearing loss who cannot be screened or who fails the screening provided by First Steps.

Health and Family Services

Medicaid Services

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,985,980,000	1,881,992,500	2,043,016,800	2,061,886,000
Budget Reduction-General Fund	-64,617,800			
Reorganization Adjustment	-142,200			
Total General Fund	1,921,220,000	1,881,992,500	2,043,016,800	2,061,886,000
Restricted Funds				
Balance Forward	9,104,576	44,512,492	45,985,900	88,275,200
Current Receipts	164,524,791	156,102,715	372,131,700	393,142,100
Non-Revenue Receipts	391,777,622	367,163,691	421,765,800	373,111,300
Total Restricted Funds	565,406,989	567,778,898	839,883,400	854,528,600
Federal Fund				
Balance Forward	9,425,247	-1,008,478	-22,463,600	
Current Receipts	8,300,723,107	8,216,063,117	9,485,894,100	9,534,119,200
Non-Revenue Receipts	-5,368,252			
Total Federal Fund	8,304,780,101	8,215,054,639	9,463,430,500	9,534,119,200
TOTAL SOURCE OF FUNDS	10,791,407,091	10,664,826,037	12,346,330,700	12,450,533,800
EXPENDITURES BY CLASS				
Personnel Costs	175,555,587	195,200,808	184,858,000	182,906,300
Operating Expenses	8,002,105	9,724,268	8,748,900	8,839,100
Grants Loans Benefits	10,564,345,385	10,436,378,646	12,064,448,600	12,235,483,600
TOTAL EXPENDITURES	10,747,903,076	10,641,303,722	12,258,055,500	12,427,229,000
EXPENDITURES BY FUND SOURCE				
General Fund	1,921,220,000	1,881,992,500	2,043,016,800	2,061,886,000
Restricted Funds	520,894,497	521,793,019	751,608,200	831,223,800
Federal Fund	8,305,788,579	8,237,518,203	9,463,430,500	9,534,119,200
TOTAL EXPENDITURES	10,747,903,076	10,641,303,722	12,258,055,500	12,427,229,000
EXPENDITURES BY UNIT				
Medicaid Administration	216,473,793	241,000,741	234,107,900	235,705,600
Medicaid Benefits	10,531,429,284	10,400,302,981	12,023,947,600	12,191,523,400
TOTAL EXPENDITURES	10,747,903,076	10,641,303,722	12,258,055,500	12,427,229,000

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

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

KCHIP provides for comprehensive physical and behavioral health services for uninsured children up to 218 percent of the federal poverty level who are not otherwise eligible for Medicaid.

**Health and Family Services
Medicaid Administration**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	40,549,800	56,622,700	59,367,300	59,304,800
Reorganization Adjustment	-142,200			
Total General Fund	40,407,600	56,622,700	59,367,300	59,304,800
Restricted Funds				
Balance Forward	823,185	13,158,844	18,810,800	26,776,600
Current Receipts	235,031	48,272	27,900	27,900
Non-Revenue Receipts	32,374,478	20,716,077	18,204,300	-2,868,700
Total Restricted Funds	33,432,694	33,923,193	37,043,000	23,935,800
Federal Fund				
Balance Forward	9,425,247	11,035,702	6,592,800	
Current Receipts	157,519,536	164,822,726	157,881,400	165,853,300
Non-Revenue Receipts	-116,738			
Total Federal Fund	166,828,045	175,858,428	164,474,200	165,853,300
TOTAL SOURCE OF FUNDS	240,668,339	266,404,321	260,884,500	249,093,900
EXPENDITURES BY CLASS				
Personnel Costs	175,555,587	195,200,808	184,858,000	182,906,300
Operating Expenses	8,002,105	9,724,268	8,748,900	8,839,100
Grants Loans Benefits	32,916,101	36,075,665	40,501,000	43,960,200
TOTAL EXPENDITURES	216,473,793	241,000,741	234,107,900	235,705,600
EXPENDITURES BY FUND SOURCE				
General Fund	40,407,600	56,622,700	59,367,300	59,304,800
Restricted Funds	20,273,850	15,112,410	10,266,400	10,547,500
Federal Fund	155,792,343	169,265,631	164,474,200	165,853,300
TOTAL EXPENDITURES	216,473,793	241,000,741	234,107,900	235,705,600
EXPENDITURES BY UNIT				
Medical Assistance Administration	214,316,550	238,928,075	231,007,900	233,976,500
KCHIP Administration	2,157,242	2,072,666	3,100,000	1,729,100
TOTAL EXPENDITURES	216,473,793	241,000,741	234,107,900	235,705,600

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

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

Health and Family Services

Medicaid Benefits

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,945,430,200	1,825,369,800	1,983,649,500	2,002,581,200
Budget Reduction-General Fund	-64,617,800			
Total General Fund	1,880,812,400	1,825,369,800	1,983,649,500	2,002,581,200
Restricted Funds				
Balance Forward	8,281,392	31,353,649	27,175,100	61,498,600
Current Receipts	164,289,760	156,054,443	372,103,800	393,114,200
Non-Revenue Receipts	359,403,144	346,447,614	403,561,500	375,980,000
Total Restricted Funds	531,974,296	533,855,705	802,840,400	830,592,800
Federal Fund				
Balance Forward		-12,044,180	-29,056,400	
Current Receipts	8,143,203,571	8,051,240,391	9,328,012,700	9,368,265,900
Non-Revenue Receipts	-5,251,514			
Total Federal Fund	8,137,952,056	8,039,196,211	9,298,956,300	9,368,265,900
TOTAL SOURCE OF FUNDS	10,550,738,752	10,398,421,715	12,085,446,200	12,201,439,900
EXPENDITURES BY CLASS				
Grants Loans Benefits	10,531,429,284	10,400,302,981	12,023,947,600	12,191,523,400
TOTAL EXPENDITURES	10,531,429,284	10,400,302,981	12,023,947,600	12,191,523,400
EXPENDITURES BY FUND SOURCE				
General Fund	1,880,812,400	1,825,369,800	1,983,649,500	2,002,581,200
Restricted Funds	500,620,647	506,680,609	741,341,800	820,676,300
Federal Fund	8,149,996,236	8,068,252,573	9,298,956,300	9,368,265,900
TOTAL EXPENDITURES	10,531,429,284	10,400,302,981	12,023,947,600	12,191,523,400
EXPENDITURES BY UNIT				
Medicaid Benefits	10,328,043,289	10,181,362,888	11,759,435,700	11,915,909,700
KCHIP Benefits	203,385,995	218,940,093	264,511,900	275,613,700
TOTAL EXPENDITURES	10,531,429,284	10,400,302,981	12,023,947,600	12,191,523,400

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

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

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

Medicaid Enrollment Projections FY 2020-22

	MCO (Traditional Medicaid)	MCO (Medicaid Expansion)	MCO (KCHIP)	Fee For Service (FFS)	Grand Total
SFY_20	715,886	447,922	93,008	133,724	1,390,540
SFY_21	709,661	448,321	97,044	130,016	1,385,042
SFY_22	703,222	448,776	101,108	127,009	1,380,115

The Medicaid Expansion population monthly average for fiscal year 2019 was 452,183. The fiscal year 2018-2019 enrollment forecast from the 2018-2020 Medicaid budget request was 492,333.

Kentucky Medical Assistance Program (KMAP) Recipient Groups

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

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

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

Projecting Benefits Cost

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

not include individual categories of service; therefore, total projected costs for individual services cannot be determined.

Provider Taxes

Although the majority of the funds that the Commonwealth uses to match federal Medicaid dollars are derived from the General Fund, approximately 21 percent of the program's fiscal year 2021 and 10 percent of the program's fiscal year 2022 expenditure match will be secured from dedicated provider assessments. The assessments are levied on hospitals, home health agencies, Intermediate Care Facilities for Persons with Intellectual Disabilities, providers of alternative community services and long-term care facilities. The recommended budget assumes continuation of the current level of provider tax collections to maintain existing reimbursement levels for hospitals established in state fiscal year 2006.

Disproportionate Share Hospital (DSH) Payments

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

Managed Care

The budget request assumes that Medicaid services are provided statewide by five (5) contracted Managed Care Organizations (MCOs). Recipients in long term care facilities and waiver programs are excluded from managed care enrollment.

Benefit Match Rate

The budget request assumes a federal medical assistance percentage (FMAP) of 71.99 for state fiscal year 2020-2021 and 72.05 percent for fiscal year 2021-2022 for eligibility groups other than the ACA Medicaid expansion group for most budget items. The FMAP for the Medicaid expansion eligibility group authorized by the ACA dropped from 93 percent in calendar year (CY) 2019 to 90 percent in CY 2020 (impacts six months of fiscal year 2019-2020) and beyond. The federal Medicaid match rate for KCHIP dropped from 100 percent to 91.77 percent beginning October 1, 2019 and will drop to 80.44 percent beginning October 1, 2020.

Kentucky Children's Health Insurance Program (KCHIP)

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

A phase-out of the enhanced FMAP for CHIP began September 30, 2019 when the 23 percentage point enhancement was decreased to 11.5 percentage points for federal fiscal year 2020. The matching rate will revert to the regular enhanced FMAP in federal fiscal year 2021 and beyond.

Policy

The Budget of the Commonwealth assumes a federal medical assistance percentage (FMAP) of 71.99 percent for state fiscal year 2020-2021 for Medicaid eligibility groups. An FMAP of 83.27 percent is assumed for the Kentucky Children's Health Insurance Program eligibility group in state fiscal year 2020-2021. The assumed FMAP for the Medicaid expansion eligibility group is 90 percent.

The Budget of the Commonwealth includes a \$20 million decrease in General Fund appropriation and a corresponding increase in Restricted Fund appropriation as mandated by the 2020-2021 budget bill enacted by the 2020 General Assembly.

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	180,746,478	172,406,587	172,549,700	171,573,900
Budget Reduction-General Fund	-460,900			
Reorganization Adjustment	115,700	-151,800	-151,800	
Total General Fund	180,401,278	172,254,787	172,397,900	171,573,900
Tobacco Fund				
Tobacco Settlement - Phase I	891,400	1,500,800	1,500,800	1,916,000
Continuing Approp-Tob Settlement	182,113	312,892	735,000	
Other		-29,815		
Total Tobacco Fund	1,073,513	1,783,877	2,235,800	1,916,000
Restricted Funds				
Balance Forward	19,454,699	15,951,196	6,767,800	5,343,000
Current Receipts	199,306,603	200,299,461	211,478,000	185,033,100
Non-Revenue Receipts	570,548	-588,964	557,100	549,500
Total Restricted Funds	219,331,850	215,661,693	218,802,900	190,925,600
Federal Fund				
Balance Forward	-108,974	-1,325,370	-2,774,300	
Current Receipts	41,587,671	55,289,625	78,735,700	70,602,900
Non-Revenue Receipts	-73,252			
Total Federal Fund	41,405,445	53,964,255	75,961,400	70,602,900
TOTAL SOURCE OF FUNDS	442,212,086	443,664,612	469,398,000	435,018,400
EXPENDITURES BY CLASS				
Personnel Costs	103,243,816	95,484,976	94,142,400	87,895,500
Operating Expenses	16,680,907	14,452,192	13,427,200	12,911,800
Grants Loans Benefits	295,322,374	317,626,275	345,229,200	319,273,300
Debt Service	11,489,225	11,328,475	11,256,200	11,531,700
Capital Outlay	530,796	44,324		
Construction	6,250			
TOTAL EXPENDITURES	427,273,368	438,936,242	464,055,000	431,612,300
EXPENDITURES BY FUND SOURCE				
General Fund	180,401,278	172,254,787	172,397,900	171,573,900
Tobacco Fund	760,621	1,048,918	2,235,800	1,916,000
Restricted Funds	203,380,654	208,893,986	213,459,900	187,519,500
Federal Fund	42,730,815	56,738,552	75,961,400	70,602,900
TOTAL EXPENDITURES	427,273,368	438,936,242	464,055,000	431,612,300
EXPENDITURES BY UNIT				
Community Behavioral Health	104,541,071	114,576,187	135,911,100	130,750,600
Community Developmental and Intellectual Disabilities	22,819,086	22,708,334	23,487,300	23,420,200
General Support	26,461,500	25,469,500	27,111,500	27,193,600
Residential	273,451,711	276,182,221	277,545,100	250,247,900
TOTAL EXPENDITURES	427,273,368	438,936,242	464,055,000	431,612,300

The Department for Behavioral Health, Developmental and Intellectual Disabilities operates behavioral health, substance use disorder, developmental and intellectual disabilities programs. Services are provided in the community and in state-owned, state-operated and contracted residential facilities. Approximately 800 inpatients are cared for daily in the facilities operated or contracted by the Cabinet, and over 175,000 more are treated as outpatients in the community setting by the 14 Regional Boards for Mental Health and Intellectual Disability (Community Mental Health Centers) established by KRS 210.

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	53,892,600	51,131,600	50,891,600	49,404,600
Budget Reduction-General Fund	-460,900			
Other	-745,000	-1,018,000		
Total General Fund	52,686,700	50,113,600	50,891,600	49,404,600
Tobacco Fund				
Tobacco Settlement - Phase I	891,400	1,500,800	1,500,800	1,916,000
Continuing Approp-Tob Settlement	182,113	312,892	735,000	
Other		-29,815		
Total Tobacco Fund	1,073,513	1,783,877	2,235,800	1,916,000
Restricted Funds				
Balance Forward	5,703,976	4,814,100	5,343,000	5,343,000
Current Receipts	9,260,725	9,121,193	8,665,000	8,672,600
Non-Revenue Receipts	1,313,268	1,224,752	1,357,100	1,349,500
Total Restricted Funds	16,277,969	15,160,045	15,365,100	15,365,100
Federal Fund				
Balance Forward	1,673,871	281,304	-1,012,400	
Current Receipts	38,237,315	52,302,856	73,774,000	67,407,900
Total Federal Fund	39,911,185	52,584,160	72,761,600	67,407,900
TOTAL SOURCE OF FUNDS	109,949,368	119,641,683	141,254,100	134,093,600
EXPENDITURES BY CLASS				
Personnel Costs	7,820,768	6,237,290	5,668,800	5,462,500
Operating Expenses	317,952	452,286	318,700	319,200
Grants Loans Benefits	96,402,351	107,886,611	129,923,600	124,968,900
TOTAL EXPENDITURES	104,541,071	114,576,187	135,911,100	130,750,600
EXPENDITURES BY FUND SOURCE				
General Fund	52,686,700	50,113,600	50,891,600	49,404,600
Tobacco Fund	760,621	1,048,918	2,235,800	1,916,000
Restricted Funds	11,463,869	9,817,092	10,022,100	12,022,100
Federal Fund	39,629,881	53,596,578	72,761,600	67,407,900
TOTAL EXPENDITURES	104,541,071	114,576,187	135,911,100	130,750,600
EXPENDITURES BY UNIT				
Community Alcohol and Drug Services	48,420,521	59,793,187	78,994,700	69,305,700
Community Mental Health Services	56,120,550	54,783,000	56,916,400	61,444,900
TOTAL EXPENDITURES	104,541,071	114,576,187	135,911,100	130,750,600

Community Mental Health Services

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

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

In accordance with KRS 210.410, CMHCs must provide mentally ill persons and persons who abuse drugs and alcohol with specific services such as: consultation and educational services to help individuals understand their illnesses and treatment options; community support programs to assist individuals with mental health conditions in developing skills that allow them to live independently within the community; outpatient services; emergency services; and inpatient services, which are generally made available through referrals to crisis stabilization units or state or community hospitals.

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

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

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

Community Alcohol and Drug Services

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

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

As the State Substance Abuse Authority and the State Opiate Replacement Authority, the Department is tasked with leading the Kentucky Opioid Response Effort (KORE) and collaborating with other departments within the Cabinet, the Office of Drug Control Policy, and other state and local agencies in the effort to eradicate addiction.

Policy

The Budget of the Commonwealth provides Phase I Tobacco Settlement Funds in the amount of \$500,000 in fiscal year 2020-2021 for the Kentucky Rural Mental Health and Suicide Prevention Pilot Program.

The Budget of the Commonwealth sets aside \$450,000 of General Fund and includes an additional \$450,000 of General Fund in fiscal year 2020-2021 to support services provided by The Healing Place.

The Budget of the Commonwealth includes Phase I Tobacco Settlement Funds in the amount of \$1,416,000 in fiscal year 2020-2021 for substance abuse prevention and treatment for pregnant women with a history of substance abuse problems.

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	18,216,278	18,078,687	17,755,500	17,545,300
Reorganization Adjustment		-151,800	-151,800	
Other	-825,000	-562,000		
Total General Fund	17,391,278	17,364,887	17,603,700	17,545,300
Restricted Funds				
Balance Forward	145,045	115,276	113,800	
Current Receipts	100,630		370,000	483,800
Non-Revenue Receipts	2,200,000	2,200,000	2,200,000	2,200,000
Total Restricted Funds	2,445,675	2,315,276	2,683,800	2,683,800
Federal Fund				
Balance Forward	-1,784,645	-1,606,561	-1,761,800	
Current Receipts	3,348,745	2,986,769	4,961,600	3,195,000
Non-Revenue Receipts	-73,252			
Total Federal Fund	1,490,848	1,380,208	3,199,800	3,195,000
TOTAL SOURCE OF FUNDS	21,327,801	21,060,371	23,487,300	23,424,100
EXPENDITURES BY CLASS				
Personnel Costs	2,610,993	3,027,697	2,859,100	2,915,700
Operating Expenses	443,389	532,535	550,100	550,100
Grants Loans Benefits	19,764,704	19,148,102	20,078,100	19,954,400
TOTAL EXPENDITURES	22,819,086	22,708,334	23,487,300	23,420,200
EXPENDITURES BY FUND SOURCE				
General Fund	17,391,278	17,364,887	17,603,700	17,545,300
Restricted Funds	2,330,400	2,201,472	2,683,800	2,679,900
Federal Fund	3,097,409	3,141,975	3,199,800	3,195,000
TOTAL EXPENDITURES	22,819,086	22,708,334	23,487,300	23,420,200

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

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

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	27,195,800	27,611,500	27,111,500	27,193,600
Reorganization Adjustment	115,700			
Other	-850,000	-2,142,000		
Total General Fund	26,461,500	25,469,500	27,111,500	27,193,600
TOTAL SOURCE OF FUNDS	26,461,500	25,469,500	27,111,500	27,193,600
EXPENDITURES BY CLASS				
Personnel Costs	3,536,788	4,276,735	5,088,100	5,170,400
Operating Expenses	208,664	218,232	264,200	264,200
Grants Loans Benefits	22,716,048	20,974,533	21,759,200	21,759,000
TOTAL EXPENDITURES	26,461,500	25,469,500	27,111,500	27,193,600
EXPENDITURES BY FUND SOURCE				
General Fund	26,461,500	25,469,500	27,111,500	27,193,600
TOTAL EXPENDITURES	26,461,500	25,469,500	27,111,500	27,193,600

General Support includes the Commissioner's Office, the Division of Administration and Financial Management, the Division of Program Integrity and the Office of Autism. This unit's activities include policy and budget development, proactive program monitoring, standards development, contract development and implementation, oversight of personnel and staffing, Autism Spectrum Disorder support, legislative monitoring and management decision-making for the overall direction of the Department.

Policy

The Budget of the Commonwealth includes \$23,274,100 in fiscal year 2020-2021 for Regional Mental Health/Mental Retardation Boards to assist with employer contributions for the Kentucky Employees Retirement System.

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities

Residential

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	81,441,800	75,584,800	76,791,100	77,430,400
Other	2,420,000	3,722,000		
Total General Fund	83,861,800	79,306,800	76,791,100	77,430,400
Restricted Funds				
Balance Forward	13,605,677	11,021,820	1,311,000	
Current Receipts	189,945,248	191,178,268	202,443,000	175,876,700
Non-Revenue Receipts	-2,942,720	-4,013,716	-3,000,000	-3,000,000
Total Restricted Funds	200,608,206	198,186,372	200,754,000	172,876,700
Federal Fund				
Balance Forward	1,801	-113	-100	
Current Receipts	1,611		100	
Total Federal Fund	3,412	-113		
TOTAL SOURCE OF FUNDS	284,473,418	277,493,058	277,545,100	250,307,100
EXPENDITURES BY CLASS				
Personnel Costs	89,275,267	81,943,254	80,526,400	74,346,900
Operating Expenses	15,710,902	13,249,139	12,294,200	11,778,300
Grants Loans Benefits	156,439,270	169,617,028	173,468,300	152,591,000
Debt Service	11,489,225	11,328,475	11,256,200	11,531,700
Capital Outlay	530,796	44,324		
Construction	6,250			
TOTAL EXPENDITURES	273,451,711	276,182,221	277,545,100	250,247,900
EXPENDITURES BY FUND SOURCE				
General Fund	83,861,800	79,306,800	76,791,100	77,430,400
Restricted Funds	189,586,386	196,875,421	200,754,000	172,817,500
Federal Fund	3,525			
TOTAL EXPENDITURES	273,451,711	276,182,221	277,545,100	250,247,900

Residential Services provides inpatient care in the areas of psychiatric hospitalization, intermediate care for persons with developmental and intellectual disabilities, nursing facility care, and forensic psychiatry for approximately 800 individuals each day.

Inpatient psychiatric services are provided for adults through four psychiatric hospitals: Eastern State Hospital in Lexington with an average daily census (ADC) of 102; Central State Hospital in Louisville with an ADC of 54; and Western State Hospital in Hopkinsville with an ADC of 112. The ARH Psychiatric Facility located in Hazard, owned and operated by Appalachian Regional Healthcare, Inc., with an ADC of 57, provides acute inpatient psychiatric services through a contract with the Department. Eastern State Hospital is operated under a management contract with the University of Kentucky.

Glasgow Nursing Facility with an ADC of 68 and Western State Nursing Facility with an ADC of 93 provide quality care to adults with severe and persistent mental illness who require a skilled nursing facility's level of care.

Ten facilities provide intermediate care for individuals with developmental and intellectual disabilities who are unable to live unassisted in their communities: the Oakwood Community Center in Somerset with an ADC of 108, Outwood in Dawson Springs with an ADC of 32, Hazelwood in Louisville with an ADC of 67, Bingham Gardens located in Louisville with an ADC of 23, Del Maria in Fern Creek with an ADC of 8, the Meadows in Mount Washington with an ADC of 7, and Windsong in Crestwood with an ADC of 6. Residents are assisted in self-care skills and community living skills and are provided specialized services to promote their personal growth.

The Department has established three specialty clinics in support of individuals with developmental and intellectual disabilities living in the community, who may have transitioned from a facility placement. Moving from a facility placement to a community placement creates a gap in services that can negatively impact clients and jeopardize a successful

placement. These clinics provide a vast array of specialized services including medical, dental and therapeutic services on an outpatient basis, avoiding institutionalization. These three specialty clinics are located on the campuses of Bingham Gardens, Hazelwood Center, and Oakwood.

Forensic psychiatric and competency evaluation services are provided at the Kentucky Correctional Psychiatric Center within the Luther Lockett Correctional Complex in LaGrange with an ADC of 62. Pretrial services are provided for persons with felony charges who are referred by district and circuit courts for evaluation of competency to stand trial. The correctional component may serve some post-convicted females in need of acute inpatient psychiatric treatment who are transferred from various institutions within the Department of Corrections.

Policy

The Budget of the Commonwealth includes General Fund in the amount of \$275,000 in fiscal year 2020-2021 for debt service to support new bonds as set forth in Part II, Capital Projects Budget.

The Budget of the Commonwealth includes General Fund in the amount of \$11,256,700 in fiscal year 2020-2021 for lease payments for Eastern State Hospital.

Health and Family Services

Public Health

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	74,548,200	76,360,000	76,481,200	78,915,500
Current Year Appropriation			300,000	
Budget Reduction-General Fund	-4,359,900			
Reorganization Adjustment	-134,200			
Total General Fund	70,054,100	76,360,000	76,781,200	78,915,500
Tobacco Fund				
Tobacco Settlement - Phase I	14,168,100	15,903,000	15,472,100	11,873,100
Continuing Approp-Tob Settlement	8,848,658	10,107,304	13,732,200	
Budget Reduction-Tobacco			-2,436,700	
Other		-318,578		
Total Tobacco Fund	23,016,758	25,691,726	26,767,600	11,873,100
Restricted Funds				
Balance Forward	26,687,342	35,080,946	20,655,500	17,836,300
Current Receipts	84,130,852	75,537,408	88,675,200	87,640,200
Non-Revenue Receipts	-6,239,920	-20,109,158	-4,507,000	-3,507,000
Total Restricted Funds	104,578,275	90,509,195	104,823,700	101,969,500
Federal Fund				
Balance Forward		-230,927	-926,600	
Current Receipts	173,972,167	173,796,780	191,533,800	191,400,300
Non-Revenue Receipts	-1,418,344		-100	
Total Federal Fund	172,553,823	173,565,852	190,607,100	191,400,300
TOTAL SOURCE OF FUNDS	370,202,956	366,126,774	398,979,600	384,158,400
EXPENDITURES BY CLASS				
Personnel Costs	63,096,105	69,414,092	69,684,800	71,936,100
Operating Expenses	12,825,498	14,383,695	13,211,800	13,579,900
Grants Loans Benefits	249,319,231	248,775,003	298,246,700	284,061,200
Capital Outlay	1,750	92,039		
Construction	3,050	760		
TOTAL EXPENDITURES	325,245,634	332,665,589	381,143,300	369,577,200
EXPENDITURES BY FUND SOURCE				
General Fund	70,054,100	76,360,000	76,781,200	78,915,500
Tobacco Fund	12,909,454	11,959,519	26,767,600	11,873,100
Restricted Funds	69,497,329	69,853,662	86,987,400	87,388,300
Federal Fund	172,784,750	174,492,408	190,607,100	191,400,300
TOTAL EXPENDITURES	325,245,634	332,665,589	381,143,300	369,577,200
EXPENDITURES BY UNIT				
General Health Support	36,776,581	33,445,497	34,154,800	35,201,300
Women's Health	10,251,042	9,612,296	10,038,800	9,819,300
Prevention and Quality Improvement	15,196,509	18,909,989	28,677,200	21,935,400
Epidemiology and Health Planning	38,732,874	45,672,192	48,683,800	49,085,900
Maternal and Child Health	189,935,292	185,487,958	217,540,200	210,688,600
Laboratory Services	9,685,077	11,496,777	11,387,900	11,728,200
Public Health Protection and Safety	24,668,258	28,040,880	30,660,600	31,118,500
TOTAL EXPENDITURES	325,245,634	332,665,589	381,143,300	369,577,200

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

- Assessment of health status and programs;
- Science-based health policy development; and
- Assurance of health services, codes, and programs to meet the needs of Kentuckians.

Pursuant to KRS 211.025 and 211.180, DPH, with its seven divisions, enforces public health laws and regulations, assists local boards of health and health departments, and acts to protect and improve health. It does so by formulating, promoting, establishing, and executing policies, plans, and programs "relating to all matters of public health", partnering with 61 local health departments (LHDs) covering 120 counties as well as other local, state and federal agencies.

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

The department strives to protect and improve the health and quality of life of each of over 4.4 million Kentuckians every day by administering approximately 150 distinct programs and services, which are as varied as immunizations, newborn screening, women's cancer prevention, radon control and the regulation of tattoo parlors. A sizable part of the state's economy is regulated by the actions of the department including the operation of food retail services, food manufacturing, radiation health services, hotels and pools. In fiscal year 2019, the public health system in Kentucky provided clinical services to an average of about 433,000 unduplicated patients. Many public health services are unavailable from any other source or are unattainable from another source at low or no cost.

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

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

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

Health and Family Services

Public Health

General Health Support

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	35,233,600	34,704,800	33,418,500	34,480,500
Budget Reduction-General Fund	-82,000			
Reorganization Adjustment	-134,200			
Other	-451,400	-1,450,000		
Total General Fund	34,566,000	33,254,800	33,418,500	34,480,500
Restricted Funds				
Balance Forward	1,224,835	616,219	127,100	84,800
Current Receipts	6,916,886	5,383,707	4,594,000	3,593,900
Non-Revenue Receipts	-5,314,920	-5,682,158	-3,900,000	-2,900,000
Total Restricted Funds	2,826,801	317,768	821,100	778,700
Federal Fund				
Balance Forward	-638	-638	-600	
Non-Revenue Receipts			600	
Total Federal Fund	-638	-638		
TOTAL SOURCE OF FUNDS	37,392,163	33,571,930	34,239,600	35,259,200
EXPENDITURES BY CLASS				
Personnel Costs	6,467,622	6,309,353	7,639,000	8,600,600
Operating Expenses	128,762	103,129	157,700	262,600
Grants Loans Benefits	30,180,197	27,020,706	26,358,100	26,338,100
Capital Outlay		12,309		
TOTAL EXPENDITURES	36,776,581	33,445,497	34,154,800	35,201,300
EXPENDITURES BY FUND SOURCE				
General Fund	34,566,000	33,254,800	33,418,500	34,480,500
Restricted Funds	2,210,581	190,697	736,300	720,800
TOTAL EXPENDITURES	36,776,581	33,445,497	34,154,800	35,201,300

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

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

The Chief Nursing Officer for Public Health, located in the Commissioner's Office, provides nurse administration consultation and technical assistance to the Commissioner, executive staff, and state and local health departments including approximately 800 nurses and APRNs who practice in local health departments across the state. This guidance includes nursing scope of practice issues, the development and implementation of clinical protocols, nursing education and clinical competencies as well as public health nursing workforce development initiatives.

The Office of Health Equity functionally operates through the Commissioner's Office. The Office is currently funded with a grant from the Centers for Disease Control and Prevention and seeks to eliminate health disparities in the state of Kentucky specifically those social, cultural, and environmental factors that contribute to adverse health outcomes. The Office serves in an advisory capacity to all divisions across the Department of Public Health, Local Health Departments, and other partners.

Quality improvement, performance management, and national accreditation efforts continue to be a focus of the department. The goal of this program is for participants to make fundamental changes in their organizations and practices so that they can improve the delivery of public health services and create a culture of continuous quality improvement. The ten (10) essential public health services and Public Health Accreditation Board (PHAB) are the driving forces to achieve minimum standards and measures for public health.

The Division of Administration and Financial Management provides all resource support to the department. This includes approximately 400+ department-level personnel and more than 2,800 Local Health Department personnel represented by the 61 Kentucky LHDs in all 120 counties. The division provides all budget and accounting support, payments, grant allocation, fee collection, procurement, and contracting support. The division plays a vital role in providing effective and efficient training that enhances workforce abilities of the department, LHDs, public health preparedness, and other public health system partners. The division develops the department's biennial budget and oversees LHDs' fiscal planning and administrative management functions. The division works in concert with the other divisions in the department to plan, program, execute, manage, and report the financial activities of the department and LHDs.

The division is also responsible for overseeing the day-to-day operations of the 61 LHDs. This responsibility includes conducting training on medical coding and billing practices, local health personnel procedures, and financial operations. Additionally, this division has the responsibilities for personnel management; medical records and forms management, reporting of clinical and community-based services, operating the online local health network that tracks more than three (3) million services to approximately 433,000 patients, policy interpretation, and the local Board of Health appointment process. The division is the primary liaison between the department and LHDs.

Policy

The Budget of the Commonwealth includes General Fund in the amount of \$25,394,600 in fiscal year 2020-2021 for Local and District Health Departments to assist with employer contributions for the Kentucky Employees Retirement System.

Health and Family Services

Public Health

Women's Health

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	266,600	226,600	467,600	470,000
Other		50,000		
Total General Fund	266,600	276,600	467,600	470,000
Tobacco Fund				
Tobacco Settlement - Phase I	80,000	80,000	80,000	
Continuing Approp-Tob Settlement	221,958	262,049	243,300	
Budget Reduction-Tobacco			-80,000	
Total Tobacco Fund	301,958	342,049	243,300	
Restricted Funds				
Balance Forward	8,385	6,911	5,800	3,800
Current Receipts	-1,474	150	500	600
Total Restricted Funds	6,911	7,061	6,300	4,400
Federal Fund				
Balance Forward	53,565	11,996	-107,300	
Current Receipts	9,902,965	9,116,428	9,432,700	9,346,800
Total Federal Fund	9,956,529	9,128,424	9,325,400	9,346,800
TOTAL SOURCE OF FUNDS	10,531,999	9,754,134	10,042,600	9,821,200
EXPENDITURES BY CLASS				
Personnel Costs	1,594,485	1,914,295	2,378,600	2,404,900
Operating Expenses	245,765	330,053	276,400	276,400
Grants Loans Benefits	8,410,792	7,367,948	7,383,800	7,138,000
TOTAL EXPENDITURES	10,251,042	9,612,296	10,038,800	9,819,300
EXPENDITURES BY FUND SOURCE				
General Fund	266,600	276,600	467,600	470,000
Tobacco Fund	39,909	98,764	243,300	
Restricted Funds		1,252	2,500	2,500
Federal Fund	9,944,533	9,235,680	9,325,400	9,346,800
TOTAL EXPENDITURES	10,251,042	9,612,296	10,038,800	9,819,300

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

The Kentucky Women's Cancer Screening Program (KWCSPP) provides breast and cervical cancer screenings and diagnostic case management and treatment referral services to reduce cancer morbidity and mortality among Kentucky's medically underserved, low income, and uninsured women. The Kentucky Women's Cancer Screening program is funded by a federal grant from the Centers for Disease Control and Prevention (CDC). The CDC grant requires the program to provide appropriate referrals for medical treatment; assure appropriate follow-up services and case management; develop and disseminate public information and education programs for the detection and control of breast and cervical cancers; improve the education, training, and skills of health professionals; monitor the quality of screening procedures for breast and cervical cancers; and evaluate activities through appropriate surveillance. In the past, this program has primarily been contracted to local health departments (LHDs). Through Kentucky's Public Health Transformation initiative, the LHDs will be allowed, at their discretion, to opt out of providing these services and the department will secure other partners to provide the services such as Federally Qualified Health Centers, Rural Health Clinics, and other community providers.

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

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

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

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

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	7,939,190	9,186,951	9,950,000	9,989,000
Budget Reduction-General Fund	-988,100			
Reorganization Adjustment		762,200		
Other	-672,700			
Total General Fund	6,278,390	9,949,151	9,950,000	9,989,000
Tobacco Fund				
Tobacco Settlement - Phase I	3,088,100	4,823,000	4,392,100	2,989,100
Continuing Approp-Tob Settlement	3,301,560	3,399,894	5,688,500	
Budget Reduction-Tobacco			-276,700	
Other		-318,578		
Total Tobacco Fund	6,389,660	7,904,316	9,803,900	2,989,100
Restricted Funds				
Balance Forward	13,540	28,772	774,500	516,400
Current Receipts	365,342	314,344	183,800	183,700
Non-Revenue Receipts		500,000	500,000	500,000
Total Restricted Funds	378,882	843,115	1,458,300	1,200,100
Federal Fund				
Balance Forward	1,427,372	66,860	-138,800	
Current Receipts	5,636,073	6,470,792	8,120,200	8,015,400
Non-Revenue Receipts	-1,418,344			
Total Federal Fund	5,645,101	6,537,652	7,981,400	8,015,400
TOTAL SOURCE OF FUNDS	18,692,033	25,234,234	29,193,600	22,193,600
EXPENDITURES BY CLASS				
Personnel Costs	3,905,568	4,220,324	4,215,100	4,339,800
Operating Expenses	701,294	969,591	833,200	833,200
Grants Loans Benefits	10,586,594	13,719,312	23,628,900	16,762,400
Construction	3,050	760		
TOTAL EXPENDITURES	15,196,506	18,909,988	28,677,200	21,935,400
EXPENDITURES BY FUND SOURCE				
General Fund	6,278,390	9,949,151	9,950,000	9,989,000
Tobacco Fund	2,989,766	2,215,804	9,803,900	2,989,100
Restricted Funds	350,111	68,593	941,900	941,900
Federal Fund	5,578,241	6,676,440	7,981,400	8,015,400
TOTAL EXPENDITURES	15,196,509	18,909,989	28,677,200	21,935,400

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

The mission of the Prevention and Quality Improvement (PQI) program is to deliver programs and services which can be implemented at the local level including chronic disease management, clinical and community education/promotion, self-management education, quality improvement, health care access for low income Kentuckians, and health risk behavior data analysis through the Kentucky Behavioral Risk Factor Surveillance System in order to effectively prioritize health issues and implement appropriate evidence-based interventions. The program's activities cover the spectrum of population-based and personal preventive health services, delivered through a wide range of health partners and health care organizations.

The PQI division provides leadership and facilitates partnerships with key stakeholders in order to improve care and services with a special focus on populations with low incomes, diverse ethnicity and racial backgrounds, and underserved populations with limited access to care. Division staff support partners who provide clinical and community based services and provide technical assistance in infrastructure building through policy development and implementation, providing data and surveillance activities, and developing appropriate disease management strategies.

The PQI division is also involved in the departmental preparations to apply for national accreditation by the Public Health Accreditation Board (PHAB). Key division staff are working on domain teams for public health accreditation activities. Division staff also serve on the department accreditation readiness team, strategic plan committee, State Health Improvement Plan committee, and State Health Assessment committee, and provide data through the Behavioral Risk Factor Surveillance System (BRFSS) to all local health departments in Kentucky for their own accreditation efforts.

The Chronic Disease Prevention Branch utilizes evidence-based programming and interventions to reduce morbidity and mortality from chronic diseases. Programs include asthma, community health action teams, community health worker, comprehensive cancer, pediatric cancer, colon cancer, chronic obstructive pulmonary disease, diabetes, heart disease and stroke, obesity prevention, and tobacco prevention. The Branch provides partial funding to local health departments for capacity building, which will lead to sustainable interventions in order to improve health status at the community level through local coalitions, health systems improvement strategies, and by increasing community-clinical linkages for access to screening and disease self-management.

The Health Care Access Branch provides a departmental focus on primary care and administers federal grants and programs relative to primary care. Through these programs, approximately 120 additional physicians are serving Kentucky's medically underserved population. The Branch is responsible for determining areas of Kentucky that meet the criteria for Health Professional Shortage Area and Medically Underserved Area. The Branch is also responsible for the Charitable Health Program, National Health Service Corps Program, Kentucky Physician Care Program, J-1 VISA Program, Kentucky Prescription Assistance Program (KPAP) and Kentucky Spinal Cord and Head Injury Research Board.

The Prevention and Quality Improvement Division, including both branches, is working toward alignment with Kentucky's public health transformation principles. In order to ensure continuity of services for Kentuckians, in those geographic areas in which these programs are not identified as local community priorities and will no longer be provided by the LHD, the division is seeking non-traditional partners. Many programs have been in alignment with transformation principles for years and are serving as guidance for others.

Policy

The Budget of the Commonwealth includes Phase I Tobacco Settlement Funds in the amount of \$2,000,000 in fiscal year 2020-2021 for Smoking Cessation.

The Budget of the Commonwealth includes General Fund in the amount of \$2,500,000 in fiscal year 2020-2021 for the Kentucky Pediatric Cancer Research Trust Fund.

The Budget of the Commonwealth includes General Fund in the amount of \$500,000 in fiscal year 2020-2021 for the Colon Cancer Screening Program.

**Health and Family Services
Public Health**

Epidemiology and Health Planning

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	3,407,548	3,179,016	3,179,000	3,110,600
Budget Reduction-General Fund	-704,200			
Other	150,000			
Total General Fund	2,853,348	3,179,016	3,179,000	3,110,600
Tobacco Fund				
Continuing Approp-Tob Settlement	26	26		
Total Tobacco Fund	26	26		
Restricted Funds				
Balance Forward	14,924,346	19,698,542	17,276,200	15,409,100
Current Receipts	22,307,011	19,491,840	19,758,500	19,744,500
Non-Revenue Receipts	-325,000	-2,325,000	-325,000	-325,000
Total Restricted Funds	36,906,357	36,865,382	36,709,700	34,828,600
Federal Fund				
Balance Forward	-969,627	-615,593	-1,162,100	
Current Receipts	19,025,745	22,357,518	25,366,300	24,467,700
Total Federal Fund	18,056,118	21,741,924	24,204,200	24,467,700
TOTAL SOURCE OF FUNDS	57,815,850	61,786,349	64,092,900	62,406,900
EXPENDITURES BY CLASS				
Personnel Costs	24,856,967	29,279,519	29,691,800	30,100,700
Operating Expenses	4,133,735	4,682,151	4,213,700	4,213,700
Grants Loans Benefits	9,740,423	11,710,521	14,778,300	14,771,500
Capital Outlay	1,750			
TOTAL EXPENDITURES	38,732,874	45,672,192	48,683,800	49,085,900
EXPENDITURES BY FUND SOURCE				
General Fund	2,853,348	3,179,016	3,179,000	3,110,600
Restricted Funds	17,207,815	19,589,203	21,300,600	21,507,600
Federal Fund	18,671,712	22,903,972	24,204,200	24,467,700
TOTAL EXPENDITURES	38,732,874	45,672,192	48,683,800	49,085,900

The mission of the Division of Epidemiology and Health Planning is to provide quality epidemiological and vital records services, public health planning, and reportable disease prevention and control services in order to promote, protect, and plan for the health and safety of Kentuckians.

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

- The Infectious Disease Branch, which includes disease surveillance, prevention, and control activities related to vaccine-preventable diseases, sexually transmitted diseases, tuberculosis, adult viral hepatitis, HIV/AIDS, healthcare associated infections, and other reportable diseases,
- The Immunization Branch, which includes providing vaccines for children-enrolled health care providers at no cost, enforcing school and child care immunization regulations, providing immunization education and training for health care providers and the general public, coordinating surveillance and control efforts for vaccine-preventable diseases, and promoting vaccine safety, and
- The Office of Vital Statistics, which collects and preserves mandatory records of vital events including births, deaths, marriages, and divorces.

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

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

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

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

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

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

The Immunization Branch provides financial support and vaccines to LHDs and other providers for the provision of over one million immunizations each year to about 600,000 persons, primarily ages 0-18 years. Immunization rates are tracked in schools, day care facilities, LHD clinics, and the general child population. This branch also operates the Kentucky Immunization Registry.

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

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	19,472,910	20,007,349	19,628,800	20,710,700
Current Year Appropriation			300,000	
Budget Reduction-General Fund	-1,860,200			
Reorganization Adjustment		-762,200		
Other	474,100	700,000		
Total General Fund	18,086,810	19,945,149	19,928,800	20,710,700
Tobacco Fund				
Tobacco Settlement - Phase I	11,000,000	11,000,000	11,000,000	8,884,000
Continuing Approp-Tob Settlement	5,325,114	6,445,335	7,800,400	
Budget Reduction-Tobacco			-2,080,000	
Total Tobacco Fund	16,325,114	17,445,335	16,720,400	8,884,000
Restricted Funds				
Balance Forward	6,383,043	8,010,976	1,567,000	1,067,200
Current Receipts	38,852,743	34,886,988	48,336,000	48,332,300
Non-Revenue Receipts	243,464	-6,310,015	218,000	218,000
Total Restricted Funds	45,479,250	36,587,950	50,121,000	49,617,500
Federal Fund				
Balance Forward	122,598	82,133	300,500	
Current Receipts	124,459,964	121,095,312	131,537,400	132,016,300
Non-Revenue Receipts			-700	
Total Federal Fund	124,582,563	121,177,445	131,837,200	132,016,300
TOTAL SOURCE OF FUNDS	204,473,736	195,155,878	218,607,400	211,228,500
EXPENDITURES BY CLASS				
Personnel Costs	9,275,425	9,482,418	8,766,500	8,952,700
Operating Expenses	815,956	798,395	697,400	697,400
Grants Loans Benefits	179,843,914	175,207,145	208,076,300	201,038,500
TOTAL EXPENDITURES	189,935,295	185,487,959	217,540,200	210,688,600
EXPENDITURES BY FUND SOURCE				
General Fund	18,086,810	19,945,149	19,928,800	20,710,700
Tobacco Fund	9,879,779	9,644,951	16,720,400	8,884,000
Restricted Funds	37,468,273	35,020,916	49,053,800	49,077,600
Federal Fund	124,500,430	120,876,941	131,837,200	132,016,300
TOTAL EXPENDITURES	189,935,292	185,487,958	217,540,200	210,688,600

The Maternal and Child Health (MCH) division promotes and safeguards the health of all Kentuckians, with an emphasis on at-risk mothers, infants, children, and adolescents. The division's goal is to help those at risk of adverse health effects achieve the highest level of health and wellness possible through public health surveillance, education, nutrition, perinatal care, early childhood promotion and intervention, well-child care, injury prevention, coordinated school health, and selected primary and preventive care activities.

The Program Support Branch is responsible for public health surveillance systems including the Neonatal Abstinence Reporting, Pregnancy Risk Assessment Monitoring System, and the Sudden Unexpected Infant Death Registry. The Kentucky Birth Surveillance Registry, which is required by KRS 211.651-.670, identifies children in Kentucky who are at risk for serious medical conditions and developmental delays, and works closely with the Newborn Screening and Case Management program to ensure infants get appropriate and timely follow-up to mitigate adverse outcomes, and in some cases, prevent early death.

The Early Childhood Development Branch is required, by KRS 211.689-.690, to provide early childhood initiatives such as home visitation (Health Access Nurturing Development Services [HANDS]), childcare health consultation, early childhood mental health services for children, Kentucky Strengthening Families, and Help Me Grow. HANDS is a voluntary statewide home visitation program designed to assist overburdened parents during the prenatal period until the child's third birthday. Home visitation services include education and information on prenatal and postnatal health, early brain development, family self-sufficiency, home safety, and parent-child interactive curriculum activities.

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

The Child and Family Health Improvement Branch provides oversight to services and activities including prenatal care, child and adolescent preventive health, childhood lead poisoning prevention, child fatality review and injury prevention, maternal mortality review, and coordinated school health. This branch also houses the division's infant mortality efforts, including the safe sleep campaign. The Newborn Metabolic Screening and Case Management program identifies children in Kentucky who are at risk for serious medical conditions and developmental delays, and works closely with the Birth Surveillance Registry.

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

Policy

The Budget of the Commonwealth includes current year General Fund appropriation in the amount of \$300,000 for fiscal year 2019-2020 and sets aside \$750,000 of General Fund and includes an additional \$1,100,000 of General Fund in fiscal year 2020-2021 for the Kentucky Poison Control Center and COVID-19 Hotline.

The Budget of the Commonwealth provides Phase I Tobacco Settlement Funds in fiscal year 2020-2021 in the amount of \$7,000,000 for the Health Access Nurturing Development Services (HANDS) Program, \$942,000 for the Healthy Start initiatives, \$942,000 for Early Childhood Mental Health, and \$989,100 for Early Childhood Oral Health.

Health and Family Services

Public Health

Laboratory Services

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	4,039,000	4,625,400	5,326,500	5,620,000
Budget Reduction-General Fund	-388,700			
Other	500,000	700,000		
Total General Fund	4,150,300	5,325,400	5,326,500	5,620,000
Restricted Funds				
Balance Forward	2,391,608	3,062,224	144,600	135,200
Current Receipts	6,634,077	6,722,211	6,824,600	6,820,700
Non-Revenue Receipts	-843,464	-3,671,985	-1,000,000	-1,000,000
Total Restricted Funds	8,182,221	6,112,449	5,969,200	5,955,900
Federal Fund				
Balance Forward	-5,188	-5,030	-100	
Current Receipts	414,937	208,512	227,500	227,400
Total Federal Fund	409,750	203,482	227,400	227,400
TOTAL SOURCE OF FUNDS	12,742,271	11,641,331	11,523,100	11,803,300
EXPENDITURES BY CLASS				
Personnel Costs	4,799,576	5,947,853	5,805,200	5,908,000
Operating Expenses	4,882,593	5,543,799	5,577,700	5,815,200
Grants Loans Benefits	2,908	5,125	5,000	5,000
TOTAL EXPENDITURES	9,685,077	11,496,777	11,387,900	11,728,200
EXPENDITURES BY FUND SOURCE				
General Fund	4,150,300	5,325,400	5,326,500	5,620,000
Restricted Funds	5,119,997	5,967,793	5,834,000	5,880,800
Federal Fund	414,780	203,584	227,400	227,400
TOTAL EXPENDITURES	9,685,077	11,496,777	11,387,900	11,728,200

The Division of Laboratory Services (DLS) performs sophisticated state of the art chemical, biological, and molecular laboratory testing. In partnership with federal, state, and local entities, testing performed at the state public health laboratory supports critical activities like disease investigation, control, prevention and surveillance; food safety; and environmental health and protection. Leveraging expertise and resources, DLS serves as a reference center for hospitals and local health departments across the Commonwealth.

DLS detects and identifies a wide variety of microorganisms (bacterial and viral) and toxic chemical substances that pose a threat to public health. These include infectious agents related to food-borne disease outbreaks, seasonal influenza, and high-risk and high mortality diseases like antibiotic resistant tuberculosis, hospital-associated pneumonia, and sepsis. This requires the use of technology such as Next-Generation Sequencing (NGS) to look for relatedness between organisms that are identified from human or food sources. DLS also tests for environmental contaminants like pesticides in fruits or vegetables sold at farmers markets and bacterial contamination in commercial dairy products. When DLS identifies hospital-associated infections or dangerous, emerging infectious pathogens such as the Zika or Ebola virus, methods for their detection are rapidly deployed. Timely and precise detection of these biological agents is essential for effectively limiting spread and harm to the public.

DLS tests packages and/or substances with possible links to chemical or biological terrorism in a highly secured biosafety level 3 laboratory with specialized protocols developed and distributed by the Centers for Disease Control and Prevention (CDC) as a part of the Laboratory Response Network (LRN). These facilities and protocols are not available to other laboratories in the state making DLS a reference laboratory for Kentucky. DLS' specially trained and skilled scientists develop and maintain capacity for testing for low incidence or high risk diseases (e.g. botulism, rabies, etc.) which may be unavailable in the private sector.

DLS performs testing for heritable conditions in newborns that may be undetectable by physical examination or by other clinical signs or symptoms. DLS performs initial laboratory screening for the identification of metabolic, endocrine, hemoglobin, and other disorders. In July 2018, DLS added X-linked Adrenoleukodystrophy to its screening panel through a collaboration with Mayo Clinic Laboratories. Additionally, in August 2019 screening for Spinal Muscular Atrophy was

implemented bringing the total number of disorders on the panel to 55. DLS also began providing paid courier service to birthing hospitals in 2017 in order to meet national timeliness requirements for newborn screening. To meet the timeliness requirements, DLS instituted a six-day workweek. Timeliness is critical for newborn screening as there are treatments or preventive measures that work only if initiated early after birth. DLS is regulated by CLIA (Clinical Laboratory Improvement Amendments) and is accredited by the College of American Pathologists. In January 2017, the laboratory received accreditation as a food-testing laboratory. Other agencies that routinely inspect and/or certify DLS include the CDC, U.S. Department of Homeland Security, U.S. Department of Transportation, Environmental Protection Agency, and American Industrial Hygiene Association.

DLS performs testing for the Department for Public Health (DPH) and Occupational Safety and Health Administration (OSHA), often requiring very specific laboratory support. Workload is largely driven by state program needs in compliance with applicable state statutes and/or regulations.

**Health and Family Services
Public Health**

Public Health Protection and Safety

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	4,189,352	4,429,884	4,510,800	4,534,700
Budget Reduction-General Fund	-336,700			
Total General Fund	3,852,652	4,429,884	4,510,800	4,534,700
Restricted Funds				
Balance Forward	1,741,584	3,657,302	760,300	619,800
Current Receipts	9,056,268	8,738,167	8,977,800	8,964,500
Non-Revenue Receipts		-2,620,000		
Total Restricted Funds	10,797,852	9,775,469	9,738,100	9,584,300
Federal Fund				
Balance Forward	-628,083	229,345	181,800	
Current Receipts	14,532,483	14,548,218	16,849,700	17,326,700
Total Federal Fund	13,904,400	14,777,563	17,031,500	17,326,700
TOTAL SOURCE OF FUNDS	28,554,904	28,982,916	31,280,400	31,445,700
EXPENDITURES BY CLASS				
Personnel Costs	12,196,463	12,260,328	11,188,600	11,629,400
Operating Expenses	1,917,392	1,956,578	1,455,700	1,481,400
Grants Loans Benefits	10,554,404	13,744,245	18,016,300	18,007,700
Capital Outlay		79,730		
TOTAL EXPENDITURES	24,668,258	28,040,880	30,660,600	31,118,500
EXPENDITURES BY FUND SOURCE				
General Fund	3,852,653	4,429,884	4,510,800	4,534,700
Restricted Funds	7,140,551	9,015,206	9,118,300	9,257,100
Federal Fund	13,675,055	14,595,790	17,031,500	17,326,700
TOTAL EXPENDITURES	24,668,258	28,040,880	30,660,600	31,118,500

The Division of Public Health Protection and Safety provides a variety of environmental health services to the general public and other local and state agency partners. These services range from monitoring exposure to radiation to ensuring sanitation of food, milk, and various public facilities including hotels, swimming pools, tattoo studios and others. These programs provide technical consultation, guidance and training to the sixty-one (61) local health departments (LHDs) and approximately 740 LHD environmental registered sanitarians, and regulatory oversight to thousands of Kentucky's regulated businesses. The Program's mission is to promote a healthier, safer public through prevention, education, communication, and regulation.

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

The Milk Safety Branch operates under Kentucky Revised Statutes Chapter 217C, to prevent adulteration, misbranding, and false advertising of milk and milk products and protects the public from disease transmission through milk products. This mandate is achieved through inspections of dairy farms, dairy plants, micro-processors, distributors, milk haulers, and other entities improving the quality of milk that is produced and sold to the public. This branch also monitors the development of product standards of identity and legal labeling for all dairy products as mandated by the U.S. Food and Drug Administration (FDA) and the U.S. Department of Agriculture. Kentucky adopted the 2017 edition of the Pasteurized Milk Ordinance, a federally mandated ordinance which ensures certain quality standards and which allows milk produced and processed in Kentucky to be produced, processed, transported and sold to all other forty-nine states.

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

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

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

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

The Public Health Emergency Preparedness Branch is responsible for enhancing the capacity of the Department for Public Health (DPH), local public health departments, and the health care system to prevent, prepare for, respond to, and recover from the adverse health effects of public health emergencies. DPH is the lead agency for the Federal Emergency Management Agency (FEMA) Emergency Support Function #8 (ESF-8) for coordination of public health and medical-related preparedness, and this branch works with 38 external ESF-8 partners to conduct response and recovery activities for emergencies, exercises, and planned events. The state ESF-8 Plan builds capacity for:

- Community/Healthcare Preparedness and Recovery,
- Community/Healthcare System Recovery,
- Emergency Operations Coordination,
- Emergency Public Information and Warning,
- Fatality Management,
- Information Sharing,
- Mass Care,
- Medical Countermeasure Dispensing,
- Medical Material Management and Distribution,
- Medical Surge,
- Non-Pharmaceutical Interventions,
- Public Health Laboratory Testing,
- Public Health Surveillance and Epidemiological Investigation,
- Responder Safety and Health, and
- Volunteer Management.

Health and Family Services
Family Resource Centers and Volunteer Services

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,412,600	11,318,100	11,336,400	11,348,900
Current Year Appropriation	4,100,000			
Total General Fund	5,512,600	11,318,100	11,336,400	11,348,900
Federal Fund				
Balance Forward	173,884	251,361	253,000	
Current Receipts	6,642,931	6,722,598	6,800,300	7,053,300
Total Federal Fund	6,816,814	6,973,960	7,053,300	7,053,300
TOTAL SOURCE OF FUNDS	12,329,414	18,292,060	18,389,700	18,402,200
EXPENDITURES BY CLASS				
Personnel Costs	1,206,887	1,852,986	1,997,800	2,026,500
Operating Expenses	115,588	218,132	170,000	153,800
Grants Loans Benefits	10,755,578	15,967,952	16,221,900	16,221,900
TOTAL EXPENDITURES	12,078,053	18,039,069	18,389,700	18,402,200
EXPENDITURES BY FUND SOURCE				
General Fund	5,512,600	11,318,100	11,336,400	11,348,900
Federal Fund	6,565,453	6,720,969	7,053,300	7,053,300
TOTAL EXPENDITURES	12,078,053	18,039,069	18,389,700	18,402,200
EXPENDITURES BY UNIT				
Family Resource and Youth Services Center	5,535,739	11,277,047	11,383,900	11,404,600
Serve Kentucky	6,542,314	6,762,023	7,005,800	6,997,600
TOTAL EXPENDITURES	12,078,053	18,039,069	18,389,700	18,402,200

The Department for Family Resource Centers and Volunteer Services is comprised of two separate programs: Family Resource and Youth Service Centers and Serve Kentucky.

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,150,100	11,031,700	11,046,200	11,066,900
Current Year Appropriation	4,100,000			
Total General Fund	5,250,100	11,031,700	11,046,200	11,066,900
Federal Fund				
Balance Forward	58,488	45,476	65,700	
Current Receipts	272,627	265,570	272,000	337,700
Total Federal Fund	331,115	311,046	337,700	337,700
TOTAL SOURCE OF FUNDS	5,581,215	11,342,746	11,383,900	11,404,600
EXPENDITURES BY CLASS				
Personnel Costs	634,280	1,098,123	1,130,900	1,167,800
Operating Expenses	27,484	49,891	37,000	20,800
Grants Loans Benefits	4,873,975	10,129,033	10,216,000	10,216,000
TOTAL EXPENDITURES	5,535,739	11,277,047	11,383,900	11,404,600
EXPENDITURES BY FUND SOURCE				
General Fund	5,250,100	11,031,700	11,046,200	11,066,900
Federal Fund	285,639	245,347	337,700	337,700
TOTAL EXPENDITURES	5,535,739	11,277,047	11,383,900	11,404,600

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

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

In fiscal year 2019-2020, the Division of FRYSC will complete initial training for all FRYSC coordinators in order to implement the Standards of Quality for Family Strengthening and Support. Adoption of these standards will benefit children and families by enhancing the quality of the support provided by FRYSC as they respond to students' Adverse Childhood Experiences. Adopted by the National Family Support Network, the standards are the first to integrate operationalize the Principles of Family Support Practice and the Strengthening Families Approach with its research-based and evidence-informed protective factors. DFRYSC will continue ongoing training for new coordinators and full integration of the standards into FRYSC practice as part of the overall plan for data driven decision-making and evaluation.

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.

Health and Family Services
Family Resource Centers and Volunteer Services
Serve Kentucky

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	262,500	286,400	290,200	282,000
Total General Fund	262,500	286,400	290,200	282,000
Federal Fund				
Balance Forward	115,396	205,886	187,300	
Current Receipts	6,370,303	6,457,028	6,528,300	6,715,600
Total Federal Fund	6,485,700	6,662,914	6,715,600	6,715,600
TOTAL SOURCE OF FUNDS	6,748,200	6,949,314	7,005,800	6,997,600
EXPENDITURES BY CLASS				
Personnel Costs	572,607	754,863	866,900	858,700
Operating Expenses	88,104	168,241	133,000	133,000
Grants Loans Benefits	5,881,603	5,838,919	6,005,900	6,005,900
TOTAL EXPENDITURES	6,542,314	6,762,023	7,005,800	6,997,600
EXPENDITURES BY FUND SOURCE				
General Fund	262,500	286,400	290,200	282,000
Federal Fund	6,279,814	6,475,623	6,715,600	6,715,600
TOTAL EXPENDITURES	6,542,314	6,762,023	7,005,800	6,997,600

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

The majority of federal funds received by Serve Kentucky are contracted to community organizations that, in turn, receive local matching funds, which include cash and in-kind services. AmeriCorps members provide: household budget training; home renovation assistance; life skills training; and services to help senior citizens live independently. They train volunteers, serve the homeless, mentor at-risk youth, and offer assistance to victims of natural disasters. In addition, participants tutor children in math and reading and provide drug abuse prevention education in elementary and secondary schools. Children tutored by AmeriCorps members tend to advance a minimum of two reading levels during the school year. Since AmeriCorps began in 1994, more than 13,000 Kentuckians and have served more than 20 million hours and have qualified for education awards totaling more than \$47.4 million.

Health and Family Services

Income Support

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	7,635,600	7,116,600	7,116,600	13,616,600
Budget Reduction-General Fund	-14,100			
Reorganization Adjustment	-44,600			
Total General Fund	7,576,900	7,116,600	7,116,600	13,616,600
Restricted Funds				
Balance Forward	3,010,420	1,262,619	6,353,500	
Current Receipts	10,643,321	22,219,212	11,071,400	10,929,900
Non-Revenue Receipts	3,104,338	123,424	126,000	126,000
Total Restricted Funds	16,758,078	23,605,256	17,550,900	11,055,900
Federal Fund				
Balance Forward	5,574,710	4,224,671	2,761,800	
Current Receipts	69,796,673	78,387,679	82,974,800	90,521,000
Total Federal Fund	75,371,383	82,612,351	85,736,600	90,521,000
TOTAL SOURCE OF FUNDS	99,706,361	113,334,206	110,404,100	115,193,500
EXPENDITURES BY CLASS				
Personnel Costs	37,679,319	46,791,315	45,780,200	50,330,400
Operating Expenses	5,407,540	7,487,118	7,532,700	8,493,000
Grants Loans Benefits	51,019,884	49,894,089	57,045,000	56,321,500
Capital Outlay	112,328	46,207	46,200	46,200
Construction		90		
TOTAL EXPENDITURES	94,219,070	104,218,820	110,404,100	115,191,100
EXPENDITURES BY FUND SOURCE				
General Fund	7,576,900	7,116,600	7,116,600	13,616,600
Restricted Funds	15,495,459	17,251,710	17,550,900	11,053,500
Federal Fund	71,146,712	79,850,510	85,736,600	90,521,000
TOTAL EXPENDITURES	94,219,070	104,218,820	110,404,100	115,191,100
EXPENDITURES BY UNIT				
Disability Determinations	43,354,371	47,802,610	53,165,900	55,851,700
Child Support	50,864,700	56,416,210	57,238,200	59,339,400
TOTAL EXPENDITURES	94,219,070	104,218,820	110,404,100	115,191,100

The Department for Income Support (DIS) is responsible for administering the Child Support Enforcement and Disability Determination Services. DIS's mission is to facilitate vital income supports for Kentucky's families.

DIS provides services to citizens in all counties of the Commonwealth. DIS's Child Support Enforcement program ensures that children are financially supported by parents who are legally obligated to pay child support. Services are provided in each county through contracts established with local county attorneys. DIS's Disability Determination Services determines medical eligibility for residents of the Commonwealth who apply for Social Security and Supplemental Security Income disability benefits from the federal government.

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Non-Revenue Receipts	104,338	123,424	126,000	126,000
Total Restricted Funds	104,338	123,424	126,000	126,000
Federal Fund				
Balance Forward	-910,562	-1,205,585	-1,199,400	
Current Receipts	42,955,011	47,685,378	54,239,300	55,725,700
Total Federal Fund	42,044,448	46,479,793	53,039,900	55,725,700
TOTAL SOURCE OF FUNDS	42,148,786	46,603,217	53,165,900	55,851,700
EXPENDITURES BY CLASS				
Personnel Costs	30,842,727	35,243,641	34,347,400	36,790,300
Operating Expenses	3,725,844	3,977,042	3,977,000	4,223,900
Grants Loans Benefits	8,673,471	8,535,629	14,795,300	14,791,300
Capital Outlay	112,328	46,207	46,200	46,200
Construction		90		
TOTAL EXPENDITURES	43,354,371	47,802,610	53,165,900	55,851,700
EXPENDITURES BY FUND SOURCE				
Restricted Funds	104,338	123,424	126,000	126,000
Federal Fund	43,250,033	47,679,186	53,039,900	55,725,700
TOTAL EXPENDITURES	43,354,371	47,802,610	53,165,900	55,851,700

Disability Determination Services (DDS) makes disability determinations on behalf of the Commissioner of the U.S. Social Security Administration (SSA) for residents of Kentucky. Applicant eligibility for Supplemental Security Income and Social Security Disability Income is based on federal guidelines and regulations. DDS also reevaluates the claims of disability recipients who have been selected by the SSA for a periodic review of their medical condition Face-to-face evidentiary hearings are conducted for those individuals who appeal an unfavorable review of their continuing eligibility.

The Disability Determination Services workload depends upon a number of factors including: Congressional mandates; legal actions, or other initiatives; the number of individuals who apply for disability benefits through the Social Security Administration (SSA); and the number of claims that SSA selects for continuing review.

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	7,635,600	7,116,600	7,116,600	13,616,600
Budget Reduction-General Fund	-14,100			
Reorganization Adjustment	-44,600			
Total General Fund	7,576,900	7,116,600	7,116,600	13,616,600
Restricted Funds				
Balance Forward	3,010,420	1,262,619	6,353,500	
Current Receipts	10,643,321	22,219,212	11,071,400	10,929,900
Non-Revenue Receipts	3,000,000			
Total Restricted Funds	16,653,740	23,481,832	17,424,900	10,929,900
Federal Fund				
Balance Forward	6,485,272	5,430,256	3,961,200	
Current Receipts	26,841,663	30,702,302	28,735,500	34,795,300
Total Federal Fund	33,326,934	36,132,558	32,696,700	34,795,300
TOTAL SOURCE OF FUNDS	57,557,575	66,730,989	57,238,200	59,341,800
EXPENDITURES BY CLASS				
Personnel Costs	6,836,591	11,547,674	11,432,800	13,540,100
Operating Expenses	1,681,695	3,510,076	3,555,700	4,269,100
Grants Loans Benefits	42,346,413	41,358,460	42,249,700	41,530,200
TOTAL EXPENDITURES	50,864,700	56,416,210	57,238,200	59,339,400
EXPENDITURES BY FUND SOURCE				
General Fund	7,576,900	7,116,600	7,116,600	13,616,600
Restricted Funds	15,391,121	17,128,286	17,424,900	10,927,500
Federal Fund	27,896,678	32,171,324	32,696,700	34,795,300
TOTAL EXPENDITURES	50,864,700	56,416,210	57,238,200	59,339,400

The Child Support Enforcement (CSE) program under Title IV-D of the Social Security Act (PL 93-647) is designed to ensure that children are financially supported by parents who are legally obligated to pay child support. Both the state and federal governments share costs to conduct this program. States that receive federal funds for a Temporary Assistance for Needy Families (TANF) program are required to operate a child support enforcement program. State statutes governing the operation of this program were enacted under the Kentucky Child Support Recovery Act and are contained in KRS 205.710 - KRS 205.802 and KRS 403.405-407.

Nearly 300,000 of Kentucky's families rely on the CSE program for assistance. The services provided by the program promote family self-sufficiency by securing income critical to maintaining financial stability.

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

One hundred twelve (112) County Attorneys are contracted by the CSE to provide services locally in all 120 counties. The program also contracts with private vendors to obtain new hire information from employers, obtain asset information from financial institutions and/or insurance companies, conduct DNA testing and analysis to establish paternity, and to process child support payments. These functions cannot be performed by agency staff due to their specialized or technical nature.

Child support services are automatically provided to families receiving assistance under the Kentucky Transitional Assistance Program (K-TAP) and to children placed in the care of the Cabinet for Health and Family Services (CHFS). Child support collected for families receiving K-TAP or for children in the care of CHFS is used to reimburse the state and

federal governments for benefits expended on behalf of those families and children. Families that do not participate in the cash assistance programs may also apply for child support services.

The CSE program receives incentive payments from the federal government based on program performance in five program areas as established by the Personal Responsibility Work and Opportunity Reconciliation Act (PRWORA) of 1996 (PL 104-193): Paternity Establish Performance for Title IV-D and Statewide; Support Order Performance; Current Payment Performance; Arrearage Payment Performance; and Cost-Effectiveness Performance. To be eligible for incentive awards, states must meet performance criteria in each of the five program areas with a degree of data reliability at a confidence level of 95%, as measured by an annual federal data reliability audit. Performance incentive funds are restricted to program use per 45 CFR 305.35(a).

PRWORA requires that each state expend a base amount of state funds per federal fiscal year from other revenue sources on Title IV-D activities prior to utilizing federal performance incentives. For Kentucky, the annual expenditure requirement is \$9,373,007. The Deficit Reduction Act of 2005 disallowed use of federal performance incentives as state matching funds for Federal Financial Participation. After excluding the amounts earned as performance incentives and amounts collected as fees from program expenditures, the Federal Financial Percentage for the remaining expenditures is 66%. Kentucky must provide the remaining 34% in state matching funds of at least \$9,373,007.

Policy

The Budget of the Commonwealth includes additional General Fund in the amount of \$6,500,000 in fiscal year 2020-2021 to replace reduced Temporary Assistance for Needy Families (TANF) receipts, which are recouped as program income and reused as federal matching funds to operate Child Support Enforcement.

**Health and Family Services
Community Based Services**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	384,035,000	471,974,100	473,960,500	505,418,400
Current Year Appropriation	2,500,000			
Reorganization Adjustment	-128,900			
Total General Fund	386,406,100	471,974,100	473,960,500	505,418,400
Tobacco Fund				
Tobacco Settlement - Phase I	8,894,700	13,211,100	12,250,000	12,250,000
Continuing Approp-Tob Settlement	3,444			
Other		-262,452		
Total Tobacco Fund	8,898,144	12,948,648	12,250,000	12,250,000
Restricted Funds				
Balance Forward	5,678,076	997,496	1,771,200	
Current Receipts	157,738,105	204,608,518	201,389,200	205,030,100
Non-Revenue Receipts	-11,894,893	-41,789,190	-921,000	-2,851,800
Total Restricted Funds	151,521,288	163,816,824	202,239,400	202,178,300
Federal Fund				
Balance Forward	7,034,908	3,624,008	-906,800	
Current Receipts	562,860,376	613,894,020	651,276,900	650,594,500
Non-Revenue Receipts		659		
Total Federal Fund	569,895,284	617,518,687	650,370,100	650,594,500
TOTAL SOURCE OF FUNDS	1,116,720,817	1,266,258,258	1,338,820,000	1,370,441,200
EXPENDITURES BY CLASS				
Personnel Costs	364,590,708	428,463,111	444,909,200	482,884,700
Operating Expenses	48,737,042	58,497,400	62,157,200	51,134,500
Grants Loans Benefits	698,755,039	778,374,010	831,753,600	836,258,600
Capital Outlay	16,524	59,473		
TOTAL EXPENDITURES	1,112,099,313	1,265,393,994	1,338,820,000	1,370,277,800
EXPENDITURES BY FUND SOURCE				
General Fund	386,406,100	471,974,100	473,960,500	505,418,400
Tobacco Fund	8,898,144	12,948,648	12,250,000	12,250,000
Restricted Funds	150,523,792	162,045,644	202,239,400	202,178,300
Federal Fund	566,271,276	618,425,602	650,370,100	650,431,100
TOTAL EXPENDITURES	1,112,099,313	1,265,393,994	1,338,820,000	1,370,277,800
EXPENDITURES BY UNIT				
Family Support	351,729,209	378,711,553	396,979,700	402,669,600
Energy	40,808,140	47,147,936	47,286,600	47,286,600
Child Care	132,313,905	133,546,265	159,770,100	159,770,100
Family and Community Services	587,248,059	705,988,240	734,783,600	760,551,500
TOTAL EXPENDITURES	1,112,099,313	1,265,393,994	1,338,820,000	1,370,277,800

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

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

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	129,454,100	163,751,000	140,635,500	146,325,400
Reorganization Adjustment	-128,900			
Other		-20,000,000		
Total General Fund	129,325,200	143,751,000	140,635,500	146,325,400
Restricted Funds				
Balance Forward	838,660	642,548	466,700	
Current Receipts	1,838,143	2,149,857	-710,400	1,687,100
Non-Revenue Receipts	15,248,114	14,395,294	30,079,000	28,148,200
Total Restricted Funds	17,924,917	17,187,699	29,835,300	29,835,300
Federal Fund				
Balance Forward	63,236,825	64,517,221	62,183,000	
Current Receipts	206,402,036	215,905,284	164,325,900	226,508,900
Total Federal Fund	269,638,861	280,422,506	226,508,900	226,508,900
TOTAL SOURCE OF FUNDS	416,888,978	441,361,204	396,979,700	402,669,600
EXPENDITURES BY CLASS				
Personnel Costs	185,844,827	214,759,837	217,724,700	226,697,400
Operating Expenses	18,797,212	22,855,286	25,483,000	19,000,200
Grants Loans Benefits	147,070,646	141,036,957	153,772,000	156,972,000
Capital Outlay	16,524	59,473		
TOTAL EXPENDITURES	351,729,209	378,711,553	396,979,700	402,669,600
EXPENDITURES BY FUND SOURCE				
General Fund	129,325,200	143,751,000	140,635,500	146,325,400
Restricted Funds	17,282,368	16,720,996	29,835,300	29,835,300
Federal Fund	205,121,640	218,239,557	226,508,900	226,508,900
TOTAL EXPENDITURES	351,729,209	378,711,553	396,979,700	402,669,600
EXPENDITURES BY UNIT				
Supplemental Nutrition Assistance Program	131,668,651	149,675,109	157,712,900	161,219,300
Medical Assistance	41,493,604	52,263,630	60,412,400	60,412,400
State Supplementation	16,888,834	20,178,508	19,231,100	21,414,600
TANF	161,678,119	156,594,306	159,623,300	159,623,300
TOTAL EXPENDITURES	351,729,209	378,711,553	396,979,700	402,669,600

The Division of Family Support (DFS) consists of the following programs: Temporary Assistance to Needy Families (TANF); Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps; eligibility determination for Medicaid and for health insurance premium assistance; and State Supplementation Program for persons who are aged, blind, or have a disability. The Division also provides direct eligibility services for the Simplified Assistance for the Elderly, the Kentucky Children's Health Insurance Program (K-CHIP) and medical assistance for guardianship cases. The programs administered by the DFS are designed to promote self-sufficiency, job training assessment, and the delivery of basic essential services for families and children who need assistance. Programs are accessible to all residents of Kentucky counties. Each local office has the responsibility to determine eligibility, provide facts and information of available benefits, as well as the regulatory limitations of available benefits, and maintain case record information. Application can be made by the individual, their parent, statutory benefit payee, committee, guardian, power of attorney or authorized representative, as applicable.

With the implementation of the new eligibility system in December 2015, the DFS is establishing a new program integrity section. The staff within this section will be responsible for resolving computer matches with federal and state interfaces and researching national databases related to unreported income, prior fraud disqualifications and conducting case reviews. The purpose of this section is to enhance efforts in detecting fraud and increasing program accuracy rates.

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

Temporary Assistance for Needy Families (TANF)

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) amended and combined Title IV-A Aid for Families with Dependent Children (AFDC) and Title IV-F Job Opportunities and Basic Skills Training Program (JOBS) of the Social Security Act to provide block grants to states for TANF. These federal funds support the program's administrative and benefit expenditures that include personnel, operating, and indirect costs; contracts with partnering agencies; cash assistance subsidies; supportive services; child care; and transportation. A Maintenance of Effort (MOE) requirement mandates that states spend at least 80 percent of fiscal year 1994 expenditures on the program each year. For Kentucky, this amount is \$71,913,000 per year.

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

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

Safety Net Services are available to former K-TAP families who lose cash assistance as a result of time limits of 60 months in a lifetime or failure to comply with requirements of the KWP. Families with an income at or below 200 percent of the federal poverty level can access temporary benefits to meet basic needs such as shelter, food, clothing, or utilities. Following a qualifying event, a total of \$635 may be authorized for four months during a 12-month period.

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

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

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

Medicaid Eligibility and Health Insurance Affordability

DCBS determines eligibility for the Medicaid program under a contract with the Department for Medicaid Services. The Medicaid program is authorized under Title XIX of the U.S. Social Security Act and KRS 205.520. Subsequent amendments to this act required federal/state funding to address medical care for persons receiving benefits for subsistence needs, those designated as categorically needy, and the medically indigent only. Currently, the categorically needy designation includes individuals who receive Supplemental Security Income (SSI) administered by the Social Security Administration; participants in the State Supplementation program for aged, blind, and disabled recipients; and low-income families meeting requirements for Modified Adjusted Gross Income Medicaid Aid to Families with Dependent Children (AFDC) State Plan in effect as of July 16, 1996.

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

State Supplementation

The State Supplementation Program, authorized by KRS 205.245 and 921 KAR 2:015, provides financial support to aged, blind, or disabled individuals who have insufficient income to meet their needs in a licensed personal care home or family care home; purchase caretaker services designed to prevent institutionalization, or reside in a community-integrated private residence as an individual with serious mental illness. To be eligible, persons must meet the criteria of the Social Security Income program related to age, blindness or disability as well as additional requirements associated with citizenship, Kentucky residency, enumeration, and special needs. There is also a \$2,000 per individual (\$3,000 per couple) limit on resources. State supplementation payment amounts are determined by subcontracting countable income from the standard of need living arrangement costs.

Supplemental Nutrition Assistance Program (SNAP)

The Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps, helps low-income persons purchase food for a nutritional diet. SNAP, authorized by the Food and Nutrition Act 2008 (PL 110-246) and KRS 194A.050, is designed to promote the general welfare and safeguard the health and well-being of the nation's population by raising nutritional levels among low-income households. SNAP benefits are a work support and serve as a stimulant to the economy. A household is defined as any individual, family, or group of people living with each other who buy and prepare food together. To qualify, each household must meet eligibility standards.

The SNAP Employment and Training Program (E&T) is designed to assist SNAP recipients obtaining employment that leads to self-sufficiency. Able Bodied Adult Without Dependents (ABAWDs) must participate and comply with work requirements in order to maintain their SNAP eligibility. Participants needing assistance to comply can volunteer to be placed in an E&T component. Only ABAWDs residing in areas of the state that are waived from work requirements due to high unemployment rates can continue receiving SNAP benefits without meeting the work requirements. These designated areas are adjusted every year. ABAWDs living in counties not exempt will be required to meet work requirements and can choose to participate in the SNAP E&T program to meet the requirements. Additionally, other SNAP recipients can choose to participate in SNAP E&T in counties where services are available.

Policy

The Budget of the Commonwealth includes new funding from the General Fund in fiscal year 2020-2021 for the following programs:

- \$1,000,000 to support the operations of the Family Scholar House.
- \$2,200,000 to support an increase in the reimbursements provided to personal care homes which provide services to individuals diagnosed with a mental illness or intellectual disability.

**Health and Family Services
Community Based Services**

Energy

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Federal Fund				
Balance Forward	257,326	921,734	-114,600	
Current Receipts	41,472,548	46,111,623	47,401,200	47,286,600
Total Federal Fund	41,729,875	47,033,357	47,286,600	47,286,600
TOTAL SOURCE OF FUNDS	41,729,875	47,033,357	47,286,600	47,286,600
EXPENDITURES BY CLASS				
Personnel Costs	-146,238	21,572	80,400	80,400
Operating Expenses	13,426	13,798	13,600	13,600
Grants Loans Benefits	40,940,952	47,112,567	47,192,600	47,192,600
TOTAL EXPENDITURES	40,808,140	47,147,936	47,286,600	47,286,600
EXPENDITURES BY FUND SOURCE				
Federal Fund	40,808,140	47,147,936	47,286,600	47,286,600
TOTAL EXPENDITURES	40,808,140	47,147,936	47,286,600	47,286,600

The Low Income Home Energy Assistance Program (LIHEAP), authorized by PL 94-385 and 921 KAR 4:116, is a federally subsidized program that assists low-income households to meet the cost of energy expenses. Eligibility criteria include income that does not exceed 130 percent of the Federal Poverty Level (FPL), resources which total less than \$2,000 (\$3,000 if at least one person in the household is either age 60 year or older or disabled, or \$4,000 for a household member with a catastrophic illness which requires liquid resources to be readily accessed on a regular basis for living and medical expenses) and the responsibility for home heating expenses. This program is divided into two components. The subsidy component assists recipients with home heating costs for which they are responsible either by direct payment or as an undesignated portion of their rent. The crisis component assists eligible households experiencing a home energy emergency involving imminent loss of heating energy. Services include accepting applications, determining eligibility, implementing outreach components, and coordinating this program with other energy assistance initiatives. Extrapolations from the most recent census data report that over 537,000 Kentucky households are eligible for assistance based on income levels that do not exceed 130% FPL.

Federal program rules also allow the use of a portion of the state's LIHEAP grant for the weatherization assistance program; a federally funded program to help low-income households meet the cost of energy expenses through energy conservation repairs to their homes. It is designed to reduce energy consumption, lower heating bills, and ensure the health and safety of those whose annual income is at or below 200 percent of FPL. Funds are provided to conduct energy audits, heat system safety tests and repairs, reduce air infiltration, install insulation, and perform other energy-related conservation measures. While a house is allowed to receive this assistance only one time, a dwelling may be re-weatherized if this service was provided prior to October 1, 1993.

The weatherization assistance program was co-housed with LIHEAP in the DCBS energy budget until April 2009, when it was reorganized to the Finance and Administration Cabinet (FAC), where the Kentucky Housing Corporation (KHC) is designated to administer the program. During the 2020-2022 biennium, DCBS anticipates transfer of 15% of the state LIHEAP allocation to KHC for weatherization activities performed in accordance with a combination of LIHEAP and Department of Energy rules.

**Health and Family Services
Community Based Services**

Child Care

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	26,249,700	26,341,600	26,390,000	26,390,000
Other		-5,000,000		
Total General Fund	26,249,700	21,341,600	26,390,000	26,390,000
Tobacco Fund				
Tobacco Settlement - Phase I	8,714,700	10,711,100	9,750,000	9,750,000
Continuing Approp-Tob Settlement	3,444			
Other		-262,452		
Total Tobacco Fund	8,718,144	10,448,648	9,750,000	9,750,000
Restricted Funds				
Balance Forward	607,945	313,780	385,900	
Current Receipts	-285,900	131,192	-312,800	73,100
Total Restricted Funds	322,045	444,972	73,100	73,100
Federal Fund				
Balance Forward	6,253,319	675,594	-99,600	
Current Receipts	91,760,071	100,921,437	123,656,600	123,557,000
Non-Revenue Receipts		315		
Total Federal Fund	98,013,390	101,597,345	123,557,000	123,557,000
TOTAL SOURCE OF FUNDS	133,303,280	133,832,566	159,770,100	159,770,100
EXPENDITURES BY CLASS				
Personnel Costs	10,764,947	6,592,974	10,103,600	10,103,600
Operating Expenses	1,201,613	1,022,851	1,139,200	1,139,200
Grants Loans Benefits	120,347,345	125,930,439	148,527,300	148,527,300
TOTAL EXPENDITURES	132,313,905	133,546,265	159,770,100	159,770,100
EXPENDITURES BY FUND SOURCE				
General Fund	26,249,700	21,341,600	26,390,000	26,390,000
Tobacco Fund	8,718,144	10,448,648	9,750,000	9,750,000
Restricted Funds	8,265	59,057	73,100	73,100
Federal Fund	97,337,796	101,696,960	123,557,000	123,557,000
TOTAL EXPENDITURES	132,313,905	133,546,265	159,770,100	159,770,100

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

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

On November 19, 2014, the Child Care and Development Block Grant (CCDBG) Act of 2014 was signed into law at the federal level. This reauthorizes the child care program for the first time since 1996 and represents an historic re-envisioning of the CCDF program. The new law makes significant advancements by defining health and safety requirements for child care providers, outlining family-friendly eligibility policies, and ensuring parents and the general public have transparent information about the child care choices available to them. The sweeping changes of the Child Care and Development Block Grant and Kentucky's participation in the federally funded Preschool Development Grant

provide Kentucky's Division of Child Care with the unique opportunity to realign the current system and advance quality child care in the state to meet the complex needs of Kentucky's poorest families.

The originally unfunded mandated changes of the CCDBG Act of 2014 required additional funding in order to come into compliance with federal law. While some changes were straightforward to implement, others have been more complex, requiring additional time for planning and implementation. The Division of Child Care has successfully implemented the required changes, including the new background check requirements for childcare staff. The additional forty-two million dollars in federal funding awarded to Kentucky in 2018 allowed for increases to the child care subsidy program and increased financial assistance with the federal background check program.

CCDF reauthorization increased the minimum quality set-aside from 4% to 9% over a phase-in period of 5-years. Beginning FFY 2018, the quality set-aside increases to 8% of the aggregate funds expended by the Lead Agency for quality activities. These activities include childcare health and safety requirements, the tiered quality rating and improvement system, and early care and education professional development. The infant & toddler set-aside remains at least 3% of CCDF and must be spent on activities to improve the quality of care for infants and children. The 3% infant and toddler set-aside began in FFY 2018 and is in addition to the 8% quality set-aside.

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

Regulation and Monitoring of Child Care Providers: The Office of Inspector General (OIG), Division of Regulated Child Care ensures that licensed and certified childcare providers meet minimum health, safety, and quality standards. DCBS contracts with OIG to conduct on-site inspections, monitor, license center-based providers, and certify family childcare home providers. OIG is also contracted to investigate complaints against licensed and certified providers, as well as to conduct fraud investigations. State statute stipulates that an individual caseload of 1:50 be maintained for continuation of quality services; however, the current average individual caseload is 1:74.

Tiered Quality Rating and Improvement System: The Kentucky ALL STARS Program is part of Kentucky's Early Childhood Initiative and is a quality rating system that places major emphasis on raising the quality level of early care and education in childcare settings. This program is mandatory for child care centers and in-home programs that wish to receive child care subsidy funds. Kentucky ALL STARS monetary incentives and rewards are granted to childcare providers based on environmental scoring using identified characteristics associated with positive outcomes for children and families. These scores are also combined with a list of program standards in order to achieve a STAR rating of 1 to 5. Through the provision of technical assistance, providers work to achieve quality indicators in their Environmental Rating Scale. STARS Levels 2 through 5 surpasses the minimum licensing or certification requirements that all programs must meet per regulations. STARS Levels 3 through 5 are considered high-quality programs and can receive higher levels of reimbursement. Programs are assessed in the following areas: staff/child ratios, group size, curriculum, family involvement, training and education of staff, regulatory compliance, and personnel practices. As of June 30, 2019, there were 30,082 children receiving subsidized child care and 30,082 enrolled in STARS Rated facilities. The number of ALL STARS rated providers in June 30, 2018 was 2,122 and as of June 30, 2019 was 2,073. Beginning in 2017, the ALL STARS program became mandatory in order to receive federal subsidy funds, so only a small number of programs throughout the state opt out of the ALL STAR program. Out of the 2,065 number of centers with an ALL STAR rating, 46% are considered high quality with a STAR rating between 3 and 5.

Initiatives to promote the Kentucky ALL STARS program are contracted with the University of Kentucky Human Development Institute. The University of Kentucky coordinates the Quality Enhancement Program with twenty-eight (28) Quality Coaches and five (5) Technical Assistance Quality Consultants, to recruit, train, and provide

technical assistance to providers when preparing to enter the program and throughout provider participation in the program. A total of thirteen STARS Raters conduct environment assessments on all participating programs.

The Professional Development System is also part of Kentucky's Early Childhood Initiative. The Division has put in place the "Kentucky Childhood Professional Development Framework" which addresses the needs for education, training and credentialing of early care professionals in Kentucky and represents a culmination of months of planning and input from multiple stakeholders across the state. The Framework identifies individual core competencies, credentials, scholarships, grants, awards and training criteria to early care and education professionals. Additionally, targeted quality set-asides under CCDF are being utilized to promote and improve the quality of infant/toddler training opportunities, enhance professional development activities, improve education in child care programs, improve staff and child interactions, increase parental involvement, and facilitate regulatory compliance to all child care programs. As of June 30, 2019, there were 2,298 active Director's Credentials, 708 Trainer's Credentials, and 804 active Commonwealth Child Care Credential. In addition, noted during SFY 2019, 20,527 child care provider/staff received early care and education training for a total of 54,119 sessions totaling 437,813 credit hours of training for all participants in attendance.

As mandated by state legislation in 1992, childcare resource and referral agencies (CCR&R's) provide services across the Commonwealth of Kentucky. The Cabinet contracts with the University of Kentucky, Human Development Institute for coordination and management of the CCR&R Network ensuring services throughout the fifteen (15) Area Development Districts (ADD) covering 120 counties in Kentucky to coordinate statewide core services as outlined in KRS 199.8992. The CCR&R network of services was restructured during SFY 16 to a childcare service hub model. The Regional CCR&R Network of Services system realigns current staff positions with the addition of eight (8) Regional Child Care Administrators to provide technical assistance, resources and coordination of professional development education to increase the quality of early care and education services across the commonwealth.

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

Annual Training Requirements: Licensed Child Care Type I and II directors and staff are required to complete nine hours of cabinet-approved early care and education training within the first year of employment (after completing a six-hour state-mandates orientation to the childcare profession), including one and one-half (1 1/2) hours of pediatric abusive head trauma training. And 15 hours of cabinet-approved early care and education training annually, including one and one half (1 1/2) hours of pediatric head trauma training completed once every five years.

Certified Family Child Care Home providers are required to complete nine hours of cabinet-approved early care and education training annually, including one and one-half (1 ½) hours of pediatric abusive head trauma training completed once every five years.

Policy

The Budget of the Commonwealth provides Phase I Tobacco Settlement Funds in the amount of \$9,750,000 in fiscal year 2020-2021 for the Early Childhood Development Program.

The Budget of the Commonwealth includes \$10,600,000 in the base General Fund budget for the Child Care Assistance Program to provide services to families at or below 160 percent of the federal poverty level.

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	228,331,200	281,881,500	306,935,000	332,703,000
Current Year Appropriation	2,500,000			
Other		25,000,000		
Total General Fund	230,831,200	306,881,500	306,935,000	332,703,000
Tobacco Fund				
Tobacco Settlement - Phase I	180,000	2,500,000	2,500,000	2,500,000
Total Tobacco Fund	180,000	2,500,000	2,500,000	2,500,000
Restricted Funds				
Balance Forward	4,231,471	41,167	918,600	
Current Receipts	156,185,862	202,327,469	202,412,400	203,269,900
Non-Revenue Receipts	-27,143,007	-56,184,483	-31,000,000	-31,000,000
Total Restricted Funds	133,274,326	146,184,153	172,331,000	172,269,900
Federal Fund				
Balance Forward	-62,712,562	-62,490,542	-62,875,600	
Current Receipts	223,225,720	250,955,676	315,893,200	253,242,000
Non-Revenue Receipts		344		
Total Federal Fund	160,513,158	188,465,478	253,017,600	253,242,000
TOTAL SOURCE OF FUNDS	524,798,684	644,031,131	734,783,600	760,714,900
EXPENDITURES BY CLASS				
Personnel Costs	168,127,172	207,088,728	217,000,500	246,003,300
Operating Expenses	28,724,790	34,605,465	35,521,400	30,981,500
Grants Loans Benefits	390,396,096	464,294,047	482,261,700	483,566,700
TOTAL EXPENDITURES	587,248,059	705,988,240	734,783,600	760,551,500
EXPENDITURES BY FUND SOURCE				
General Fund	230,831,200	306,881,500	306,935,000	332,703,000
Tobacco Fund	180,000	2,500,000	2,500,000	2,500,000
Restricted Funds	133,233,159	145,265,591	172,331,000	172,269,900
Federal Fund	223,003,700	251,341,149	253,017,600	253,078,600
TOTAL EXPENDITURES	587,248,059	705,988,240	734,783,600	760,551,500
EXPENDITURES BY UNIT				
Family Based Services	140,739,237	175,670,535	180,839,800	184,651,300
Adult Services	38,396,856	43,275,984	44,625,100	43,568,700
Alternatives For Children	408,111,965	487,041,722	509,318,700	532,331,500
TOTAL EXPENDITURES	587,248,059	705,988,240	734,783,600	760,551,500

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

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

Family Based Services provided by Department for Community Based Services (DCBS) staff are designed to offer maximum in-home services in order to preserve the family unit while keeping safety of all family members as the primary goal. This approach to the delivery of community-based services focuses on individuals in the context of the family. Services in this context are intended to strengthen and maintain families and prevent family dissolution and out-of-home placement. The Family Based Services approach emphasizes the role of the community/partners in protecting children and serving families.

Child Protective Services are specialized services aimed at safeguarding the rights and welfare of abused, neglected or dependent children; aiding parents or other responsible for the care, custody or supervision of children in recognizing and remedying conditions detrimental to the welfare of their children; and identifying conditions that contribute to the neglect, abuse, or dependency of children. Child Protective Services are both preventive and corrective in nature. This includes intake/investigation of reports of neglect, abuse, or dependency and the provision of treatment to those families in need. DCBS staff provides direct in-home services as well as serving in a case manager role and networking community resources. DCBS is mandated to receive and investigate reports of the abuse or neglect of children.

Family Preservation programs (FPP) are services providing short term crisis intervention and intensive in-home services to families who have a child or children at imminent risk of removal from their home in accordance with KRS 200.575 – 200.605 and Title IV-B, subpart 2 of the Family Preservation and Support Act and the Adoption and Safe Families Act (ASFA). FPP services are delivered through contracts with nonprofit agencies and are available for families in all of Kentucky's 120 counties. DCBS child protective services are the primary source of referrals for FPP. All eligible referrals are screened and approved through a regional DCBS staff person. Family Reunification Services follow the same basic service model with less intensive in-home services over longer duration to facilitate the successful return of children from out of home care to their home and decrease the likelihood of repeated placements. Preservation and reunification services, Families and Children Together Safely use the same basic model to serve children at significant risk of removal. Family Preservation and Reunification services provide services responsive to the family's needs, which includes 24 hour availability and flexible or client assistance funds for families needing assistance to meet financial as well as concrete needs that would otherwise add to the risk of out of home placement of the children. These family preservation and reunification programs furnish comprehensive services designed to enable families to solve their own problems by learning new skills, accessing other community resources, and developing a greater support network.

Through implementation of The Family First Prevention Services Act (FFPSA) of 2018, Kentucky is in the process of expanding its Sobriety Treatment and Recovery Teams (START) and Kentucky Strengthening and Empowering Parents (KSTEP) programs. Along with FPP, these programs work with families to mitigate issues when a child is at imminent risk for removal. The advent of FFPSA adds prevention services to Title IV-E of the Social Security Act, which was previously exclusive to adoption and foster care.

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

Juvenile Services in the community provide an array of preventive and treatment services for children adjudicated as status offenders under KRS 630. Because status offender behaviors such as running away from home, being beyond parental control and truancy are most often indicative of prior abuse or neglect of the child, services are targeted at prevention of further abuse or neglect and interventions to curb the child's negative behaviors. Community based treatment is most effective with status offenders and may include, but not limited to, family and individual counseling, family preservation, substance abuse prevention, school services, and community mental health services. Out-of-home care and residential treatment services may also be used, but only in cases where community resources have been exhausted or the child is at high risk. Appropriate services may be provided directly by DCBS or arranged through local mental health centers, Family Resource Youth Service Centers, community partnerships, private child care agencies, and/or other private providers in the community. Children's advocacy centers provide services to victims of child sexual abuse and their non-offending caregivers.

Adult Services includes protection and self-support. Adult services are directed toward preserving the vulnerable individual's independence to the maximum degree possible and protecting him/her from abuse, neglect or exploitation pursuant to KRS Chapters 209. The elements of adult services are: Adult protection; Interdisciplinary evaluations to determine an adult's degree of disability and need for guardianship; Services provided by spouse abuse centers and crisis centers; Alternate care (also called placement and movement) which involves assisting individuals with a protective need with appropriate community and institutional placements; Preventive services for adults which entails assessment, planning, and guidance to individuals referred by courts, the Cabinet's Ombudsman, neighbors, state and federal legislators or through a self-referral. The latter often involves securing food, shelter, clothing, and medical treatment; Services provided by rape crisis centers; Certification for batterer intervention program providers; and General Adult Services.

Pursuant to KRS 209.030(2), any person, including but not limited to a physician, law enforcement officer, nurse, social worker, Cabinet personnel, coroner medical examiner, alternate care facility employee, or caretaker, having

reasonable cause to suspect that an adult as defined in KRS 209.020 has suffered abuse, neglect or exploitation, shall report or cause reports to be made to the CHFS. Death of the adult does not relieve an individual of the responsibility for reporting the circumstances surrounding the death. DCBS is required to investigate the reports that meet definitions of adult abuse, neglect, or exploitation in KRS 209, notify local law enforcement officials and other authorized agencies as defined in KRS 209.020(17), offer appropriate protection and support services, and maintain case records.

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

There are a number of Kentuckians needing alternate care/placement and movement services each year. However, the majority of these individuals have family or friends who are able to assist them in finding appropriate alternate care living arrangements. The DCBS assists those individuals/families who are not able to locate appropriate placements. Alternate Care Services help ensure that persons are not inappropriately placed in a level of care exceeding their need and, thus, promote cost effectiveness. These services also help ensure that persons assisted receive the care they require.

Spouse abuse shelter services are available in each of the 15 Area Development Districts and are provided under a contract between DCBS and the Kentucky Coalition Against Domestic Violence. A portion of the marriage license fee as authorized by KRS 209A.045 provides part of the funding for this element.

Rape crisis centers services are available throughout the state and are provided under a contract with the Kentucky Association of Sexual Assault Programs (KASAP), which is the statewide coalition of Rape Crisis Centers.

Batterer intervention program (BIP) provider's certification is administered by DCBS. This responsibility includes recruiting and training providers, monitoring and oversight, and maintaining a provider list for the Administrative Office of the Courts. The legal basis is KRS 403.7505 and 922 KAR 5:020. Currently there are 76 certified BIP providers working in 56 counties. Each certified provider strives to enhance and promote the safety of victims and their children by offering the following services in response to domestic violence: Court-ordered batterer intervention for offenders; Assessment of offenders for mental health issues, substance abuse problems, and referral to appropriate resources; Service coordination between the criminal justice system, DCBS, and/or victim advocacy groups; and, Collection and submission of data about the offender population.

Alternatives for Children supports the Family Based Services subprogram by providing an essential child welfare service - placement resources for children who must live apart from their family due to the tragedy of physical abuse, sexual abuse, neglect, maltreatment, or special medical circumstances. These services occur through the following elements: family foster care, private childcare, adoption, Intensive Family Based Support Services, and clinical services. The legal authority for Alternatives for Children includes KRS Chapters 199; 600; and 620; Titles IV-B and IV-E of the Social Security Act; and the Social Services Block Grant.

The trauma of childhood abuse or neglect often leads to emotional and behavioral problems that are difficult to manage. In recent years an increasing proportion of children have had more severe problems which require more specialized treatment services (such as mental health, intellectual and/or developmental disabilities, or sexual abuse) and medical care that, in turn, has added to the cost of care. Adoption provides permanent families for children who cannot return home.

Family Foster Care provides a planned, goal-directed service in which the care of children and youth takes place in the home of an agency-approved family. Its' value is the ability to respond to the unique, individual needs of infants, children, youth, and their families through the strength of family living, as well as family and community supports. The goal of family foster care is to provide opportunities for healing, growth, and development leading to healthier children and families with safe and nurturing relationships intended to be permanent. Effective June 27, 2019, DCBS implemented KRS 620.142 to assist relatives and fictive kin caregivers of abused, neglected, or dependent children to reduce barriers to approval and allow for financial assistance to these caregivers. Foster Parent Training, provided by DCBS staff and contractors, is required of all foster parents. Foster parents must complete 15 hours of curricula in addition to web-based training requirements prior to approval and are required

to attend annual in-service training. Parents serving Care Plus or medically complex homes are required to complete additional training prior to approval and on an annual basis.

Relative or Fictive Kin Placement is used as an alternative to foster care via a prevention plan or through temporary or permanent custody, given by the court to the relative or CHFS. This placement requires criminal background checks on all adult household members; home evaluations; 1.5 hours training regarding pediatric abusive head trauma (if child is five years of age or younger); monthly home visits to caregiver's home; and guardian ad litem services. At this time, all placements which qualify and meet DCBS guidelines are eligible for monthly stipends paid with general fund. These caregivers may also qualify for those services received by foster parents. The department provides case management activities that seek to utilize a least restrictive placement, assist parent/caretakers in reunifying with their child(ren), providing supportive services to the relative and achieving alternative permanency for the child if reunification is not possible. If CHFS is granted custody of the child, all applicable out of home care standard of practices (SOPs) are utilized. If the child is placed on a prevention plan with a relative or in the custody of the relative, in home SOPs are applicable. Fictive kin are individuals who are not related to a child by birth, marriage, or adoption and may be utilized when a child is removed from their home of origin and when no family members or relatives are identified as an appropriate placement option for a child.

Independent Living services are specialized services designed to enhance the self-sufficiency skills of older children currently or formerly in foster care, private child care, and other state funded living arrangements. Services are provided both directly by staff and by contract agencies. Services include formal classroom and experiential life skills trainings; room and board assistance for aged-out youth 18-21 years of age; educational assistance for post-secondary education; the opportunity to both mentor and be mentored on post-secondary campuses and in the community; transitional planning; and provision of youth conferences. The loss of the Independent Living services would result in children leaving the foster care system unprepared to enter the world as productive, tax-paying adults. Rather is the likelihood they would enter the criminal, homeless, or adult services population increasing the poverty in Kentucky.

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

Adoption is the legal process by which a child becomes a child of a person or persons other than his/her biological parents. It is a complex social and emotional experience that ensures permanency and well-being for children. DCBS provides services prior to adoption in order to bring children and families together and services after adoption to provide support to the family structure.

Intensive Family Based Services (IFBSS) are cost-effective, home-based alternatives to institutionalization for children who are dually diagnosed. Services are provided through contracts with local comprehensive care centers or other appropriate contractors including private childcare programs. These services are designed to meet the needs of individual children and his/her families and may include, but are not limited to, in-home services, family therapy, respite care, behavior management and consultation, and individual counseling. DCBS retains case responsibility for clients receiving these services.

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

Policy

The Budget of the Commonwealth includes \$1,498,900 in the base General Fund budget in fiscal year 2020-2021 for domestic violence shelters, rape crisis centers, and child advocacy centers to assist with employer contribution rates for the Kentucky Employees Retirement System. The employer contribution rates for quasi-governmental entities like these centers are frozen at 49.47 percent. Senate Bill 249 reset the amortization period of the Kentucky Employer Retirement System non-hazardous plan's unfunded liability to 30 years from the 24 years remaining on the prior amortization period.

The Budget of the Commonwealth provides Phase I Tobacco Settlement Funds in the amount of \$2,500,000 in fiscal year 2020-2021 for the Early Childhood Adoption and Foster Care Supports Program.

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

- \$1,000,000 for Relative Placement Support Benefit
- \$550,000 for dually licensed pediatric facilities
- \$50,000 for family counseling and trauma remediation in Jefferson County and surrounding Kentucky counties

Increased General Fund amounts were provided for the operational costs of the following programs:

- \$500,000 for the Fostering Success Program, an increase of \$125,000
- \$500,000 each for Domestic Violence Shelters and Rape Crisis Centers, an increase of \$250,000
- \$500,000 in new funding for Child Advocacy Centers

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	42,716,800	43,742,400	43,937,800	45,269,700
Budget Reduction-General Fund	-77,600			
Reorganization Adjustment	-52,600			
Total General Fund	42,586,600	43,742,400	43,937,800	45,269,700
Restricted Funds				
Balance Forward	2,056,737	2,244,311	1,205,300	185,200
Current Receipts	1,403,204	1,606,492	2,163,100	2,382,000
Non-Revenue Receipts	1,336,200	286,600	286,600	286,600
Total Restricted Funds	4,796,141	4,137,404	3,655,000	2,853,800
Federal Fund				
Balance Forward		-1,235,088	-22,100	
Current Receipts	20,394,942	22,763,919	24,851,400	24,829,300
Non-Revenue Receipts	-381,779			
Total Federal Fund	20,013,163	21,528,831	24,829,300	24,829,300
TOTAL SOURCE OF FUNDS	67,395,903	69,408,635	72,422,100	72,952,800
EXPENDITURES BY CLASS				
Personnel Costs	12,385,073	15,876,306	17,557,000	18,940,900
Operating Expenses	1,282,755	1,487,936	1,501,900	1,532,800
Grants Loans Benefits	52,718,852	50,861,237	53,178,000	52,439,200
TOTAL EXPENDITURES	66,386,680	68,225,480	72,236,900	72,912,900
EXPENDITURES BY FUND SOURCE				
General Fund	42,586,600	43,742,400	43,937,800	45,269,700
Restricted Funds	2,551,829	2,932,121	3,469,800	2,816,700
Federal Fund	21,248,251	21,550,959	24,829,300	24,826,500
TOTAL EXPENDITURES	66,386,680	68,225,480	72,236,900	72,912,900
EXPENDITURES BY UNIT				
Aging and Independent Living	55,548,262	55,619,627	58,310,000	59,185,000
Guardianship	10,838,418	12,605,853	13,926,900	13,727,900
TOTAL EXPENDITURES	66,386,680	68,225,480	72,236,900	72,912,900

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

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	33,882,000	32,705,800	31,829,200	33,094,100
Budget Reduction-General Fund	-48,900			
Reorganization Adjustment	-52,600			
Total General Fund	33,780,500	32,705,800	31,829,200	33,094,100
Restricted Funds				
Balance Forward	973,463	1,874,057	1,062,000	185,200
Current Receipts	490,220	676,776	1,002,000	1,343,600
Non-Revenue Receipts	1,049,600			
Total Restricted Funds	2,513,283	2,550,833	2,064,000	1,528,800
Federal Fund				
Balance Forward	-10,681	-1,245,960	-33,200	
Current Receipts	20,275,035	22,637,748	24,635,200	24,602,000
Non-Revenue Receipts	-381,779			
Total Federal Fund	19,882,575	21,391,788	24,602,000	24,602,000
TOTAL SOURCE OF FUNDS	56,176,358	56,648,421	58,495,200	59,224,900
EXPENDITURES BY CLASS				
Personnel Costs	2,665,186	4,463,603	5,100,200	6,367,800
Operating Expenses	243,576	368,266	375,200	400,800
Grants Loans Benefits	52,639,500	50,787,758	52,834,600	52,416,400
TOTAL EXPENDITURES	55,548,262	55,619,627	58,310,000	59,185,000
EXPENDITURES BY FUND SOURCE				
General Fund	33,780,500	32,705,800	31,829,200	33,094,100
Restricted Funds	639,226	1,488,842	1,878,800	1,491,700
Federal Fund	21,128,535	21,424,984	24,602,000	24,599,200
TOTAL EXPENDITURES	55,548,262	55,619,627	58,310,000	59,185,000

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

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

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

- State Health Insurance Assistance Program (SHIP): (Section 4360 OBRA 1990, PL 101-508) provides benefits counseling and application assistance to Medicare eligible persons and those likely to be eligible for the Low-Income subsidy program, Medicare savings program, and Medicare Part D prescription drug program.
- Long-Term Care Ombudsman Program (Older Americans Act Title IIC, 910 KAR 1:210): receives and investigates all complaints from residents of nursing homes and personal care homes in Kentucky. Collects and analyzes data related to complaints and conditions in long-term care facilities to identify and resolve problems, and submits information to appropriate licensing agencies to ensure compliance with regulations.
- Aging and Disability Resource Center (ADRC): (Sec 1110 SS Act and 42 USC 3031-3033) provides a single point of entry to all long term services and supports with the goal to empower individuals to make informed choices and streamline access to services.
- Older Americans Act In-Home Services and Homecare Program (KRS 205.4460, 910 KAR 1:170 - 180): Provides in-home services to persons 60 years and older who have functional or physical limitations and are at risk of institutionalization. Services include personal care, home health aide, home-repairs, and respite.
- Homecare Program: This program is offered statewide through the AAA and provides supports and services for daily needs as well as coordination among caregivers and provider agencies to help adults at risk of institutional care remain in their own homes.
- Hart Supported Living (KRS 210.770-795): This program provides grants for a broad category of flexible, individualized services that, when combined with natural unpaid or other eligible paid supports, provide the necessary assistance to: enable a disabled person to live in a home of the person's choice, typical of those living arrangements for persons without disabilities; encourages integrated participation in the community; promotes rights and autonomy; enhances the skills and competencies in living in the community; and enables the acceptance in the community by promoting home ownership or leasing arrangements.
- Personnel Care Attendant Program (PCAP) for Physically Disabled Adults (KRS 205.900): A state funded program that provides personal care assistant services to adults with severe physical disabilities, who have functional loss of two or more limbs and need services to prevent institutionalization or to leave an institutional setting.
- Adult Day and Alzheimer's Respite (KRS 209): Provides programs for day-long care and supervision for persons 60 years and older who, because of physical, mental, and/or psychological limitations, cannot remain in their own homes alone during the day.
- Kentucky Family Caregiver Program (910 KAR 1:260): Supports grandparents, of any age, who are primary full-time caregivers for a grandchild no older than 18 years of age. Services include information and assistance, counseling, support groups, and training. Provides financial assistance in the form of a voucher to be utilized for the child's safety, stability, and welfare. To the extent funds are available, the maximum total assistance shall be up to \$500 per grandchild in any one fiscal year.
- Family Caregiver Support Program: A federally funded program serving family and informal caregivers who provide care to people 60 years and older or an individual of any age with Alzheimer's or a related diagnosis, as well as grandparents and other relatives 55 years and older who provide care to children up to age 19. Services include information and assistance, counseling, support groups, training, respite, and limited financial assistance.
- Traumatic Brain Injury (TBI) Trust Fund Program (KRS 211.476, KRS 42.320): A state program that provides services to assist children and adults with brain injuries to maintain living in the community. The TBI Trust Fund Program is a funding source of last resort for Kentucky residents. The TBI Trust Fund draws funds primarily from court fees, traffic school fees, and DUI service fees. The fund can also accept contributions and grants. The program is overseen by a board of directors to ensure that individuals with a brain injury and their families are provided services and supports to promote independence and personal productivity.
- Traumatic Brain Injury Behavioral Program (KRS 189A.050 and KRS 42.320): This program is funded through DUI fees and serves individuals who are in need of intense neurobehavioral services that are not available in Kentucky and are placed out-of-state.
- Adult Day Certification (KRS 205.950): The Department for Aging and Independent Living certifies Adult Day Social Model programs to assure quality standards are met for the client.
- Assisted Living Certification (KRS 194A.707): The Department of Aging and Independent Living certifies Social Model Assisted Living Communities to assure compliance with state statutes and regulations. The cost of administering the program is partially covered through fees charged to social assisted living communities.
- Alzheimer's disease and Related Advisory Council (KRS 194.600-609): This governor-appointed council oversees information and resources related to policy and services affecting the sixty thousand (60,000) residents of Kentucky with dementia, and the caregivers and families of the residents.
- Health Promotion/Disease Preventive: Provides disease prevention, education and assistance in training and care of elderly Kentuckians on health related issues.
- Supportive Services: For persons aged 60 years and older, that includes: assessment/case management; transportation; escort to medical facilities, stores and other service delivery points; information assistance and

referral; homecare and other in-home services; health promotion; visiting and telephone reassurance; legal assistance; counseling; education; advocacy; respite; preventive health services; elder abuse prevention programs; supportive services for families of elderly victims of Alzheimer's and related disorders.

- Participant Directed Services (PDS): Allows people eligible for services through Medicaid waiver services to choose his/her own providers for nonmedical waiver services. Provider choice gives members greater flexibility in the delivery of services received. Kentucky Medicaid members may participate if he/she currently receive or are eligible for services through the: Home and Community Based Waiver; Supports for Community Living Waiver; Acquired Brain Injury Acute Waiver; Long-Term Care Brain Injury Waiver; or the Michelle P Waiver.

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

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	8,834,800	11,036,600	12,108,600	12,175,600
Budget Reduction-General Fund	-28,700			
Total General Fund	8,806,100	11,036,600	12,108,600	12,175,600
Restricted Funds				
Balance Forward	1,083,274	370,254	143,300	
Current Receipts	912,984	929,716	1,161,100	1,038,400
Non-Revenue Receipts	286,600	286,600	286,600	286,600
Total Restricted Funds	2,282,858	1,586,571	1,591,000	1,325,000
Federal Fund				
Balance Forward	10,681	10,872	11,100	
Current Receipts	119,906	126,171	216,200	227,300
Total Federal Fund	130,588	137,043	227,300	227,300
TOTAL SOURCE OF FUNDS	11,219,545	12,760,214	13,926,900	13,727,900
EXPENDITURES BY CLASS				
Personnel Costs	9,719,887	11,412,704	12,456,800	12,573,100
Operating Expenses	1,039,179	1,119,670	1,126,700	1,132,000
Grants Loans Benefits	79,352	73,480	343,400	22,800
TOTAL EXPENDITURES	10,838,418	12,605,853	13,926,900	13,727,900
EXPENDITURES BY FUND SOURCE				
General Fund	8,806,100	11,036,600	12,108,600	12,175,600
Restricted Funds	1,912,603	1,443,278	1,591,000	1,325,000
Federal Fund	119,715	125,975	227,300	227,300
TOTAL EXPENDITURES	10,838,418	12,605,853	13,926,900	13,727,900

Kentucky's Adult Guardianship Program is administered as authorized in KRS 210.290 and 387.500-387.910. The Department for Aging and Independent Living (DAIL) operates state guardianship from a central office for fiduciary and benefits, as well as direct service staff in nine regions across the state. Guardianship serves individuals in every county. This program provides a legal relationship between a court-appointed adult who assumes the responsibility of being the guardian for an individual under guardianship. An individual under guardianship is a person who has been declared "legally disabled" by the court and is no longer able to care for his/her personal and/or financial needs.

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

- Full Guardianship/Full Conservator – In this category the Cabinet is responsible for both the personal and financial needs of the individual under guardianship. A court has found the individual under guardianship fully disabled and all personal and financial rights are removed except the right to vote. The judge decides whether or not an individual under guardianship retains the right to vote.
- Personal Guardian – A court finds the individual under guardianship fully disabled in his/her personal affairs and appoints a personal guardian who is responsible for only personal affairs of the individual under guardianship.
- Conservator – A court finds the individual under guardianship fully disabled in managing his/her financial affairs and appoints a conservator who is responsible for financial or fiduciary affairs of the individual under guardianship.
- Limited Guardian – A limited guardian may be appointed if the disabled person is declared partially disabled and can manage some personal needs but may need assistance with others. In this case, the court will also decide which civil rights the person can retain and which are given to the guardian. These may include the right to vote, the right to drive a car, the right to make medical decisions and the right to determine where to live.
- Limited Conservator – A limited conservator may be appointed if the disabled person only needs help with managing some financial or fiduciary affairs. In this case, the court will also decide which civil rights the person can retain and which are given to the conservator. They may include the right to sell property and the right to sign legal documents such as checks, marriage licenses, or wills.

**Health and Family Services
Office of Health Data and Analytics**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	441,500	471,600	476,900	481,400
Total General Fund	441,500	471,600	476,900	481,400
Restricted Funds				
Balance Forward	1,123,223	211,969	379,200	
Current Receipts	454,284	138,070	86,900	88,300
Non-Revenue Receipts	5,925,192	5,688,130	8,146,000	6,992,700
Total Restricted Funds	7,502,699	6,038,169	8,612,100	7,081,000
Federal Fund				
Balance Forward	-825	1,354,995	-1,909,700	
Current Receipts	14,132,223	7,733,166	11,422,800	3,635,200
Non-Revenue Receipts	-7,689			
Total Federal Fund	14,123,708	9,088,161	9,513,100	3,635,200
TOTAL SOURCE OF FUNDS	22,067,908	15,597,930	18,602,100	11,197,600
EXPENDITURES BY CLASS				
Personnel Costs	16,969,705	14,325,435	13,382,900	9,548,100
Operating Expenses	3,331,239	2,620,116	5,214,400	1,642,600
Grants Loans Benefits	200,000	172,279	4,800	4,800
Capital Outlay		10,602		
TOTAL EXPENDITURES	20,500,944	17,128,432	18,602,100	11,195,500
EXPENDITURES BY FUND SOURCE				
General Fund	441,500	471,600	476,900	481,400
Restricted Funds	7,290,730	5,658,994	8,612,100	7,078,900
Federal Fund	12,768,714	10,997,838	9,513,100	3,635,200
TOTAL EXPENDITURES	20,500,944	17,128,432	18,602,100	11,195,500
EXPENDITURES BY UNIT				
Division of Health Benefit Exchange	3,395,146	1,498,995	5,550,500	2,137,500
Division of Health Information	15,904,557	13,802,937	11,411,600	8,353,400
Division of Analytics	1,201,241	1,826,500	1,640,000	704,600
TOTAL EXPENDITURES	20,500,944	17,128,432	18,602,100	11,195,500

The Office of Health Data and Analytics was created by Executive Order 2018-325 on May 16, 2018 and codified by 2019 Kentucky Acts Chapter 90. The Office is comprised of three divisions: the Division of Health Benefit Exchange administers qualified health plans on the state based market using the federal platform; the Division of Health Information oversees the Kentucky Health Information Exchange (KHIE), which is the electronic transmission of clinical records and public health registries among medical providers and health information organizations to improve the cost, safety, timeliness, and effectiveness of health care; the Division of Data Analytics provides enterprise analytic services to inform effective program implementation and provide strategic information to the policy-making process.

**Health and Family Services
Office of Health Data and Analytics
Division of Health Benefit Exchange**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation				200
Total General Fund				200
Restricted Funds				
Balance Forward	606,933	52,437	106,600	
Non-Revenue Receipts	2,494,180	1,553,163	4,993,900	1,687,300
Total Restricted Funds	3,101,113	1,605,601	5,100,500	1,687,300
Federal Fund				
Balance Forward	-825			
Current Receipts	347,296		450,000	450,000
Total Federal Fund	346,471		450,000	450,000
TOTAL SOURCE OF FUNDS	3,447,584	1,605,601	5,550,500	2,137,500
EXPENDITURES BY CLASS				
Personnel Costs	2,319,326	1,089,235	1,644,800	1,738,100
Operating Expenses	1,075,821	399,158	3,905,700	399,400
Capital Outlay		10,602		
TOTAL EXPENDITURES	3,395,146	1,498,995	5,550,500	2,137,500
EXPENDITURES BY FUND SOURCE				
General Fund				200
Restricted Funds	3,048,675	1,498,995	5,100,500	1,687,300
Federal Fund	346,471		450,000	450,000
TOTAL EXPENDITURES	3,395,146	1,498,995	5,550,500	2,137,500

The Division of Health Benefit Exchange serves as a marketplace to facilitate the purchase and sale of qualified health plans (QHPs) in the individual market. It assists qualified small employers to enroll their employees in qualified health plans offered in the small group market, enables eligible individuals to receive premium tax credits and cost sharing reductions, and enables eligible small businesses to receive tax credits. Health Benefit Exchange is responsible for the certification of qualified health plans and stand-alone dental plans; the processing of consumer appeals and complaints; consumer assistance efforts including outreach, education and training; and oversight of the navigator, in-person assister, and certified application counselor program. Additionally, KHBE is responsible for purchases, budgets, contracts, financial reporting/audits, any questions regarding the Small Business Health Options Program (SHOP) enrollment and invoicing activities, and the close out operations of the Kentucky Access Program (state high risk pool).

**Health and Family Services
Office of Health Data and Analytics
Division of Health Information**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	14	258	202,200	
Current Receipts		21,950		
Non-Revenue Receipts	3,783,590	4,142,350	3,159,400	5,312,700
Total Restricted Funds	<u>3,783,604</u>	<u>4,164,558</u>	<u>3,361,600</u>	<u>5,312,700</u>
Federal Fund				
Balance Forward		1,355,774	-1,909,600	
Current Receipts	13,476,984	6,575,237	9,959,600	3,040,700
Total Federal Fund	<u>13,476,984</u>	<u>7,931,011</u>	<u>8,050,000</u>	<u>3,040,700</u>
TOTAL SOURCE OF FUNDS	<u>17,260,588</u>	<u>12,095,568</u>	<u>11,411,600</u>	<u>8,353,400</u>
EXPENDITURES BY CLASS				
Personnel Costs	13,685,284	11,764,535	10,302,700	7,244,500
Operating Expenses	2,219,273	2,038,402	1,108,900	1,108,900
TOTAL EXPENDITURES	<u>15,904,557</u>	<u>13,802,937</u>	<u>11,411,600</u>	<u>8,353,400</u>
EXPENDITURES BY FUND SOURCE				
Restricted Funds	3,783,346	3,962,386	3,361,600	5,312,700
Federal Fund	12,121,211	9,840,551	8,050,000	3,040,700
TOTAL EXPENDITURES	<u>15,904,557</u>	<u>13,802,937</u>	<u>11,411,600</u>	<u>8,353,400</u>

The Division of Health Information oversees the Kentucky Health Information Exchange (KHIE), which is a statewide exchange that includes a master patient index, record locator service, security, provider/user authentication, logging, and audits. The system includes patient demographics, lab results, immunizations, radiology and other transcribed reports, historical patient diagnoses, encounters, and procedures. KHIE acts as a data intermediary for public health reporting to the state immunization and cancer registries, reporting of syndromic surveillance data, and reportable labs/diseases. KHIE also provides Direct Secure Messaging, a simple, secure, scalable, standards-based way for KHIE participants to send authenticated, encrypted health information directly to known, trusted recipients using an Internet based Healthcare Information Service Provider (HISP).

**Health and Family Services
Office of Health Data and Analytics
Division of Analytics**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	441,500	471,600	476,900	481,200
Total General Fund	441,500	471,600	476,900	481,200
Restricted Funds				
Balance Forward	516,276	159,274	70,400	
Current Receipts	454,284	116,120	86,900	88,300
Non-Revenue Receipts	-352,578	-7,383	-7,300	-7,300
Total Restricted Funds	617,983	268,011	150,000	81,000
Federal Fund				
Balance Forward		-779	-100	
Current Receipts	307,942	1,157,929	1,013,200	144,500
Non-Revenue Receipts	-7,689			
Total Federal Fund	300,253	1,157,150	1,013,100	144,500
TOTAL SOURCE OF FUNDS	1,359,736	1,896,761	1,640,000	706,700
EXPENDITURES BY CLASS				
Personnel Costs	965,096	1,471,664	1,435,400	565,500
Operating Expenses	36,146	182,556	199,800	134,300
Grants Loans Benefits	200,000	172,279	4,800	4,800
TOTAL EXPENDITURES	1,201,241	1,826,500	1,640,000	704,600
EXPENDITURES BY FUND SOURCE				
General Fund	441,500	471,600	476,900	481,200
Restricted Funds	458,709	197,613	150,000	78,900
Federal Fund	301,032	1,157,287	1,013,100	144,500
TOTAL EXPENDITURES	1,201,241	1,826,500	1,640,000	704,600

The Division of Analytics is responsible for oversight, strategic direction, and coordination of data analysis initiatives for all departments that regulate health care and social services to ensure the consistency, quality, and validity of the analyses prior to its use in operational and policy decisions. Furthermore, KRS 194A.101 provides the authority to review all data requests received by the Cabinet from the public, review the requests for content to determine the Cabinet's response and approve the release of the requested information. Finally, the division facilitates the process of data integration for analysis through inter-agency and cross-cabinet data sharing agreements to improve collaboration and identify best practices.

Justice and Public Safety

Justice and Public Safety

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	769,495,100	910,163,400	921,059,400	953,585,700
Current Year Appropriation	8,901,800		17,216,900	
Continuing Approp-General Fund	177	1	2,700	
Budget Reduction-General Fund	-7,356,600			
Mandated Allotments	52,132,600	14,915,900		
Total General Fund	823,173,077	925,079,301	938,279,000	953,585,700
Tobacco Fund				
Tobacco Settlement - Phase I	1,769,800	7,831,000	7,362,800	3,516,600
Continuing Approp-Tob Settlement	668,634	707,858	4,616,800	
Budget Reduction-Tobacco			-609,600	
Other		-161,067		
Total Tobacco Fund	2,438,434	8,377,791	11,370,000	3,516,600
Restricted Funds				
Balance Forward	29,784,017	30,860,642	44,362,900	44,011,700
Current Receipts	48,692,557	53,476,436	54,931,800	56,690,200
Non-Revenue Receipts	97,820,185	115,743,522	110,364,600	116,959,300
Fund Transfers	-1,500,000			
Total Restricted Funds	174,796,759	200,080,601	209,659,300	217,661,200
Federal Fund				
Balance Forward	1,783,480	-3,245,256	-5,218,500	1,371,700
Current Receipts	41,548,020	49,994,920	65,466,000	70,315,400
Non-Revenue Receipts	-4,402,565	7,622	863,200	
Total Federal Fund	38,928,935	46,757,286	61,110,700	71,687,100
Road Fund				
Regular Appropriation	88,596,700	105,278,800	106,762,100	108,100,200
Total Road Fund	88,596,700	105,278,800	106,762,100	108,100,200
TOTAL SOURCE OF FUNDS	1,127,933,905	1,285,573,779	1,327,181,100	1,354,550,800
EXPENDITURES BY CLASS				
Personnel Costs	602,314,894	695,478,020	705,110,600	727,277,300
Operating Expenses	143,696,940	145,674,564	148,819,800	155,916,100
Grants Loans Benefits	340,032,365	375,997,244	403,764,300	411,417,900
Debt Service	3,511,823	2,767,966	1,492,400	1,723,500
Capital Outlay	10,696,305	21,410,022	17,110,600	12,323,600
Construction	-641,668	481,792		
TOTAL EXPENDITURES	1,099,610,659	1,241,809,609	1,276,297,700	1,308,658,400
EXPENDITURES BY FUND SOURCE				
General Fund	823,173,076	925,076,512	932,779,000	953,585,700
Tobacco Fund	1,730,576	3,760,900	11,370,000	3,516,600
Restricted Funds	143,936,117	155,717,617	165,647,600	172,543,900
Federal Fund	42,174,191	51,975,781	59,739,000	70,912,000
Road Fund	88,596,700	105,278,800	106,762,100	108,100,200
TOTAL EXPENDITURES	1,099,610,659	1,241,809,609	1,276,297,700	1,308,658,400
EXPENDITURES BY UNIT				
Justice Administration	53,602,062	68,927,642	84,508,700	87,390,600
Criminal Justice Training	68,832,766	80,038,305	82,954,500	81,806,200
Juvenile Justice	106,185,607	122,166,423	119,297,100	122,528,300
State Police	231,573,523	280,992,562	272,274,700	279,788,700

EXPENDITURES BY UNIT

Corrections	579,081,562	620,402,827	644,589,100	663,103,700
Public Advocacy	60,335,140	69,281,850	72,673,600	74,040,900
TOTAL EXPENDITURES	<u>1,099,610,659</u>	<u>1,241,809,609</u>	<u>1,276,297,700</u>	<u>1,308,658,400</u>

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

The Cabinet is comprised of six departments:

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

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

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

Justice and Public Safety

Justice Administration

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	30,999,800	31,085,700	31,244,000	31,925,600
Budget Reduction-General Fund	-1,368,500			
Reorganization Adjustment		285,600	521,700	
Other	855,200			
Total General Fund	30,486,500	31,371,300	31,765,700	31,925,600
Tobacco Fund				
Tobacco Settlement - Phase I	1,769,800	7,831,000	7,362,800	3,516,600
Continuing Approp-Tob Settlement	668,634	707,858	4,616,800	
Budget Reduction-Tobacco			-609,600	
Other		-161,067		
Total Tobacco Fund	2,438,434	8,377,791	11,370,000	3,516,600
Restricted Funds				
Balance Forward	2,930,971	2,172,426	2,835,000	3,045,100
Current Receipts	1,503,015	5,995,504	6,857,400	5,888,700
Non-Revenue Receipts	-410,000	900,000	1,140,300	268,100
Total Restricted Funds	4,023,987	9,067,930	10,832,700	9,201,900
Federal Fund				
Balance Forward	1,647,141	428,299	554,800	
Current Receipts	18,314,582	27,688,965	33,030,600	45,119,800
Total Federal Fund	19,961,724	28,117,264	33,585,400	45,119,800
TOTAL SOURCE OF FUNDS	56,910,644	76,934,285	87,553,800	89,763,900
EXPENDITURES BY CLASS				
Personnel Costs	14,546,338	17,870,903	17,252,000	15,981,000
Operating Expenses	1,925,922	1,896,543	1,472,200	1,891,800
Grants Loans Benefits	37,129,801	49,094,738	65,784,500	69,517,800
Capital Outlay		57,519		
Construction		7,939		
TOTAL EXPENDITURES	53,602,062	68,927,642	84,508,700	87,390,600
EXPENDITURES BY FUND SOURCE				
General Fund	30,486,500	31,371,300	31,765,700	31,925,600
Tobacco Fund	1,730,576	3,760,900	11,370,000	3,516,600
Restricted Funds	1,851,561	6,232,969	7,787,600	6,828,600
Federal Fund	19,533,425	27,562,473	33,585,400	45,119,800
TOTAL EXPENDITURES	53,602,062	68,927,642	84,508,700	87,390,600
EXPENDITURES BY UNIT				
Secretary	5,772,106	6,983,849	8,206,400	8,153,600
Office of Drug Control Policy	3,828,976	8,265,313	17,181,100	8,779,900
Medical Examiner Program	4,410,299	4,989,435	4,812,500	4,095,500
Parole Board	1,049,031	1,257,100	1,224,200	1,232,900
Grants	21,597,292	29,390,045	35,314,600	47,496,900
Criminal Justice Council	290,994	374,813		
Motorcycle Training Program	470,864	699,687	800,000	800,000
Access to Justice	682,500	639,800	639,800	500,000
Substance Abuse Initiatives	15,500,000	16,327,600	16,330,100	16,331,800
TOTAL EXPENDITURES	53,602,062	68,927,642	84,508,700	87,390,600

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

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

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

The Office of Management and Administrative Services (OMAS) is responsible for all matters relating to state and federal grants management, management of daily operations, information processing, fiscal function and administrative services for the Justice and Public Safety Cabinet.

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

The mission of the Internal Investigations Division is to serve the citizens of the Commonwealth of Kentucky by receiving and investigating certain limited allegations involving abuse of juveniles committed to, or in the custody of, the Department of Juvenile Justice and investigating administrative violations within the Justice and Public Safety Cabinet as determined by the Cabinet Secretary. Allegations that meet certain criteria are assigned for investigation. Investigations are conducted for administrative purposes and if criminal violations are discovered, the allegation is referred to law enforcement. The duties of the office have expanded to include investigating allegations within the Justice and Public Safety Cabinet with the exception of the Kentucky State Police and with certain restrictions in the Department of Public Advocacy.

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

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

The JPSC, Office of the Secretary recently underwent a reorganization effective December 1, 2019. Within this reorganization, the Office of Human Resource Management (OHRM) was established for the purpose of consolidating departmental human resources at the cabinet level providing true functional oversight and supervision of all human resources activities.

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

county coroners, families, law enforcement agencies and the legal system by determining a scientifically unbiased and logical cause and manner of death.

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

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

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

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

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

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

Policy

The Budget of the Commonwealth provides \$16,331,800 in fiscal year 2021 for substance abuse initiatives. This amount is held in reserve until approved by Office of Drug Control Policy and allocated by the Secretary of the Justice and Public Safety Cabinet. During the 2015 Regular Session, Senate Bill 192 provided \$10 million for Substance Abuse Initiatives during fiscal year 2016. The 2016-2018 budget provided funding in the amount of \$15.7 million for fiscal year 2017 and \$16.3 million for fiscal year 2018. The 2018-2020 budget provided funding in the amount of \$16.3 million each fiscal year. The Substance Abuse Initiatives funding is housed within Justice Administration and falls under the administrative oversight of the Office of Drug Control Policy. This funding

empowered the Kentucky Office of Drug Control Policy to continue to work towards increased public education, access to treatment, and greater access to naloxone. Funding is provided to the following entities:

- Department of Public Advocacy to fund social worker program, for the purpose of developing individualized alternative sentencing plans.
- Prosecutors Advisory Council to enhance the use of “rocket docket” prosecutions in controlled substances cases for the Commonwealth’s Attorneys and County Attorneys.
- Department of Corrections for substance abuse treatment programs for county inmates in local jails and for an injectable, FDA-approved treatment program to prevent an opiate relapse as offenders are released from custody.
- Department of Behavioral Health, Developmental and Intellectual Disabilities (DBHDID) for community mental health centers to fund additional substance abuse treatment resources on a local level. Funding to DBHDID also addresses neonatal abstinence syndrome by assisting with transitional care and wrap-around services.
- Kentucky Agency for Substance Abuse Programs to supplement traditional programming for ASAP boards/counties.
- Kentucky State Police for the Angel Initiative, a pro-active approach offering an alternative escape to those battling addiction.

The Budget of the Commonwealth includes General Fund resources in the amount of \$500,000 in fiscal year 2021 and Restricted Fund appropriation in the amount of \$1,500,000 in fiscal year 2021 from settlement funds resulting from the suit against Purdue Pharma for the Operation UNITE program.

The Budget of the Commonwealth includes additional Phase I Tobacco Settlement Funds in the amount of \$3,166,600 in fiscal year 2021 for the Office of Drug Control Policy to support opioid prevention, treatment, and recovery initiatives.

The Budget of the Commonwealth includes additional Phase I Tobacco Settlement Funds in the amount of \$350,000 in fiscal year 2021 to support the Restorative Justice Program administered by the Volunteers of America.

The Budget of the Commonwealth includes General Fund in the amount of \$1,500,000 in fiscal year 2021 for grants to support Court Appointed Special Advocate funding programs.

**Justice and Public Safety
Criminal Justice Training**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	9,189,781	15,420,530	19,492,000	21,038,300
Current Receipts	804,890	708,500	496,200	384,000
Non-Revenue Receipts	74,188,795	83,368,521	83,884,600	91,799,900
Total Restricted Funds	84,183,465	99,497,551	103,872,800	113,222,200
Federal Fund				
Balance Forward	10,021	27,527	7,000	
Current Receipts	87,336	12,247	113,000	120,000
Total Federal Fund	97,357	39,774	120,000	120,000
TOTAL SOURCE OF FUNDS	84,280,822	99,537,324	103,992,800	113,342,200
EXPENDITURES BY CLASS				
Personnel Costs	22,647,497	31,628,996	32,400,800	35,316,900
Operating Expenses	3,911,732	4,153,364	6,645,700	4,733,700
Grants Loans Benefits	36,520,043	35,323,073	38,005,700	39,540,800
Debt Service	2,131,569	2,139,225		488,800
Capital Outlay	3,618,077	6,779,758	5,902,300	1,726,000
Construction	3,849	13,888		
TOTAL EXPENDITURES	68,832,766	80,038,305	82,954,500	81,806,200
EXPENDITURES BY FUND SOURCE				
Restricted Funds	68,762,935	80,005,559	82,834,500	81,686,200
Federal Fund	69,830	32,746	120,000	120,000
TOTAL EXPENDITURES	68,832,766	80,038,305	82,954,500	81,806,200
EXPENDITURES BY UNIT				
Kentucky Law Enforcement Program Fund	67,870,220	78,703,294	78,011,800	76,878,700
Peace Officer Professional Standards	536,677	755,206	835,700	862,300
Office of the State School Security Marshal			2,286,400	2,291,300
Special Training Programs	334,648	461,059	564,000	586,000
DOCJT Federal Grants	69,830	32,746	120,000	120,000
Professional Development & Wellness Prog. Fd	21,390	86,001	1,136,600	1,067,900
TOTAL EXPENDITURES	68,832,766	80,038,305	82,954,500	81,806,200

The Department of Criminal Justice Training (DOCJT) is responsible for the training of law enforcement professionals as provided under Kentucky Revised Statutes, Chapters 15, 15A, 16, 70, 71, 72, 95, and KRS 403.785(2), along with 500 KAR 8:010 and 503 KAR. Basic and specialized training courses are offered to police officers, dispatchers, sheriffs, deputies, coroners, certified court-security officers, school resource officers, and certain other agencies upon request. Course curriculum includes training in basic law enforcement, telecommunications, de-escalation techniques, coroner training, AIDS, post-traumatic stress disorder (PTSD), pediatric-abuse head trauma, child sexual abuse, juvenile crime, domestic violence, sexual assault response, bias-related crimes, penal code and constitutional law, tactical training in rapid response, crisis intervention, response to persons with special needs, professional development, executive and staff training, leadership development, internet crime, breath testing, school security, and post-critical incident seminars and counseling. Training is conducted at the Training Center on the Eastern Kentucky University campus and at regional sites.

The DOCJT operates two training programs: the Kentucky Law Enforcement Foundation Program Fund (KLEFPF), and the Special Training programs. Additionally, DOCJT is responsible for the Peace Officers Professional Standards (POPS) program, the Law Enforcement Professional Development and Wellness Fund, and the Office of the State School Security

Marshal. The KLEFPF agency resources are derived from property and casualty insurance premium surcharge proceeds, which accrue pursuant to KRS 136.392, and are allocated by KRS 42.190 between the KLEFPF and the Kentucky Firefighters Foundation Program Fund. The Department provides entry-level and in-service training for approximately 14,500 seats each year, totaling approximately 707,000 hours of training.

House Bill 68, KRS 15.518, an act relating to law enforcement support programs, was passed during the 2018 Regular Session establishing the Professional Development and Wellness Branch. It is a comprehensive approach to wellbeing by striving to provide Kentucky law enforcement officers and dispatchers with the tools required to have a long life, a successful career and a happy retirement. The branch is responsible for assisting law enforcement officers with obtaining benefits related to disability, line of duty death, and veterans' education. Additionally, the branch hosts Kentucky Post-Critical Incident Seminars (KYPCIS), three-day trainings led by mental health professionals trained to work with peace officers and dispatchers, and driven by a team of law enforcement and public safety dispatch peers who have experienced their own critical incident and received training in Critical Incident Stress Management.

The School Safety and Resiliency Act, an act relating to school safety and regularly referred to as Senate Bill 1, was passed during the 2019 Regular Session. The Office of the State School Security Marshal was established to monitor school safety and security initiatives, born out of legislation developed after the Marshall County High School shooting that occurred on January 23, 2018. Compliance officers will be assigned to districts throughout the state to conduct school on-site reviews to ensure compliance with the law, using a 66-point assessment tool DOCJT prepared in accordance with SB1.

Policy

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

The Budget of the Commonwealth includes Restricted Funds for a \$4,000 training incentive stipend and an amount equal to the required employer's contribution of the supplement to the defined benefit plan to which the officer belongs for School Security Officers. Each eligible peace officer must meet the requirements of Peace Officer Professional Standards Act training. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF) to approximately 8,000 certified peace officers in the amount of \$46,782,100 in fiscal year 2021.

The Budget of the Commonwealth includes \$76,878,700 in fiscal year 2021 for the Kentucky Law Enforcement Program Fund.

Justice and Public Safety

Juvenile Justice

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	86,488,700	103,935,700	105,397,200	97,775,800
Current Year Appropriation	600,000			
Budget Reduction-General Fund	-4,538,300			
Other	-254,200			
Total General Fund	82,296,200	103,935,700	105,397,200	97,775,800
Restricted Funds				
Balance Forward	3,351,636	228,681	4,324,000	6,455,600
Current Receipts	640,454	288,556	1,055,500	1,615,500
Non-Revenue Receipts	12,935,806	13,157,586	11,103,500	11,103,500
Fund Transfers	-1,500,000			
Total Restricted Funds	15,427,896	13,674,822	16,483,000	19,174,600
Federal Fund				
Balance Forward	58,191	-555,598	-516,000	
Current Receipts	9,462,415	8,919,543	9,274,700	9,272,500
Non-Revenue Receipts	-1,386,012		613,800	
Total Federal Fund	8,134,594	8,363,946	9,372,500	9,272,500
TOTAL SOURCE OF FUNDS	105,858,690	125,974,468	131,252,700	126,222,900
EXPENDITURES BY CLASS				
Personnel Costs	84,986,713	98,003,873	95,087,100	95,337,400
Operating Expenses	11,331,864	11,949,687	11,960,400	13,961,300
Grants Loans Benefits	9,227,830	11,770,162	11,769,900	12,749,900
Debt Service	453,755	479,741	479,700	479,700
Capital Outlay	185,445	-37,041		
TOTAL EXPENDITURES	106,185,607	122,166,423	119,297,100	122,528,300
EXPENDITURES BY FUND SOURCE				
General Fund	82,296,200	103,935,700	99,897,200	97,775,800
Restricted Funds	15,199,215	9,350,773	10,027,400	15,480,000
Federal Fund	8,690,192	8,879,951	9,372,500	9,272,500
TOTAL EXPENDITURES	106,185,607	122,166,423	119,297,100	122,528,300
EXPENDITURES BY UNIT				
Program Management	1,292,000	1,898,000	1,729,700	1,731,200
Program Operations	96,205,107	109,674,823	106,747,200	109,909,300
Support Services	8,688,500	10,593,600	10,820,200	10,887,800
TOTAL EXPENDITURES	106,185,607	122,166,423	119,297,100	122,528,300

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

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

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

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

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

Group Home Beds = 72

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

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

Residential Beds = 304

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

State-operated Detention Centers	County	Beds
Breathitt Regional Juvenile Detention Center	Breathitt	48
McCracken Regional Juvenile Detention Center	McCracken	48
Campbell Regional Juvenile Detention Center	Campbell	52
Adair Youth Develop Center/Regional Juvenile Detention Center	Adair	20
Warren Regional Juvenile Detention Center	Warren	48
Boyd Regional Juvenile Detention Center	Boyd	36
Fayette Regional Juvenile Detention Center	Fayette	60
Jefferson Regional Juvenile Detention Center	Jefferson	16

Detention Beds = 328

Eight state-operated detention centers are currently in operation in Breathitt, McCracken, Campbell, Warren, Fayette, Boyd, and Jefferson Counties, and twenty beds are available for detention at the youth development center in Adair County.

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

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

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

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

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

Policy

Jefferson County closed the Louisville Metro Youth Detention Center on December 31, 2019. The Department of Juvenile Justice established the Jefferson Regional Juvenile Detention Center and took over detention services in Jefferson County. Currently, the state provides detention services to all counties.

The Budget of the Commonwealth requires the lapse of \$5,500,000 from the fiscal year 2020 General Fund appropriation due to a change in the retirement system for many department staff from the non-hazardous plan to the hazardous plan. The employer contribution rates in the hazardous plan are substantially lower.

Justice and Public Safety

State Police

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	99,030,600	125,210,700	120,022,500	123,521,700
Other	-601,000			
Total General Fund	98,429,600	125,210,700	120,022,500	123,521,700
Restricted Funds				
Balance Forward	8,386,595	8,689,594	9,826,700	9,573,900
Current Receipts	20,291,773	21,931,050	19,881,500	20,248,300
Non-Revenue Receipts	12,478,508	16,521,128	12,236,200	10,787,800
Total Restricted Funds	41,156,876	47,141,771	41,944,400	40,610,000
Federal Fund				
Balance Forward		-3,108,252	-5,076,100	1,349,900
Current Receipts	11,176,792	11,212,629	19,545,600	13,189,900
Non-Revenue Receipts	-2,205,103	7,622		
Total Federal Fund	8,971,689	8,112,000	14,469,500	14,539,800
Road Fund				
Regular Appropriation	88,596,700	105,278,800	106,762,100	108,100,200
Total Road Fund	88,596,700	105,278,800	106,762,100	108,100,200
TOTAL SOURCE OF FUNDS	237,154,865	285,743,271	283,198,500	286,771,700
EXPENDITURES BY CLASS				
Personnel Costs	176,260,165	216,018,336	214,517,200	218,196,700
Operating Expenses	49,259,671	50,106,182	45,901,500	50,664,400
Grants Loans Benefits	298,047	412,827	385,000	385,000
Debt Service			1,012,700	295,000
Capital Outlay	6,404,005	13,995,252	10,458,300	10,247,600
Construction	-648,365	459,965		
TOTAL EXPENDITURES	231,573,523	280,992,562	272,274,700	279,788,700
EXPENDITURES BY FUND SOURCE				
General Fund	98,429,600	125,210,700	120,022,500	123,521,700
Restricted Funds	32,467,282	37,314,986	32,370,500	34,402,100
Federal Fund	12,079,941	13,188,076	13,119,600	13,764,700
Road Fund	88,596,700	105,278,800	106,762,100	108,100,200
TOTAL EXPENDITURES	231,573,523	280,992,562	272,274,700	279,788,700
EXPENDITURES BY UNIT				
Administration	28,877,845	34,517,224	37,359,300	38,186,800
Technical Services	42,382,906	46,279,370	48,730,000	52,716,000
Operations	145,966,780	186,485,210	172,397,200	174,337,800
Commercial Vehicle Enforcement	14,345,992	13,710,759	13,788,200	14,548,100
TOTAL EXPENDITURES	231,573,523	280,992,562	272,274,700	279,788,700

The Kentucky State Police is the statewide law enforcement agency of the Commonwealth. The State Police was established in 1948. State Troopers are assigned to 16 regional posts and Commercial Vehicle Enforcement officers are assigned to 6 regions. The Department is responsible for the enforcement of criminal and traffic laws, along with white-collar crime, organized crime, electronic crime, racketeering, and drug-related crime. The State Police also provide protection for the Governor, Lieutenant Governor, their families, and property. Under the current reorganization that went into effect on December 1, 2019, the Kentucky State Police is comprised of four offices: Commissioner's, Administrative Services, Operations, and Technical Services.

The Office of the Commissioner comprises of executive staff of the commissioner as well as Executive Security Branch and Legal Services Branch.

The Office Administrative Services, includes the Division of the Operational Support which provides professional support services for the Department. These services include Public Affairs, Strategic Planning, Inspections and Evaluations, Basic Training and In-service Training, Legislative Security, Facility Security, Recruitment Services, Employee Assistance and Driver Testing – which consists of 8 Regions and Commercial Drivers Testing; and Division of Management Services which provides management services for the Department and includes Supply Branch, Property Management Branch, Budget Branch, Financial/Grants Management Branch. The State Police Drivers Testing Stations, Facilities Security and Legislative Security also provide external support to citizens and other public officials of Kentucky.

The Office of Operations consists of the following divisions: East Troops, West Troops, Special Enforcement and Commercial Vehicle Enforcement. The Office includes the regional posts and the personnel assigned to each post. State Police posts are maintained in Mayfield, Madisonville, Henderson, Elizabethtown, Bowling Green, Dry Ridge, Frankfort, Campbellsburg, Richmond, Columbia, Morehead, Ashland, Pikeville, Hazard, Harlan, and London. Other functions in this office include Highway Safety, Drug Enforcement Special Investigations, Vehicle Investigation, Critical Incident Response Team, and Special Operations (Hazardous Devices, Special Response Team, and Canine). The Division of Commercial Vehicle Enforcement is responsible for encouraging and promoting a safe driving environment through education and safety awareness while enforcing state and federal laws and regulations, placing special emphasis on commercial vehicles. This Division is staffed with sworn law enforcement officers, regulatory weight and safety inspectors, and civilian staff.

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

Policy

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

The Budget of the Commonwealth includes General Fund debt service in the amount of \$295,000 in fiscal year 2021 to support new bonds for capital projects.

The Budget of the Commonwealth provides additional General Fund in the amount of \$2,227,100 and additional Road Fund in the amount of \$2,227,100 to fund cost increases associated with statutory salary adjustments in fiscal year 2021. Notwithstanding KRS 16.052(5), no salary of any officer shall be adjusted annually to incorporate any increase in the nonseasonally adjusted Consumer Price Index for all urban consumers, U.S. city average, all items, published by the United States Department of Labor, Bureau of Labor Statistics.

The Budget of the Commonwealth includes additional General Fund in the amount of \$3,000,000 in fiscal year 2021 to support rapid DNA laboratory analysis.

The Budget of the Commonwealth includes additional General Fund in the amount of \$180,000 in fiscal year 2021 to support service contracts for mass spectrometry instruments and a General Fund capital project in the amount of \$700,000 in fiscal year 2021 for Two Mass Spectrometry instruments.

Justice and Public Safety

Corrections

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	502,576,700	584,518,700	598,224,900	633,785,800
Current Year Appropriation	4,501,800		17,216,900	
Continuing Approp-General Fund	177	1	2,700	
Budget Reduction-General Fund	-1,449,800			
Reorganization Adjustment		-285,600	-521,700	
Mandated Allotments	52,132,600	14,915,900		
Other				
Total General Fund	557,761,477	599,149,001	614,922,800	633,785,800
Restricted Funds				
Balance Forward	5,917,141	4,327,471	5,309,800	1,323,400
Current Receipts	20,733,636	19,707,867	22,136,900	24,049,400
Non-Revenue Receipts	-1,372,923	1,796,288	2,000,000	3,000,000
Total Restricted Funds	25,277,855	25,831,626	29,446,700	28,372,800
Federal Fund				
Balance Forward	68,126	3,559	-152,600	21,800
Current Receipts	1,080,792	578,656	1,468,000	941,100
Non-Revenue Receipts	-775,657		249,400	
Total Federal Fund	373,262	582,215	1,564,800	962,900
TOTAL SOURCE OF FUNDS	583,412,593	625,562,842	645,934,300	663,121,500
EXPENDITURES BY CLASS				
Personnel Costs	252,616,167	271,111,107	280,978,000	296,028,900
Operating Expenses	68,200,287	69,133,575	75,043,600	77,042,100
Grants Loans Benefits	256,846,982	279,394,610	287,817,500	289,222,700
Debt Service	926,500	149,000		460,000
Capital Outlay	488,778	614,534	750,000	350,000
Construction	2,848			
TOTAL EXPENDITURES	579,081,562	620,402,827	644,589,100	663,103,700
EXPENDITURES BY FUND SOURCE				
General Fund	557,761,476	599,146,212	614,922,800	633,785,800
Restricted Funds	20,950,384	20,521,815	28,123,300	28,355,000
Federal Fund	369,703	734,800	1,543,000	962,900
TOTAL EXPENDITURES	579,081,562	620,402,827	644,589,100	663,103,700
EXPENDITURES BY UNIT				
Corrections Management	10,737,143	13,744,982	14,644,800	14,820,600
Adult Correctional Institutions	317,782,388	339,221,808	352,989,400	375,800,100
Community Services and Local Facilities	233,639,255	250,785,224	260,298,600	255,849,400
Local Jail Support	16,922,776	16,650,812	16,656,300	16,633,600
TOTAL EXPENDITURES	579,081,562	620,402,827	644,589,100	663,103,700

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

The Department's core cost driver is the felon population. KRS 196.111 mandates the use of evidence-based practices in the sentencing process for convicted felons and in the decision making process for the supervision and treatment of

felons in prison or on probation or parole. In 2011, modifications to KRS Chapter 218A controlled substance statutes placed emphasis on probation, diversion, and treatment and diverts savings from the drug law changes to drug treatment programs. Other provisions in KRS 439.335, KRS 439.340, KRS 439.320, and KRS 197.045 emphasize the use of parole to effectuate accelerated parole hearings; to order mandatory reentry supervision release; and to allow for good time credit that reduces the sentence while on parole.

Policy

Despite the dampened revenue forecasts underpinning the fiscal year 2021 budget, \$53.7 million from the General Fund was added to the budget in both the current fiscal year and fiscal year 2021. These resources are required to maintain public safety, ensure safe and effective operations, and to accommodate a small estimated increase in the incarcerated felon population.

To offset the loss of 1,269 prison beds, most at the medium-security Kentucky State Reformatory, the Commonwealth will begin operating a new medium-security correctional facility in Wheelwright, the Southeastern Correctional Complex, which provides 656 beds. This will help offset some portion of the lost beds at aging facilities that are also unable to recruit and retain sufficient correctional officers. Higher operating costs, past underfunding of correctional institutions, the need to raise pay in the Oldham/Shelby county institutions for correctional officers, a slightly higher inmate population, and an action plan to correct issues with the awarding of good time to inmates make up the other portions of the increased General Fund spending in Corrections.

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

2020 - 2021 Felon and Community Beds Forecast

	<u>FY 2020</u>	<u>FY 2021</u>
Felons*	24,103	24,344
Other**	<u>2,410</u>	<u>2,410</u>
Total	26,513	26,754

* The incarcerated felon forecast is a consensus estimating process involving the Department of Corrections and the Office of the State Budget Director.

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

**Justice and Public Safety
Corrections Management**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	9,404,900	11,744,800	11,890,700	14,595,600
Budget Reduction-General Fund	-593,700			
Reorganization Adjustment		-110,000	-194,300	
Other	1,705,000	2,080,000	2,573,400	
Total General Fund	10,516,200	13,714,800	14,269,800	14,595,600
Restricted Funds				
Balance Forward	32,262	1,705	149,400	
Current Receipts	146,520	148,619	150,600	150,000
Total Restricted Funds	178,782	150,324	300,000	150,000
Federal Fund				
Balance Forward	68,126	24,261	96,800	21,800
Current Receipts		101,821		53,200
Total Federal Fund	68,126	126,082	96,800	75,000
TOTAL SOURCE OF FUNDS	10,763,108	13,991,205	14,666,600	14,820,600
EXPENDITURES BY CLASS				
Personnel Costs	9,429,415	11,975,914	12,791,300	12,842,300
Operating Expenses	1,307,728	1,760,199	1,853,500	1,978,300
Grants Loans Benefits		8,870		
TOTAL EXPENDITURES	10,737,143	13,744,982	14,644,800	14,820,600
EXPENDITURES BY FUND SOURCE				
General Fund	10,516,200	13,714,800	14,269,800	14,595,600
Restricted Funds	177,077	915	300,000	150,000
Federal Fund	43,866	29,268	75,000	75,000
TOTAL EXPENDITURES	10,737,143	13,744,982	14,644,800	14,820,600
EXPENDITURES BY UNIT				
Commissioner	6,350,281	8,756,414	9,355,500	9,551,400
Corrections Training	1,819,494	2,148,320	2,108,000	2,112,700
Administrative Services	1,748,090	1,754,995	2,091,000	2,061,000
Division of Personnel	819,278	1,085,253	1,090,300	1,095,500
TOTAL EXPENDITURES	10,737,143	13,744,982	14,644,800	14,820,600

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

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

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

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

**Justice and Public Safety
Adult Correctional Institutions**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	271,096,300	311,464,000	324,174,900	357,631,000
Current Year Appropriation	4,501,800		13,415,600	
Reorganization Adjustment		-175,600	-327,400	
Mandated Allotments		14,915,900		
Other	26,635,318	-1,500,000	-2,493,400	
Total General Fund	302,233,418	324,704,300	334,769,700	357,631,000
Restricted Funds				
Balance Forward	1,605,519	1,862,692	2,968,400	595,100
Current Receipts	17,106,840	15,553,316	15,573,900	17,398,800
Non-Revenue Receipts	-1,372,923	-203,712		
Total Restricted Funds	17,339,436	17,212,296	18,542,300	17,993,900
Federal Fund				
Balance Forward		-259,834	-246,900	
Current Receipts	227,050	286,597	272,500	193,000
Non-Revenue Receipts	-414,657		246,900	
Total Federal Fund	-187,607	26,763	272,500	193,000
TOTAL SOURCE OF FUNDS	319,385,246	341,943,359	353,584,500	375,817,900
EXPENDITURES BY CLASS				
Personnel Costs	190,299,804	199,144,517	204,290,900	219,789,900
Operating Expenses	56,512,616	55,420,915	61,110,000	64,561,800
Grants Loans Benefits	69,559,863	83,928,125	86,838,500	90,638,400
Debt Service	926,500	149,000		460,000
Capital Outlay	480,757	579,250	750,000	350,000
Construction	2,848			
TOTAL EXPENDITURES	317,782,388	339,221,808	352,989,400	375,800,100
EXPENDITURES BY FUND SOURCE				
General Fund	302,233,418	324,704,300	334,769,700	357,631,000
Restricted Funds	15,476,743	14,243,884	17,947,200	17,976,100
Federal Fund	72,227	273,624	272,500	193,000
TOTAL EXPENDITURES	317,782,388	339,221,808	352,989,400	375,800,100
EXPENDITURES BY UNIT				
Institutions Operations	3,864,970	5,043,563	4,875,500	4,797,200
Medical Services	62,675,073	63,549,178	66,914,100	68,921,400
Education	5,066,468	5,463,433	6,037,600	8,536,100
Correctional Industries	11,162,086	11,183,833	12,861,200	12,890,100
Correctional Facilities	224,958,843	226,425,000	233,116,400	250,462,800
Mental Health	8,800,649	9,606,819	9,481,400	9,480,100
Private Prisons	1,254,300	17,949,983	19,703,200	20,712,400
TOTAL EXPENDITURES	317,782,388	339,221,808	352,989,400	375,800,100

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

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

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

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

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

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

Correctional Institutions

Kentucky State Reformatory (KSR) is a medium security institution with current operational capacity of 1,051 inmates located near LaGrange in Oldham County. The inmate population is divided into four segments: general population, special management unit, nursing care facility, and mental health unit. Since 1980, KSR has converted designated living areas into single cell facilities and opened a new 150-bed mental health unit during 1998. In 1995 KSR opened the Nursing Care Facility which houses inmates in need of medical care due to their medical condition.

Kentucky State Penitentiary (KSP) is a maximum security institution with an operational capacity of 914 inmates, located near Eddyville in Lyon County. The inmate population is separated into three major groups: general population, protective custody, and disciplinary/administrative segregation. KSP also houses the state's capital punishment unit.

Blackburn Correctional Complex (BCC) is a minimum security institution with an operational capacity of 320 inmates located near Lexington in Fayette County. The institution programmatically directs inmates to halfway houses or returns the inmate to the community by parole, based upon the individual's demonstrated conduct, program performance, and need.

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

Kentucky Correctional Institution for Women (KCIW), the only state institutional facility for women in the Commonwealth, is located in PeeWee Valley in Shelby County, and has an operational capacity of 733 inmates. All levels of security and all levels of medical services must be provided since virtually all female prisoners are housed at KCIW.

Eastern Kentucky Correctional Complex (EKCC) is a medium security institution with an operational capacity of 1,930 inmates located near West Liberty in Morgan County. The facility is the second largest correctional institution in the state, providing inmates with employment opportunities, academic resources, and vocational programs.

Western Kentucky Correctional Complex (WKCC) is a medium security institution with an operational capacity of 493 inmates located near Caldwell County. The institution operates a full farm operation on 2,500 acres, a

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

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

Luther Lockett Correctional Complex (LLCC) is a medium security institution with an operational capacity of 1,204 inmates, also located near LaGrange in Oldham County. The facility houses two separate institutions: the Department of Correction's prison facility and the Cabinet for Health and Family Services' Kentucky Correctional Psychiatric Center (KCPC). Due to KCPC, the inmate population has a variety of psychological, pharmaceutical, recreational, academic, vocational, and substance abuse programs available.

Green River Correctional Complex (GRCC) is a medium security institution with an operational capacity of 982 inmates located near Central City in Muhlenberg County.

Northpoint Training Center (NTC) is a medium security institution with an operational capacity of 1,270 inmates located near Danville in Boyle County. The institution operates a prison farm, along with counseling, academic, and vocational programs.

Little Sandy Correctional Complex (LSCC) is located near Sandy Hook in Elliott County and has an operational capacity of 1,062 inmates. Programming at the new institution consists of basic educational and vocational training classes, as well as psychological services. Correctional industries programs are planned in the near future.

Southeast State Correctional Complex (SSCC) is a leased medium security facility with an operational capacity of 656 inmates located in Wheelwright in Floyd County.

Lee Adjustment Center (LAC) is located near Beattyville in Lee County and has an operational capacity of 866 inmates. The Department contracts with CoreCivic for operation of this medium security facility.

Policy

The Budget of the Commonwealth includes supplemental General Fund appropriations for the current fiscal year, fiscal year 2020, for several areas. These include \$3,277,200 in fiscal year 2020 for locality pay premium for North Region correctional officers to promote recruitment and retention to offset high vacancy rates in prisons located in Oldham County, and \$3,273,000 for preparation costs to open the new Southeast State Correctional Complex. The base budget of the Correctional institutions was underfunded in the 2018-20 biennial budget. An additional \$6,865,400 is provided in fiscal year 2020 to maintain operations.

In fiscal year 2021, \$17,700,000 is budgeted for a full year's operations of the new Southeast State Correctional Complex. The opening of this facility was in response to an overcrowding of state felons housed in county jails and the reduction of 1,269 since 2016 at the Kentucky State Reformatory and Blackburn Correctional Complex due to the deterioration of dormitory physical plants. Moreover, the inability to recruit and retain correctional staff at the Reformatory contributed to the reduction in usable capacity. Funding in the amount of \$8,213,400 is added in fiscal year 2021 to increase the base operations budget that was accommodated with the fiscal year 2020 supplemental funding. To maintain the locality pay premium for North Region correctional officers, an additional \$6,031,100 is included in the budget. An additional \$2,007,400 is also included for increased medical costs.

The Budget of the Commonwealth includes General Fund debt service in the amount of \$460,000 in fiscal year 2021 to support new bonds for capital projects.

The budget includes new funding in the amount of \$2,500,000 from the General Fund in fiscal year 2021 to respond to an ongoing federal class action lawsuit related to the awarding of education good time credit. This funding will address recommendations from a state assessment on education good time credit program and ensure accountability of the program.

Justice and Public Safety
Community Services and Local Facilities

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	205,363,200	244,656,300	245,505,700	244,925,600
Current Year Appropriation			3,801,300	
Mandated Allotments	52,132,600			
Other	-29,406,718	-580,000	-80,000	
Total General Fund	228,089,082	244,076,300	249,227,000	244,925,600
Restricted Funds				
Balance Forward	4,279,360	2,463,074	2,192,000	728,300
Current Receipts	3,480,277	4,005,932	6,412,400	6,500,600
Non-Revenue Receipts		2,000,000	2,000,000	3,000,000
Total Restricted Funds	7,759,637	8,469,006	10,604,400	10,228,900
Federal Fund				
Balance Forward		239,133	-2,500	
Current Receipts	853,742	190,238	1,195,500	694,900
Non-Revenue Receipts	-361,000		2,500	
Total Federal Fund	492,742	429,371	1,195,500	694,900
TOTAL SOURCE OF FUNDS	236,341,462	252,974,677	261,026,900	255,849,400
EXPENDITURES BY CLASS				
Personnel Costs	52,845,249	59,948,976	63,854,100	63,355,000
Operating Expenses	9,939,942	11,684,162	11,811,800	10,233,700
Grants Loans Benefits	170,846,043	179,116,804	184,632,700	182,260,700
Capital Outlay	8,020	35,284		
TOTAL EXPENDITURES	233,639,255	250,785,224	260,298,600	255,849,400
EXPENDITURES BY FUND SOURCE				
General Fund	228,089,082	244,076,300	249,227,000	244,925,600
Restricted Funds	5,296,563	6,277,016	9,876,100	10,228,900
Federal Fund	253,610	431,908	1,195,500	694,900
TOTAL EXPENDITURES	233,639,255	250,785,224	260,298,600	255,849,400
EXPENDITURES BY UNIT				
Probation and Parole Program	56,917,413	61,605,837	62,737,000	62,702,300
Local Facilities Operations	1,131,689	1,317,400	1,291,600	1,289,800
Local Facilities - Jail Program	138,356,397	145,042,600	146,712,600	143,461,700
Community Corrections Commission	731,400	636,000	670,500	670,500
Halfway Houses	26,057,997	27,744,251	29,713,900	29,713,900
Substance Abuse Programs	9,283,060	12,029,441	14,063,500	13,403,500
Reentry Division	1,161,300	2,409,696	5,109,500	4,607,700
TOTAL EXPENDITURES	233,639,255	250,785,224	260,298,600	255,849,400

The Community Corrections area is comprised of the Division of Local Facilities, County Jail Program, Halfway House program, Kentucky Corrections Commission, the Division of Re-entry, Probation and Parole, and Community Substance Abuse. Pursuant to KRS Chapter 439, the Halfway House program provides rehabilitation in community residential correctional centers throughout the Commonwealth where inmates are transitioned prior to their release. Pursuant to KRS Chapter 196, the Kentucky Corrections Commission grants funds for the purpose of assisting judges, throughout the Commonwealth, develop alternatives to incarceration. In accordance with KRS 532.260, the Department of Corrections has initiated the Home Incarceration program (HIP). The current average daily population of HIP participants is 291.

Policy

The Department of Corrections estimates a four percent growth in the number of probationers and parolees over the

biennium. Much of this increase is due to accelerated parole hearings, mandatory reentry supervision release and new forms of supervision such as women's medical release and parole board sanctions.

Fiscal Year	Probation and Parole Population
2019 Actual	49,163
2020 Estimated	50,150
2021 Estimated	51,150

The Budget of the Commonwealth includes additional General Fund in the amount of \$3,801,300 in fiscal year 2020 for accommodating a higher inmate population forecast than planned in the 2018-20 biennial budget.

Justice and Public Safety

Local Jail Support

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	16,712,300	16,653,600	16,653,600	16,633,600
Continuing Approp-General Fund	177	1	2,700	
Budget Reduction-General Fund	-856,100			
Other	1,066,400			
Total General Fund	16,922,777	16,653,601	16,656,300	16,633,600
TOTAL SOURCE OF FUNDS	16,922,777	16,653,601	16,656,300	16,633,600
EXPENDITURES BY CLASS				
Personnel Costs	41,700	41,700	41,700	41,700
Operating Expenses	440,000	268,300	268,300	268,300
Grants Loans Benefits	16,441,076	16,340,812	16,346,300	16,323,600
TOTAL EXPENDITURES	16,922,776	16,650,812	16,656,300	16,633,600
EXPENDITURES BY FUND SOURCE				
General Fund	16,922,776	16,650,812	16,656,300	16,633,600
TOTAL EXPENDITURES	16,922,776	16,650,812	16,656,300	16,633,600
EXPENDITURES BY UNIT				
Local Jail Allotment	11,074,700	10,068,800	10,068,800	10,048,800
Restricted Medical	931,100	792,800	792,800	792,800
Jailers' Allowance	481,700	310,000	310,000	310,000
Catastrophic Medical	476,476	849,012	854,500	851,800
Local Corrections Assistance Fund	3,958,800	4,630,200	4,630,200	4,630,200
TOTAL EXPENDITURES	16,922,776	16,650,812	16,656,300	16,633,600

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

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

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

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

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

Policy

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

Notwithstanding KRS 196.288(5)(a), \$4,630,200 in fiscal year 2021 is allocated to the Local Corrections Assistance Fund.

The Budget of the Commonwealth includes General Fund appropriation of \$860,000 in fiscal year 2021 to provide a monthly payment of an annual amount of \$20,000 to each county with a Life Safety or Closed Jails Program. The payment shall be in addition to the payment required by KRS 441.206(2).

The Budget of the Commonwealth includes General Fund appropriation in the amount of \$792,800 in fiscal year 2021 for medical care contracts to be distributed, upon approval of the Department of Corrections, to counties by the formula codified in KRS 441.206, and \$851,800 in fiscal year 2021, on a partial reimbursement basis, for medical claims in excess of the statutory threshold pursuant to KRS 441.045.

Justice and Public Safety

Public Advocacy

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	50,399,300	65,412,600	66,170,800	66,576,800
Current Year Appropriation	3,800,000			
Total General Fund	54,199,300	65,412,600	66,170,800	66,576,800
Restricted Funds				
Balance Forward	7,894	21,941	2,575,400	2,575,400
Current Receipts	4,718,788	4,844,959	4,504,300	4,504,300
Total Restricted Funds	4,726,681	4,866,901	7,079,700	7,079,700
Federal Fund				
Balance Forward		-40,791	-35,600	
Current Receipts	1,426,102	1,582,879	2,034,100	1,672,100
Non-Revenue Receipts	-35,793			
Total Federal Fund	1,390,309	1,542,088	1,998,500	1,672,100
TOTAL SOURCE OF FUNDS	60,316,290	71,821,589	75,249,000	75,328,600
EXPENDITURES BY CLASS				
Personnel Costs	51,258,014	60,844,804	64,875,500	66,416,400
Operating Expenses	9,067,464	8,435,212	7,796,400	7,622,800
Grants Loans Benefits	9,662	1,834	1,700	1,700
TOTAL EXPENDITURES	60,335,140	69,281,850	72,673,600	74,040,900
EXPENDITURES BY FUND SOURCE				
General Fund	54,199,300	65,412,600	66,170,800	66,576,800
Restricted Funds	4,704,740	2,291,515	4,504,300	5,792,000
Federal Fund	1,431,100	1,577,735	1,998,500	1,672,100
TOTAL EXPENDITURES	60,335,140	69,281,850	72,673,600	74,040,900
EXPENDITURES BY UNIT				
Office of the Public Advocate	1,518,800	1,849,267	1,908,900	1,919,700
Defense Services	54,550,919	63,051,424	66,008,000	67,766,700
Law Operations	2,303,601	2,118,006	2,185,800	2,221,300
Protection and Advocacy	1,961,821	2,263,153	2,570,900	2,133,200
TOTAL EXPENDITURES	60,335,140	69,281,850	72,673,600	74,040,900

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

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

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

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

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

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

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

Labor

	Labor			
	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	3,624,887	5,898,955	6,008,200	1,774,000
Budget Reduction-General Fund	-143,700			
Reorganization Adjustment	-1,122,745	-3,216,921	-3,280,200	
Total General Fund	2,358,442	2,682,034	2,728,000	1,774,000
Restricted Funds				
Balance Forward	23,568,404	14,372,437	24,269,500	
Current Receipts	110,633,975	107,726,483	89,481,300	98,066,500
Non-Revenue Receipts	73,095,116	82,305,831	85,748,600	89,983,000
Total Restricted Funds	207,297,495	204,404,751	199,499,400	188,049,500
Federal Fund				
Balance Forward	126,444	-12,155		
Current Receipts	3,391,747	3,862,503	3,487,000	3,656,300
Non-Revenue Receipts	-22,475	-731		
Total Federal Fund	3,495,717	3,849,617	3,487,000	3,656,300
TOTAL SOURCE OF FUNDS	213,151,653	210,936,403	205,714,400	193,479,800
EXPENDITURES BY CLASS				
Personnel Costs	108,854,187	121,851,184	134,995,300	134,028,200
Operating Expenses	41,537,138	18,613,663	16,109,300	4,993,600
Grants Loans Benefits	48,118,997	45,811,469	54,358,000	54,358,000
Capital Outlay	132,926	250,000	251,800	100,000
Construction	47	29		
TOTAL EXPENDITURES	198,643,295	186,526,345	205,714,400	193,479,800
EXPENDITURES BY FUND SOURCE				
General Fund	2,210,365	2,541,528	2,728,000	1,774,000
Restricted Funds	192,925,058	180,135,200	199,499,400	188,049,500
Federal Fund	3,507,872	3,849,617	3,487,000	3,656,300
TOTAL EXPENDITURES	198,643,295	186,526,345	205,714,400	193,479,800
EXPENDITURES BY UNIT				
Secretary	7,180,834	8,858,678	11,206,500	9,737,200
Workplace Standards	10,228,721	11,506,604	14,349,700	11,815,300
Workers' Claims	62,975,261	60,839,172	72,456,800	71,231,900
Occupational Safety and Health Review Commission	530,202	600,993	697,500	715,700
Workers' Compensation Funding Commission	117,728,277	104,720,899	107,002,800	99,978,600
Workers' Compensation Nominating Committee			1,100	1,100
TOTAL EXPENDITURES	198,643,295	186,526,345	205,714,400	193,479,800

The Labor Cabinet is created pursuant to KRS 336. The Cabinet consists of the Office of the Secretary, the Department of Workers' Claims, and the Department of Workplace Standards. The Office of the Secretary manages and administers the Cabinet. The Department of Workers' Claims administers workers' compensation claims and ensures that employers comply with the insurance, self-insurance and rehabilitation provisions in KRS Chapter 342. The Department of Workplace Standards regulates state and federal laws regarding prevailing wage, employment standards, occupational safety and health and child labor law. Workers' Claims also administers the payment of workers' compensation injury claims by the Special Fund. During the 2017 General Assembly, HB 377 directed the transfer of assets and liabilities of the Coal Workers Pneumoconiosis Fund to the Kentucky Employers' Mutual Insurance (KEMI) and the program was closed to new claims after July 1, 2017. The assessments received by the Workers Compensation Funding Commission and are transferred annually to KEMI.

Attached to the Labor Cabinet for administrative purposes are the Kentucky Labor Management Advisory Council, the State Labor Relations Board, the Workers' Compensation Funding Commission, the Workers' Compensation Advisory Council, the Kentucky Occupational Safety and Health Review Commission, the Occupational Safety and Health Standards Board, the Prevailing Wage Review Board, the Employers' Mutual Insurance Authority, the Workers' Compensation Nominating Commission, and the Workers' Compensation Board.

	Labor Secretary			
	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	304,054		3,573,600	
Budget Reduction-General Fund	-39,900			
Reorganization Adjustment	474,321	859,900	-2,702,000	
Other			-272,800	
Total General Fund	738,475	859,900	598,800	
Restricted Funds				
Balance Forward	891,472	935,132	1,179,300	
Current Receipts	79,014	228,709	100,000	100,000
Non-Revenue Receipts	6,267,255	7,879,000	9,188,600	9,498,100
Total Restricted Funds	7,237,741	9,042,840	10,467,900	9,598,100
Federal Fund				
Current Receipts	141,380	139,750	139,800	139,100
Non-Revenue Receipts	-1,630			
Total Federal Fund	139,750	139,750	139,800	139,100
TOTAL SOURCE OF FUNDS	8,115,966	10,042,490	11,206,500	9,737,200
EXPENDITURES BY CLASS				
Personnel Costs	6,256,773	7,846,257	9,878,900	8,630,300
Operating Expenses	919,507	862,392	1,175,800	1,106,900
Capital Outlay	4,553	150,000	151,800	
Construction		29		
TOTAL EXPENDITURES	7,180,834	8,858,678	11,206,500	9,737,200
EXPENDITURES BY FUND SOURCE				
General Fund	738,475	859,900	598,800	
Restricted Funds	6,302,609	7,859,028	10,467,900	9,598,100
Federal Fund	139,750	139,750	139,800	139,100
TOTAL EXPENDITURES	7,180,834	8,858,678	11,206,500	9,737,200
EXPENDITURES BY UNIT				
Office of Administrative Services	3,506,868	5,934,339	7,695,200	6,226,600
Secretary	3,673,966	2,924,338	3,511,300	3,510,600
TOTAL EXPENDITURES	7,180,834	8,858,678	11,206,500	9,737,200

The Secretary of Labor manages and administers the duties of the Cabinet. The primary responsibility of the Office of the Secretary is to advance the employee/employer relationship by protecting the worker, fostering employer success, and compensating the injured.

Funding for the Office of the Secretary is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and group self-insurers.

Policy

The enacted budget reduced the base budget of the Labor Cabinet's Office of the Secretary by approximately \$2.4 million.

**Labor
Workplace Standards**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,723,767	2,370,955	2,434,600	1,774,000
Budget Reduction-General Fund	-103,800			
Reorganization Adjustment		-548,821	-578,200	
Other			272,800	
Total General Fund	1,619,967	1,822,134	2,129,200	1,774,000
Restricted Funds				
Balance Forward	375,532	253,871	488,400	
Current Receipts	4,204	4		
Non-Revenue Receipts	5,262,844	6,349,731	8,384,900	6,524,100
Total Restricted Funds	5,642,580	6,603,606	8,873,300	6,524,100
Federal Fund				
Balance Forward	126,444	-12,155		
Current Receipts	3,250,367	3,722,753	3,347,200	3,517,200
Non-Revenue Receipts	-20,844	-731		
Total Federal Fund	3,355,967	3,709,867	3,347,200	3,517,200
TOTAL SOURCE OF FUNDS	10,618,514	12,135,607	14,349,700	11,815,300
EXPENDITURES BY CLASS				
Personnel Costs	8,625,225	10,037,477	12,592,300	10,007,600
Operating Expenses	1,372,002	1,220,978	1,507,400	1,557,700
Grants Loans Benefits	221,009	248,150	250,000	250,000
Capital Outlay	10,437			
Construction	47			
TOTAL EXPENDITURES	10,228,721	11,506,604	14,349,700	11,815,300
EXPENDITURES BY FUND SOURCE				
General Fund	1,471,890	1,681,628	2,129,200	1,774,000
Restricted Funds	5,388,709	6,115,109	8,873,300	6,524,100
Federal Fund	3,368,122	3,709,867	3,347,200	3,517,200
TOTAL EXPENDITURES	10,228,721	11,506,604	14,349,700	11,815,300
EXPENDITURES BY UNIT				
Employment Standards	202			
Wages & Hours	1,471,688	1,681,628	2,129,200	1,774,000
Occupational Safety and Health	8,215,323	9,020,570	11,275,200	9,157,100
Commissioner's Office	541,508	804,407	945,300	884,200
TOTAL EXPENDITURES	10,228,721	11,506,604	14,349,700	11,815,300

The Department of Workplace Standards operates under the authority of KRS Chapters 336, 337, 338, 339, 342, and 388.

The Department is comprised of the Commissioner's Office, Division of Wages and Hours, Division of Occupational Safety and Health Compliance, and the Division of Occupational Safety and Health Education and Training.

The Commissioner's Office serves as the oversight unit for all programs and functions assigned to the DWS.

The Division of Occupational Safety and Health Compliance ensures that employers are preventing hazards to the safety and health of all employees arising from exposure to harmful conditions and practices in the work environment. Penalties collected by the Division are directed to the General Fund.

The Division of Occupational Safety and Health Education and Training promotes voluntary compliance with the Kentucky Occupational Safety and Health rules and regulations by providing training, on-site consultations, technical data, and technical and informational materials. The Division also gathers and monitors statistical data concerning job injuries and illnesses, and acts as a liaison between the Cabinet and the Kentucky Occupational Safety and Health Standards Board.

The Division of Wages and Hours is responsible for enforcing areas of Kentucky labor laws including Kentucky Right-to-Work Act, minimum wage, overtime, prevailing wage, child labor, wage discrimination based on sex.

The Department of Workplace Standards is funded with restricted agency receipts garnered through the Workers' Compensation Funding Commission under the authority of KRS 342; federal funding received from the U.S. Department of Labor, Occupational Safety and Health Administration; and General Fund dollars that support only the Division of Wages and Hours.

Policy

The enacted budget reduced the base General Fund budget for the wage and hour enforcement program by \$385,100. It also reduced the base budgets funded with restricted and federal funds by approximately \$2.4 million.

**Labor
Workers' Claims**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	4,402,621	1,041,505	6,574,000	
Current Receipts	582,628	818,895	455,600	455,600
Non-Revenue Receipts	59,031,516	65,548,341	65,427,200	70,776,300
Total Restricted Funds	64,016,766	67,408,741	72,456,800	71,231,900
TOTAL SOURCE OF FUNDS	64,016,766	67,408,741	72,456,800	71,231,900
EXPENDITURES BY CLASS				
Personnel Costs	12,198,458	12,707,256	15,156,500	15,003,400
Operating Expenses	2,766,340	2,468,597	3,092,300	2,020,500
Grants Loans Benefits	47,892,527	45,563,319	54,108,000	54,108,000
Capital Outlay	117,936	100,000	100,000	100,000
TOTAL EXPENDITURES	62,975,261	60,839,172	72,456,800	71,231,900
EXPENDITURES BY FUND SOURCE				
Restricted Funds	62,975,261	60,839,172	72,456,800	71,231,900
TOTAL EXPENDITURES	62,975,261	60,839,172	72,456,800	71,231,900
EXPENDITURES BY UNIT				
Workers' Claims	62,975,261	60,839,172	72,456,800	71,231,900
TOTAL EXPENDITURES	62,975,261	60,839,172	72,456,800	71,231,900

The Department of Workers' Claims operates under the authority of KRS Chapters 11, 336, and 342. The Department enforces statutes with regard to workers' compensation coverage for Kentucky's 2.1 million employees, administers workers' compensation claims and ensures that employers comply with the insurance, self-insurance, and rehabilitation provisions in KRS Chapter 342.

The Department of Workers' Claims is managed by the Commissioner's office. The Department is comprised of four divisions: Division of Ombudsman and Workers' Compensation Specialist Services, Division of Claims Processing, Division of Security and Compliance and the Division of Workers' Compensation Funds. Office of Administrative Law Judges and the Workers' Compensation Board are attached to the Department.

Division of Security and Compliance regulates individual entities that are approved to self-insure and ensure that sufficient coverage or assets are maintained to pay claims. The Division of Ombudsman and Workers Compensation Specialist focuses on constituent services to provide services to employees, employers, insurance carriers, and medical provider to assist in claim filing.

Division of Workers' Compensation Funds is responsible for the administration and legal representation for the Special Fund and the maintenance of records regarding the payment of workers' compensation injury claims.

The Workers' Compensation Board is attached to the Department for administrative purposes. The Board rules on appeals of decisions rendered by administrative law judges in the Kentucky Workers Claims' and Compensation system pursuant to KRS 342.213 and KRS 342.285. The board consists of three members appointed by the Governor to four-year terms.

The Office of Administrative Law Judges conducts hearings; supervises the presentation of evidence and renders final decisions, orders or awards regarding workers' compensation claims.

The Workers' Compensation Advisory Council and the Workers' Compensation Nominating Commission established by KRS Chapter 342 are attached to the Department for administrative purposes.

Funding for the Department of Workers' Claims is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and self-insureds.

Labor
Occupational Safety and Health Review Commission

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	51,979	77,176	16,400	
Non-Revenue Receipts	555,400	540,200	681,100	715,700
Total Restricted Funds	607,379	617,376	697,500	715,700
TOTAL SOURCE OF FUNDS	607,379	617,376	697,500	715,700
EXPENDITURES BY CLASS				
Personnel Costs	486,079	563,103	648,800	668,800
Operating Expenses	44,124	37,891	48,700	46,900
TOTAL EXPENDITURES	530,202	600,993	697,500	715,700
EXPENDITURES BY FUND SOURCE				
Restricted Funds	530,202	600,993	697,500	715,700
TOTAL EXPENDITURES	530,202	600,993	697,500	715,700
EXPENDITURES BY UNIT				
Occupational Safety and Health Review Commission	530,202	600,993	697,500	715,700
TOTAL EXPENDITURES	530,202	600,993	697,500	715,700

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

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

Funding for the Commission is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and self-insureds.

Labor				
Workers' Compensation Funding Commission				
	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	17,846,801	12,064,752	16,011,400	
Current Receipts	109,968,129	106,678,877	88,925,700	97,510,900
Non-Revenue Receipts	1,978,100	1,988,559	2,065,700	2,467,700
Total Restricted Funds	129,793,030	120,732,188	107,002,800	99,978,600
TOTAL SOURCE OF FUNDS	129,793,030	120,732,188	107,002,800	99,978,600
EXPENDITURES BY CLASS				
Personnel Costs	81,287,653	90,697,092	96,718,400	99,717,700
Operating Expenses	36,435,164	14,023,806	10,284,400	260,900
Grants Loans Benefits	5,460			
TOTAL EXPENDITURES	117,728,277	104,720,899	107,002,800	99,978,600
EXPENDITURES BY FUND SOURCE				
Restricted Funds	117,728,277	104,720,899	107,002,800	99,978,600
TOTAL EXPENDITURES	117,728,277	104,720,899	107,002,800	99,978,600
EXPENDITURES BY UNIT				
Workers' Compensation Funding Commission	1,642,440	1,937,270	2,277,500	2,500,400
Benefit Reserve	79,811,500	89,014,500	94,725,300	97,478,200
KCWP Fund	36,274,337	13,769,129	10,000,000	
TOTAL EXPENDITURES	117,728,277	104,720,899	107,002,800	99,978,600

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

The Commission is governed by a seven-member Board of Directors. Board members include the Secretaries of Labor, Economic Development, and Finance and Administration Cabinets. In addition, the Governor appoints four members who represent labor, insurance companies writing workers' compensation insurance, employers, and self-insured employers and groups.

The Commission collects two separate assessments as required by KRS Chapter 342. One assessment is imposed on Kentucky Workers' Compensation premiums received by all insurance carriers and group self-insurers and on a calculation-based premium equivalent for employers carrying their own risk. A second assessment is imposed on such premiums received from employers engaged in the severance or processing of coal. Assessments received are to fund and pre-fund the liabilities of the Special Fund and the Coal Workers' Pneumoconiosis Fund; finance the administration and operations of the Special Fund and the Coal Workers' Pneumoconiosis Fund; finance the administration and operations of the Funding Commission; finance all programs in the Labor Cabinet except the Division of Wages and Hours; and pay the liabilities and fund the operating budget for the Uninsured Employers' Fund in the Office of the Attorney General.

These assessments are credited to the Commission's Benefit Reserve Fund, and the excess of collections over Special Fund liabilities, the Coal Workers' Pneumoconiosis Fund liabilities, and budgeted expenditures are invested according to the Commission's policies and in compliance with KRS Chapter 386. The agency may perform or contract for audits of those entities subject to assessments, and may coordinate with other governmental agencies to ensure compliance with the statutes relating to Workers' Compensation funding. During the 2017 General Assembly, HB 377 directed the transfer of assets and liabilities of the Coal Workers' Pneumoconiosis Fund. The assets and liabilities of the Coal Workers' Pneumoconiosis Fund were transferred to the Kentucky Employers' Mutual Insurance (KEMI) and the program was closed to new claims after July 1, 2017. The assessments are received by the Workers' Compensation Funding Commission and are to be transferred annually to KEMI.

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

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

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

Policy

The Budget of the Commonwealth reduced the restricted fund appropriation in fiscal year 2021 by \$3,976,300.

Labor				
Workers' Compensation Nominating Committee				
	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Non-Revenue Receipts			1,100	1,100
Total Restricted Funds			1,100	1,100
TOTAL SOURCE OF FUNDS			1,100	1,100
EXPENDITURES BY CLASS				
Personnel Costs			400	400
Operating Expenses			700	700
TOTAL EXPENDITURES			1,100	1,100
EXPENDITURES BY FUND SOURCE				
Restricted Funds			1,100	1,100
TOTAL EXPENDITURES			1,100	1,100
EXPENDITURES BY UNIT				
Workers' Compensation Nominating Committee			1,100	1,100
TOTAL EXPENDITURES			1,100	1,100

HB 299 of the 2017 Regular Session of the General Assembly established the Workers' Compensation Nominating Committee (WCNC) in KRS 342.213. The Workers' Compensation Nominating Committee is an agency of the Commonwealth and comprised of five members appointed by the Governor. The WCNC shall make recommendations to the Governor of three qualified individuals nominated to fill the Administrative Law Judge vacant seat and Workers' Compensation Board members 30 days prior to the end of their term or sixty days if the vacancy occurs for any reason except term expiration.

Personnel

	Personnel			
	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	873,200			
Budget Reduction-General Fund	-44,700			
Total General Fund	828,500			
Restricted Funds				
Balance Forward	21,054,635	27,068,833	23,534,400	20,447,000
Current Receipts	53,406,325	47,951,532	52,123,200	50,832,300
Non-Revenue Receipts	8,758,432	6,080,017	9,374,900	10,172,700
Fund Transfers	-2,692,600	-2,689,000	-2,693,800	-2,690,700
Total Restricted Funds	80,526,793	78,411,381	82,338,700	78,761,300
TOTAL SOURCE OF FUNDS	81,355,293	78,411,381	82,338,700	78,761,300
EXPENDITURES BY CLASS				
Personnel Costs	48,690,746	49,870,702	55,426,700	55,633,000
Operating Expenses	4,767,214	5,006,235	6,465,000	6,867,200
Grants Loans Benefits	828,500			
TOTAL EXPENDITURES	54,286,460	54,876,937	61,891,700	62,500,200
EXPENDITURES BY FUND SOURCE				
General Fund	828,500			
Restricted Funds	53,457,960	54,876,937	61,891,700	62,500,200
TOTAL EXPENDITURES	54,286,460	54,876,937	61,891,700	62,500,200
EXPENDITURES BY UNIT				
General Operations	24,561,418	26,314,627	29,811,500	30,121,500
Public Employees Deferred Compensation Authority	8,035,413	7,524,677	7,961,000	8,284,500
Workers' Compensation Benefits and Reserve	20,861,129	21,037,632	24,119,200	24,094,200
State Group Health Insurance Fund	828,500			
TOTAL EXPENDITURES	54,286,460	54,876,937	61,891,700	62,500,200

The Personnel Cabinet provides human resources management for Kentucky state government agencies. The Cabinet coordinates the personnel and payroll functions for most of state government. It coordinates state employee benefit packages, such as health and life insurance, workers' compensation, and deferred compensation programs. The Cabinet coordinates state government's employee application process, as well as recruiting and retention functions.

Currently, the Personnel Cabinet is comprised of four appropriation units: General Operations, Public Employees Deferred Compensation Authority, Workers' Compensation Benefits and Reserve, and the State Salary and Compensation Fund.

The Department of Personnel was created in 1960 under KRS 18.160. At the time of its inception, it was headed by a personnel board consisting of five members appointed by the Governor. The Board had the responsibility to forward to the Governor a list of qualified applicants for the position of Commissioner of Personnel. In 1972, the legislature made the Commissioner of Personnel a direct appointee of the Governor without nominations from the Personnel Board.

In 1982, KRS 18.160 was repealed and re-enacted under KRS chapter 18A.015. Legislation enacted that year also authorized the Department to charge other state agencies their pro rata share of costs associated with the administration of the Executive Branch's personnel-related functions. In 1998, the General Assembly elevated the Department to Cabinet status.

**Personnel
General Operations**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	3,340,222	6,838,549	3,280,500	2,848,700
Current Receipts	19,983,913	19,210,068	22,533,600	22,897,100
Non-Revenue Receipts	10,768,432	6,235,537	9,539,900	10,342,700
Fund Transfers	-2,692,600	-2,689,000	-2,693,800	-2,690,700
Total Restricted Funds	31,399,967	29,595,155	32,660,200	33,397,800
TOTAL SOURCE OF FUNDS	31,399,967	29,595,155	32,660,200	33,397,800
EXPENDITURES BY CLASS				
Personnel Costs	20,240,733	21,768,556	23,800,600	23,810,200
Operating Expenses	4,320,685	4,546,071	6,010,900	6,311,300
TOTAL EXPENDITURES	24,561,418	26,314,627	29,811,500	30,121,500
EXPENDITURES BY FUND SOURCE				
Restricted Funds	24,561,418	26,314,627	29,811,500	30,121,500
TOTAL EXPENDITURES	24,561,418	26,314,627	29,811,500	30,121,500
EXPENDITURES BY UNIT				
General Administration	10,083,490	10,728,646	13,063,000	13,315,600
Governmental Service Center	1,262,586	1,186,327	1,263,000	1,330,600
Employee Relations	724,873	747,902	767,900	799,700
Employee Insurance	8,553,410	9,222,422	9,785,500	9,789,300
Personnel Administration	3,937,060	4,429,329	4,932,100	4,886,300
TOTAL EXPENDITURES	24,561,418	26,314,627	29,811,500	30,121,500

The General Operations unit includes the Office of the Secretary, the Department of Human Resources Administration and the Department of Employee Insurance.

The Secretary of the Personnel Cabinet is the executive and administrative head of the cabinet and supervises all activities of the cabinet. The Office of the Secretary includes: the Office of Administrative Services, the Office of Legal Services, the Office for Employee Relations, the Office of Diversity and Equality, and Training, and the Office of Public Affairs.

The Office of Administrative Services' responsibilities include overseeing the internal operations of the Cabinet, including personnel related matters, budgeting, accounting, property management, coordinating information technology for the Cabinet and procurement functions.

The Office of Legal Services provides legal services relating to the enforcement and application of state and federal laws and regulations governing employment with both the Cabinet and other Executive Branch agencies.

The Office of Employee Relations administers the Kentucky Employee Assistance Program which provides assistance to troubled employees; the employee suggestion system; a mediation program to help resolve employment problems; the state safety program; and the self-insured Workers' Compensation program. The Workers' Compensation program provides benefits to workers injured on the job and manages a return-to-work program. The program provides coverage for state employees, the Kentucky Community Technical College System, volunteer firefighters, volunteer ambulance personnel, and various local government entities.

The Office of Diversity and Equality and Training is responsible for administering the Equal Employment Opportunity and Diversity Programs, the Minority Management Trainee Program, and the Commonwealth's affirmative action plan established in 18A.138. The Office is also responsible for government-wide training, consultation, and organizational development, including the coordination of the Commonwealth's strategic planning, performance measurement processes and is responsible for maintaining the employee performance management system.

The Office of Public Affairs is responsible for setting the strategic direction for the Cabinet, improving processes, developing services, and planning future service offerings.

The Department of Human Resources Administration consists of two divisions: the Division of Employee Management and the Division of Career Opportunities. The responsibilities of this department include recruiting, counseling, and certifying persons for employment with the Commonwealth; maintaining the classification and compensation system; auditing and certifying state payrolls; preparing and maintaining the official personnel and payroll records;. In addition, the development and implementation of the replacement personnel and payroll system is coordinated through the Department of Human Resources Administration.

The Department of Employee Insurance manages state government's self-insured health insurance program, the Kentucky Employees' Health Plan and the life insurance benefits for state employees. The Health Plan provides health insurance coverage for state employees, state and teacher retirees that are not yet Medicare eligible, local boards of education, local health departments, and other public and quasi-public agencies. The Department also provides administrative support to the Group Health Insurance Board under KRS 18A.226 and 18A.227.

Policy

Included in the above Restricted Fund appropriation is \$2,690,700 in fiscal year 2021 for debt service on bonds previously issued for the Kentucky Human Resources Information System (KHRIS). The Cabinet is authorized to collect a pro rata assessment from all state agencies and other organizations that will use the new personnel and payroll system. The Cabinet shall retain the funds in a Special Project Account, the balance of which will be transferred to the General Fund to cover the debt service payment.

Personnel
Public Employees Deferred Compensation Authority

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	9,007,274	8,847,173	9,639,100	9,495,600
Current Receipts	7,952,812	8,392,099	7,900,000	7,600,000
Non-Revenue Receipts	-77,500	-75,520	-82,500	-85,000
Total Restricted Funds	16,882,586	17,163,753	17,456,600	17,010,600
TOTAL SOURCE OF FUNDS	16,882,586	17,163,753	17,456,600	17,010,600
EXPENDITURES BY CLASS				
Personnel Costs	7,661,462	7,139,338	7,596,200	7,819,800
Operating Expenses	373,951	385,339	364,800	464,700
TOTAL EXPENDITURES	8,035,413	7,524,677	7,961,000	8,284,500
EXPENDITURES BY FUND SOURCE				
Restricted Funds	8,035,413	7,524,677	7,961,000	8,284,500
TOTAL EXPENDITURES	8,035,413	7,524,677	7,961,000	8,284,500
EXPENDITURES BY UNIT				
Public Employees Deferred Compensation Authority	8,035,413	7,524,677	7,961,000	8,284,500
TOTAL EXPENDITURES	8,035,413	7,524,677	7,961,000	8,284,500

The Kentucky Public Employees Deferred Compensation Authority administers tax sheltered, supplemental retirement savings programs as established in the U.S. Internal Revenue Code Sections 457, 401(k), Roth 401(k), and 403(b) and in accordance with KRS 18A.230-18A.350. These programs are an optional benefit for Kentucky's public employees.

Personnel

Workers' Compensation Benefits and Reserve

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	8,707,139	11,383,110	10,614,800	8,102,700
Current Receipts	25,469,600	20,349,364	21,689,600	20,335,200
Non-Revenue Receipts	-1,932,500	-80,000	-82,500	-85,000
Total Restricted Funds	32,244,239	31,652,474	32,221,900	28,352,900
TOTAL SOURCE OF FUNDS	32,244,239	31,652,474	32,221,900	28,352,900
EXPENDITURES BY CLASS				
Personnel Costs	20,788,551	20,962,808	24,029,900	24,003,000
Operating Expenses	72,578	74,825	89,300	91,200
TOTAL EXPENDITURES	20,861,129	21,037,632	24,119,200	24,094,200
EXPENDITURES BY FUND SOURCE				
Restricted Funds	20,861,129	21,037,632	24,119,200	24,094,200
TOTAL EXPENDITURES	20,861,129	21,037,632	24,119,200	24,094,200
EXPENDITURES BY UNIT				
Workers' Compensation Benefits and Reserve	20,861,129	21,037,632	24,119,200	24,094,200
TOTAL EXPENDITURES	20,861,129	21,037,632	24,119,200	24,094,200

Created in 1990, the Workers' Compensation Benefits and Reserve is state government's self-insured Workers' Compensation program. The program provides coverage to the executive, legislative, and judicial branches of government, but excludes the Transportation Cabinet and all state universities. The program also covers the Kentucky Community and Technical College System, volunteer firefighters, volunteer ambulance personnel, and employees of some county clerk's or sheriff's offices when the county's population is 70,000 or more. Workers' Compensation includes a return-to-work program for injured employees, managed care, and a statewide safety program.

The revenue accruing to the program is derived from participating agencies based upon the claims history of the agency and the number of covered employees. Claims history is calculated based upon a three year running average.

Postsecondary Education

Postsecondary Education

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,149,288,502	1,111,587,235	1,135,159,000	1,153,052,400
Special Appropriation	298,000	290,000		
Current Year Appropriation			497,400	
Continuing Approp-General Fund	15,755,084	42,565,758	42,426,400	
Budget Reduction-General Fund	-9,756,800			
Reorganization Adjustment		-840,500	-18,407,400	
Other	12,173,400	14,946,017	15,000,000	
Total General Fund	1,167,758,186	1,168,548,510	1,174,675,400	1,153,052,400
Tobacco Fund				
Tobacco Settlement - Phase I	6,276,100	7,000,000	6,686,500	7,526,100
Continuing Approp-Tob Settlement	862,121	1,199,564	642,300	
Budget Reduction-Tobacco			-553,700	
Other		-143,975		
Total Tobacco Fund	7,138,221	8,055,589	6,775,100	7,526,100
Restricted Funds				
Balance Forward	7,274,187	6,952,524	7,328,700	4,150,000
Current Receipts	5,066,409,378	5,101,745,346	6,111,787,400	6,451,577,300
Non-Revenue Receipts	12,764,327	13,005,338	17,328,200	15,433,000
Total Restricted Funds	5,086,447,892	5,121,703,208	6,136,444,300	6,471,160,300
Federal Fund				
Balance Forward		2,175	22,900	23,800
Current Receipts	770,685,719	787,041,045	837,738,200	878,925,300
Non-Revenue Receipts	-26,645			
Total Federal Fund	770,659,074	787,043,220	837,761,100	878,949,100
TOTAL SOURCE OF FUNDS	7,032,003,373	7,085,350,527	8,155,655,900	8,510,687,900
EXPENDITURES BY CLASS				
Personnel Costs	3,744,896,218	3,695,980,770	3,887,260,400	4,065,613,700
Operating Expenses	1,807,440,473	1,877,902,326	2,517,908,900	2,670,507,500
Grants Loans Benefits	899,776,144	933,490,752	1,375,032,500	1,388,078,900
Debt Service	158,887,292	163,307,500	171,929,400	173,081,400
Capital Outlay	177,909,706	197,475,894	199,350,900	211,967,300
TOTAL EXPENDITURES	6,788,909,832	6,868,157,241	8,151,482,100	8,509,248,800
EXPENDITURES BY FUND SOURCE				
General Fund	1,125,192,427	1,127,141,701	1,174,675,400	1,153,052,400
Tobacco Fund	5,938,657	7,413,300	6,775,100	7,526,100
Restricted Funds	4,922,454,641	4,953,102,426	6,132,294,300	6,469,745,000
Federal Fund	735,324,107	780,499,814	837,737,300	878,925,300
TOTAL EXPENDITURES	6,788,909,832	6,868,157,241	8,151,482,100	8,509,248,800
EXPENDITURES BY UNIT				
Council on Postsecondary Education	27,924,576	30,456,874	32,402,400	26,044,700
Kentucky Higher Education Assistance Authority	261,934,555	278,426,674	332,066,200	312,030,700
Postsecondary Education Institutions	6,499,050,700	6,559,273,693	7,787,013,500	8,171,173,400
TOTAL EXPENDITURES	6,788,909,832	6,868,157,241	8,151,482,100	8,509,248,800

Postsecondary Education
Council on Postsecondary Education

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	17,097,902	18,302,935	35,703,700	8,086,400
Special Appropriation	298,000			
Budget Reduction-General Fund	-887,300			
Reorganization Adjustment		-840,500	-18,407,400	
Other	173,400			
Total General Fund	16,682,002	17,462,435	17,296,300	8,086,400
Tobacco Fund				
Tobacco Settlement - Phase I	5,176,100	7,000,000	6,686,500	7,526,100
Budget Reduction-Tobacco			-553,700	
Other		-143,975		
Total Tobacco Fund	5,176,100	6,856,025	6,132,800	7,526,100
Restricted Funds				
Balance Forward	1,846,298	2,439,524	2,252,200	1,948,900
Current Receipts	698,444	448,397	620,000	635,000
Non-Revenue Receipts	3,646,603	3,649,347	4,050,000	4,100,000
Total Restricted Funds	6,191,345	6,537,268	6,922,200	6,683,900
Federal Fund				
Balance Forward			-900	
Current Receipts	2,314,653	1,852,450	4,000,900	3,997,000
Total Federal Fund	2,314,653	1,852,450	4,000,000	3,997,000
TOTAL SOURCE OF FUNDS	30,364,100	32,708,177	34,351,300	26,293,400
EXPENDITURES BY CLASS				
Personnel Costs	11,566,834	6,496,785	7,852,800	7,929,000
Operating Expenses	995,650	2,345,059	2,073,800	1,998,000
Grants Loans Benefits	15,362,092	21,615,030	22,475,800	16,117,700
TOTAL EXPENDITURES	27,924,576	30,456,874	32,402,400	26,044,700
EXPENDITURES BY FUND SOURCE				
General Fund	16,682,002	17,462,435	17,296,300	8,086,400
Tobacco Fund	5,176,100	6,856,025	6,132,800	7,526,100
Restricted Funds	3,751,822	4,285,100	4,973,300	6,435,200
Federal Fund	2,314,653	1,853,314	4,000,000	3,997,000
TOTAL EXPENDITURES	27,924,576	30,456,874	32,402,400	26,044,700
EXPENDITURES BY UNIT				
Agency Operations	5,515,333	6,392,901	6,380,700	6,341,100
Licensure	204,792	190,343	313,300	325,200
Pass Through Programs	9,723,698	9,684,691	10,092,000	5,021,600
Federal Programs	2,314,653	1,853,314	4,000,000	3,997,000
Strategic Investment and Incentive Funding Program	10,166,100	4,979,600	4,983,600	2,983,700
Ovarian Cancer Screening		500,000	500,000	500,000
Cancer Research and Screening		6,856,025	6,132,800	6,876,100
TOTAL EXPENDITURES	27,924,576	30,456,874	32,402,400	26,044,700

The Council on Postsecondary Education coordinates public postsecondary education, bringing a statewide perspective to budget and policy issues and planning. The Council both guides the system and serves as an advocate for the postsecondary education sector of the state's education enterprise. The Council also licenses private non-profit and proprietary bachelor's degree-granting institutions.

The Council's statutory responsibilities include:

- development of a strategic plan for an efficient and effective system of postsecondary education that provides statewide access without unnecessary competition and duplication, recognizing both public and independent institutions;
- implementation of the strategic plan through public accountability, including reporting and evaluation of institutional performance;
- approval of the creation, modification, and elimination of programs and degrees and transferability of credits earned;
- approval of tuition rates and admission requirements;
- approval of capital projects and real property acquisitions by institutions;
- training and orientation of new members of institutional governing boards;
- liaison between postsecondary education institutions and the Kentucky Department of Education, the Education Professional Standards Board, the Education and Workforce Development Cabinet, and the Cabinet for Economic Development;
- operation of the Kentucky Virtual High School and the Kentucky Virtual Library;
- coordination and acquisition of technology resources for broadest access and cost efficiency;
- collection of data and research and analysis concerning the overall needs of postsecondary education;
- assistance in the development of the postsecondary institutions' biennial budget requests and recommendations concerning operating and capital appropriations to the Governor and the General Assembly; and
- implementation of the Postsecondary Education Performance Funding Model.

**Postsecondary Education
Council on Postsecondary Education
Agency Operations**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	5,517,902	6,841,935	7,686,900	4,341,100
Special Appropriation	197,100			
Budget Reduction-General Fund	-214,000			
Reorganization Adjustment		-840,500	-1,856,200	
Total General Fund	5,501,002	6,001,435	5,830,700	4,341,100
Restricted Funds				
Balance Forward	413,458	771,777	537,100	337,100
Current Receipts	372,650	130,768	350,000	350,000
Non-Revenue Receipts		26,000		1,500,000
Total Restricted Funds	786,108	928,544	887,100	2,187,100
TOTAL SOURCE OF FUNDS	6,287,110	6,929,979	6,717,800	6,528,200
EXPENDITURES BY CLASS				
Personnel Costs	4,632,791	4,852,496	5,314,700	5,346,300
Operating Expenses	871,414	1,540,405	1,066,000	994,700
Grants Loans Benefits	11,128			
TOTAL EXPENDITURES	5,515,333	6,392,901	6,380,700	6,341,000
EXPENDITURES BY FUND SOURCE				
General Fund	5,501,002	6,001,435	5,830,700	4,341,100
Restricted Funds	14,331	391,466	550,000	2,000,000
TOTAL EXPENDITURES	5,515,333	6,392,901	6,380,700	6,341,100

The Agency Operations program includes all of the staff and operating expenses necessary to manage the agency and programs of the Council except those funded with Federal grants. Activities of the professional staff include review of academic programs, admission standards, tuition rates, credit transfer procedures, minority outreach; research and data analysis; and licensing of private postsecondary educational institutions. Also included in this budget are the business functions of the agency such as human resources, communications, budget, accounting, and purchasing, as well as board relations.

**Postsecondary Education
Council on Postsecondary Education**

Licensure

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	1,432,839	1,552,697	1,665,100	1,611,800
Current Receipts	324,650	302,750	260,000	275,000
Non-Revenue Receipts				-1,500,000
Total Restricted Funds	1,757,489	1,855,447	1,925,100	386,800
TOTAL SOURCE OF FUNDS	1,757,489	1,855,447	1,925,100	386,800
EXPENDITURES BY CLASS				
Personnel Costs	204,324	186,265	300,500	312,400
Operating Expenses	468	4,079	12,800	12,800
TOTAL EXPENDITURES	204,792	190,343	313,300	325,200
EXPENDITURES BY FUND SOURCE				
Restricted Funds	204,792	190,343	313,300	325,200
TOTAL EXPENDITURES	204,792	190,343	313,300	325,200

This unit manages the licensure of both independent non-profit and for-profit postsecondary institutions that grant baccalaureate degrees and higher in the Commonwealth of Kentucky. It also approves new degree programs offered by these institutions. Initial licensing and renewal fees are based on the total number of students and the years licensed in the state.

**Postsecondary Education
Council on Postsecondary Education
Pass Through Programs**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	6,316,000	5,981,400	5,982,000	261,600
Special Appropriation	100,900			
Budget Reduction-General Fund	-399,300			
Other	173,400			
Total General Fund	6,191,000	5,981,400	5,982,000	261,600
Tobacco Fund				
Tobacco Settlement - Phase I				650,000
Total Tobacco Fund				650,000
Restricted Funds				
Balance Forward		115,050	50,000	
Current Receipts	1,144	14,880	10,000	10,000
Non-Revenue Receipts	3,646,603	3,623,347	4,050,000	4,100,000
Total Restricted Funds	3,647,748	3,753,276	4,110,000	4,110,000
TOTAL SOURCE OF FUNDS	9,838,748	9,734,676	10,092,000	5,021,600
EXPENDITURES BY CLASS				
Personnel Costs	8,700			
Grants Loans Benefits	9,714,998	9,684,691	10,092,000	5,021,600
TOTAL EXPENDITURES	9,723,698	9,684,691	10,092,000	5,021,600
EXPENDITURES BY FUND SOURCE				
General Fund	6,191,000	5,981,400	5,982,000	261,600
Tobacco Fund				650,000
Restricted Funds	3,532,698	3,703,291	4,110,000	4,110,000
TOTAL EXPENDITURES	9,723,698	9,684,691	10,092,000	5,021,600
EXPENDITURES BY UNIT				
Contract Spaces	5,781,000	5,981,400	5,982,000	211,600
Professional Education Preparation Program	119,600			
Minority Student College Prep Program	83,600			
State Autism Training Center	119,500			
SREB Doctoral Scholars Program	64,500			50,000
Pass Through - Other	22,800			
Cancer Research Insts Mtchg Fd	3,532,698	3,703,291	4,110,000	4,110,000
Spinal Cord and Head Injury Research				650,000
TOTAL EXPENDITURES	9,723,698	9,684,691	10,092,000	5,021,600

Funds are appropriated to the Council on Postsecondary Education and subsequently "passed through" to other agencies or entities. The Council monitors the implementation of the programs but is not responsible for actual day to day operations.

The **Contract Spaces Program** provides Kentucky students with access to professional programs in veterinary medicine and optometry through contracts administered by the Southern Regional Education Board and Indiana University. In veterinary medicine, Kentucky contracts for spaces at Auburn University and Tuskegee Institute. For optometry students spaces are available at the Southern College of Optometry, University of Alabama, Indiana University, and the Kentucky College of Optometry. Contract fees guarantee a fixed number of spaces in the out-of-state academic programs for qualified Kentucky residents. Enrolled students are required to pay only the equivalent of the in-state tuition at the host institution. Students are supported for four years. To reserve these spaces and to help defray cost, the Commonwealth pays a contract fee per space to each participating institution.

The **Cancer Research Institutions Matching Fund** is administered by the Council on Postsecondary Education to

support cancer-related research that will ultimately reduce the morbidity and mortality from these diseases. The program is funded by a one cent per pack cigarette surtax, and the two research institutions – UK and U of L - provide a dollar for dollar match from external sources.

The **Southern Regional Education Board (SREB) Doctoral Scholars Program** supports and encourages minority students to pursue doctoral degrees. The program seeks to increase the number of minority faculty members employed as college faculty and executives by increasing the available pool of minority candidates. Students are provided scholarships and other financial support to attend institutions throughout the southern region and in some Midwest states.

Policy

The Budget of the Commonwealth includes \$50,000 of General Fund in fiscal year 2021 to support two SREB Doctoral Scholars.

The Contract Spaces program has been transferred to the Kentucky Higher Education Assistance Authority pursuant to the appropriations act, House Bill 214, and Senate Bill 134 (2020 Regular Session). General Fund in the amount of \$211,600 remains appropriated to the Council on Postsecondary Education in fiscal year 2021 for Southern Regional Education Board dues.

New funding from Tobacco Settlement Funds in the amount of \$650,000 is included in fiscal year 2021 for the Spinal Cord and Head Injury Research program, codified in KRS 211.500 through 211.504.

**Postsecondary Education
Council on Postsecondary Education
Federal Programs**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Federal Fund				
Balance Forward			-900	
Current Receipts	2,314,653	1,852,450	4,000,900	3,997,000
Total Federal Fund	2,314,653	1,852,450	4,000,000	3,997,000
TOTAL SOURCE OF FUNDS	2,314,653	1,852,450	4,000,000	3,997,000
EXPENDITURES BY CLASS				
Personnel Costs	794,919	730,958	1,679,100	1,710,300
Operating Expenses	58,368	782,688	975,000	970,500
Grants Loans Benefits	1,461,366	339,669	1,345,900	1,316,200
TOTAL EXPENDITURES	2,314,653	1,853,314	4,000,000	3,997,000
EXPENDITURES BY FUND SOURCE				
Federal Fund	2,314,653	1,853,314	4,000,000	3,997,000
TOTAL EXPENDITURES	2,314,653	1,853,314	4,000,000	3,997,000

The Council on Postsecondary Education administers two federal programs: Improving Educator Quality State Grant Program and Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) Kentucky.

The Improving Educator Quality State Grant program focuses on preparing, training, and recruiting high-quality teachers. The Council on Postsecondary Education provides competitive grants to partnerships comprised of schools of education and arts and sciences, along with one or more high-need local school districts.

The Gaining Early Awareness and Readiness program is a federal initiative that encourages young people to stay in school, study hard and take courses that prepare them to succeed in college. The program provides a range of services to low-income students by supporting new or expanded activities that strengthen schools. GEAR UP grants are awarded to states as well as partnerships comprising schools, postsecondary institutions and non-school partners. GEAR UP state grants stress early intervention and provide scholarships. Each grant dollar must be matched through a combination of state, local, and private funds.

**Postsecondary Education
Council on Postsecondary Education
Strategic Investment and Incentive Funding Program**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	5,264,000	4,979,600	21,534,800	2,983,700
Budget Reduction-General Fund	-274,000			
Reorganization Adjustment			-16,551,200	
Total General Fund	4,990,000	4,979,600	4,983,600	2,983,700
Tobacco Fund				
Tobacco Settlement - Phase I	5,176,100			
Total Tobacco Fund	5,176,100			
TOTAL SOURCE OF FUNDS	10,166,100	4,979,600	4,983,600	2,983,700
EXPENDITURES BY CLASS				
Personnel Costs	5,926,100	727,067	558,500	560,000
Operating Expenses	65,400	17,887	20,000	20,000
Grants Loans Benefits	4,174,600	4,234,646	4,405,100	2,403,800
Debt Service				
TOTAL EXPENDITURES	10,166,100	4,979,600	4,983,600	2,983,800
EXPENDITURES BY FUND SOURCE				
General Fund	4,990,000	4,979,600	4,983,600	2,983,700
Tobacco Fund	5,176,100			
TOTAL EXPENDITURES	10,166,100	4,979,600	4,983,600	2,983,700
EXPENDITURES BY UNIT				
Research Challenge Trust Fund	5,176,100			
Technology Initiative Trust Fund	3,638,000	3,628,300	3,628,300	1,628,300
Special Initiatives Funding Program	1,352,000	1,351,300	1,355,300	1,355,400
TOTAL EXPENDITURES	10,166,100	4,979,600	4,983,600	2,983,700

The Strategic Investment and Incentive Funding Program was created in the Kentucky Postsecondary Education Improvement Act of 1997, codified as KRS 164.7911. This program consists of appropriations for the Physical Facilities Trust Fund and the Technology Initiative Trust Fund, as well as the Special Initiatives Funding Program. These appropriations are made to the Council, which is responsible for establishing criteria and distributing these funds to postsecondary institutions in a manner that will allow the Commonwealth to accomplish the goals established in KRS 164.003(2).

Special Initiatives Funding Program

The Council on Postsecondary Education allocates funds to institutions for activities that support the goals of Senate Bill 1 from the 2009 session of the General Assembly. These include professional development of faculty and revision of the pedagogic curriculum and assessment standards of colleges of education.

Technology Initiative Trust Fund

This program includes funding for the Kentucky Postsecondary Education Network (KPEN), the Kentucky Virtual Campus and Virtual Library, the College Level Learning Assessment, the College Access Initiative, and faculty development activities that improve teaching and develop best practices, particularly for distance learning situations.

Physical Facilities Trust Fund

The Physical Facilities Trust Fund includes funding to support the physical plants at public postsecondary education institutions. The Council is charged with distributing the funds in this program to the institutions as enacted in the biennial appropriations act.

Policy

In fiscal year 2019, the Adult Education and Literacy program was reorganized to the Education and Workforce Development Cabinet pursuant to Executive Order 2019-026.

**Postsecondary Education
Council on Postsecondary Education
Ovarian Cancer Screening**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation		500,000	500,000	500,000
Total General Fund		500,000	500,000	500,000
TOTAL SOURCE OF FUNDS		500,000	500,000	500,000
EXPENDITURES BY CLASS				
Grants Loans Benefits		500,000	500,000	500,000
TOTAL EXPENDITURES		500,000	500,000	500,000
EXPENDITURES BY FUND SOURCE				
General Fund		500,000	500,000	500,000
TOTAL EXPENDITURES		500,000	500,000	500,000

This program provides funding to support the Markey Cancer Center's Ovarian Cancer Screening Program at the University of Kentucky. The program provides free screenings to women across the Commonwealth with the goal of detecting cancer early. Begun in 1987, the program has served over 47,000 Kentuckians.

**Postsecondary Education
Council on Postsecondary Education
Cancer Research and Screening**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Tobacco Fund				
Tobacco Settlement - Phase I		7,000,000	6,686,500	6,876,100
Budget Reduction-Tobacco			-553,700	
Other		-143,975		
Total Tobacco Fund		6,856,025	6,132,800	6,876,100
TOTAL SOURCE OF FUNDS		6,856,025	6,132,800	6,876,100
EXPENDITURES BY CLASS				
Grants Loans Benefits		6,856,025	6,132,800	6,876,100
TOTAL EXPENDITURES		6,856,025	6,132,800	6,876,100
EXPENDITURES BY FUND SOURCE				
Tobacco Fund		6,856,025	6,132,800	6,876,100
TOTAL EXPENDITURES		6,856,025	6,132,800	6,876,100

Tobacco Settlement funds support the Cancer Research and Screening programs at the University of Kentucky and the University of Louisville. The 2018-2020 biennial budget bill created the program and directed that the funding be divided equally between the Commonwealth's two research institutions.

Postsecondary Education
Kentucky Higher Education Assistance Authority

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	245,244,000	232,100,000	239,100,000	279,293,600
Continuing Approp-General Fund	15,755,084	42,565,758	42,426,400	
Other	12,000,000	14,946,017	15,000,000	
Total General Fund	272,999,084	289,611,775	296,526,400	279,293,600
Tobacco Fund				
Tobacco Settlement - Phase I	1,100,000			
Continuing Approp-Tob Settlement	862,121	1,199,564	642,300	
Total Tobacco Fund	1,962,121	1,199,564	642,300	
Restricted Funds				
Balance Forward	5,427,890	4,513,000	5,076,500	2,201,100
Current Receipts	20,697,107	21,853,281	18,710,100	20,335,800
Non-Revenue Receipts	9,117,723	9,355,992	13,278,200	11,333,000
Total Restricted Funds	35,242,719	35,722,273	37,064,800	33,869,900
Federal Fund				
Balance Forward		2,175	23,800	23,800
Current Receipts	37,774	38,400	33,800	33,800
Non-Revenue Receipts	-26,645			
Total Federal Fund	11,129	40,575	57,600	57,600
TOTAL SOURCE OF FUNDS	310,215,054	326,574,187	334,291,100	313,221,100
EXPENDITURES BY CLASS				
Personnel Costs	17,502,391	17,596,132	16,875,100	18,388,300
Operating Expenses	1,855,327	1,913,977	1,950,200	1,965,000
Grants Loans Benefits	241,488,169	257,992,259	312,287,200	291,452,400
Debt Service	743,663	742,013	747,300	
Capital Outlay	345,006	182,294	206,400	225,000
TOTAL EXPENDITURES	261,934,555	278,426,674	332,066,200	312,030,700
EXPENDITURES BY FUND SOURCE				
General Fund	230,433,325	247,185,466	296,526,400	279,293,600
Tobacco Fund	762,557	557,275	642,300	
Restricted Funds	30,729,719	30,645,533	34,863,700	32,703,300
Federal Fund	8,954	38,400	33,800	33,800
TOTAL EXPENDITURES	261,934,555	278,426,674	332,066,200	312,030,700
EXPENDITURES BY UNIT				
General Administration and Support	20,071,176	20,011,988	19,379,000	20,178,300
College Access Program	73,412,993	83,186,694	111,413,500	87,955,200
Kentucky Coal County College Completion Program	2,943,151	2,107,050	522,800	
Work Study Program	363,642			
Kentucky Tuition Grant	29,700,483	33,555,766	49,167,000	44,578,100
Teacher Scholarships	1,938,646	513,252	14,700	50,000
Ky National Guard Tuition	6,736,883	7,218,782	8,629,000	7,448,100
Osteopathic Medicine Scholarship	425,000	215,400		
Ky Educational Excellence Scholarships	115,277,249	117,944,058	120,376,600	123,768,600
Early Childhood Development Scholarships	762,557	557,275	942,300	300,000
Kentucky's Affordable Prepaid Tuition (KAPT)	375,210	422,428	400,000	400,000

EXPENDITURES BY UNIT

Coal County Scholarship for Pharmacy Students	638,000	393,600	145,000	
Early Graduation Scholarship Certificate	230,840	244,000	575,000	575,000
Work Ready Scholarship	2,885,048	6,687,270	11,327,700	7,500,000
Dual Credit Scholarship	5,993,782	5,330,712	9,139,800	13,200,000
Other Programs	179,896	38,400	33,800	33,800
Optometry Scholarship Program				795,600
Veterinary Contract Spaces Program				5,248,000
TOTAL EXPENDITURES	<u>261,934,555</u>	<u>278,426,674</u>	<u>332,066,200</u>	<u>312,030,700</u>

The mission of the Kentucky Higher Education Assistance Authority (KHEAA) is to increase educational attainment by providing student financial aid and other assistance to Kentuckians preparing for and attending college. KHEAA administers state grants, scholarships, work study and college savings programs for postsecondary students. The agency is the designated guarantor of insured student loans and disseminates college planning and financial aid information.

The Kentucky Higher Education Assistance Authority administers the following student aid programs:

The College Access Program awards grants to Kentucky's financially needy undergraduate students enrolled in a public or private non-profit college, public technical college, or proprietary school.

The Kentucky Tuition Grant program provides need-based grants to qualified Kentucky students who choose to attend one of the Commonwealth's 25 participating independent colleges and is designed to assist full-time students with tuition charges at these schools.

The Kentucky Educational Excellence Scholarships (KEES) program provides merit-based scholarships to eligible high school students based on their yearly grade point average and supplemental awards based on their highest ACT (or equivalent SAT) score and Advanced Placement, International Baccalaureate, or Cambridge Advanced International test scores. The scholarships can be used to pay the expenses of each year of college or technical training.

The Teacher Scholarship program is designed to assist financially needy Kentucky students with the costs incurred while seeking initial or additional teacher certification. Recipients must agree to render qualified teaching service in the Commonwealth.

The Kentucky National Guard Tuition Award program provides tuition assistance to active members of the Kentucky National Guard to attend Kentucky's state-supported postsecondary educational institutions. The Department of Military Affairs selects the recipients and KHEAA forwards funds to the schools to be disbursed to the students.

The Osteopathic Medicine Scholarship program provides tuition equalization awards to eligible students who attend the University of Pikeville College of Osteopathic Medicine. Recipients must agree to provide medical services in Kentucky one year for each year they receive a scholarship, or repay their tuition grants.

The Coal County Pharmacy Scholarship Program provides tuition awards to eligible students at Kentucky colleges who agree to provide pharmacy services in a coal-producing county of Kentucky for one year for each year they receive the scholarship, or repay their tuition grants.

The Early Childhood Development Scholarship program provides tuition assistance to Kentucky residents pursuing a credential, certificate, or degree in early childhood education. It was established to upgrade the professional development of child-care workers and trainers who do not have access to state or federal professional development funds.

The Go Higher Grant program provides a financial incentive for non-traditional students who are enrolled on a less than full time basis and are therefore ineligible for most aid programs.

The John R. Justice program, supported by a Federal grant, provides student loan repayment assistance for public defenders and prosecutors who commit to continued employment for at least three years after graduation from law school.

The Kentucky Coal County College Completion Scholarship is awarded to coal county residents who have earned at least 60 credit hours toward a bachelor's degree and are enrolled at least half-time at a postsecondary institution located in a coal-producing county.

The Early Graduation Scholarship is awarded to students who graduate high school in three years. It can be used at any public or non-profit, independent institution the academic year immediately following graduation and is equal to one-half of the state portion of the average statewide per pupil guaranteed base funding level (SEEK allowance).

The Dual Credit Scholarship is awarded to Kentucky high school juniors and seniors who enroll in an approved dual credit course at a participating institution.

The Work Ready Scholarship is awarded to Kentuckians with a high school credential but who have not yet earned an associate's degree and are enrolled in an industry-recognized certificate or diploma program in a high-demand workforce sector. High School students pursuing dual credit coursework in a high-demand sector are also eligible.

Policy

The Budget of the Commonwealth dedicates an additional \$34,150,000 in Lottery revenue to KHEAA's student financial aid programs in fiscal year 2021 when compared to the fiscal year 2020 enacted budget. Additionally, Lottery revenue in the amount of \$500,000 is appropriated to the University of Kentucky for the Support Higher Education Project and \$250,000 is appropriated to the Kentucky Department of Education for the Jobs for America's Graduates program.

The Budget of the Commonwealth fully funds the Kentucky Educational Excellence Scholarship (KEES) program with General Fund in the amount of \$113,768,600 in fiscal year 2021 and Restricted Funds in the amount of \$10,000,000.

Additional General Fund Lottery receipts in fiscal years 2020 and 2021 that are appropriated to need-based financial aid programs (College Access Program [CAP] and Kentucky Tuition Grant [KTG] program), will support approximately 7,300 additional CAP recipients and 1,500 additional KTG recipients each year compared to the enacted budget. CAP and KTG recipients are the most economically disadvantaged college students in Kentucky's higher education system. General Fund in the amount of \$87,555,200 in fiscal year 2021 is included for the College Access Program. General Fund in the amount of \$44,078,100 in fiscal year 2021 is included for the Kentucky Tuition Grant Program.

The Work Ready Scholarship program includes additional General Fund in the amount of \$4,800,000 in fiscal year 2021 for a total of \$7,300,000.

The Dual Credit Scholarship program includes additional General Fund in the amount of \$8,150,000 in fiscal year 2021 for a total of \$13,150,000. Of that additional amount, \$4,500,000 is to support the dual credit component of the Work Ready Scholarship program, which is consolidated with the Dual Credit Scholarship program to reduce confusion and for ease of administration. Also included in the additional General Fund is \$2,200,000 to increase the tuition rate ceiling from 33.3% to 40% of the KCTCS credit hour rate.

The Budget of the Commonwealth includes General Fund in the amount of \$7,398,100 in fiscal year 2021 for the Kentucky National Guard Tuition Award program.

The Contract Spaces program, previously administered by the Council on Postsecondary Education, will be administered by KHEAA in accordance with House Bill 214 and Senate Bill 134 from the 2020 Regular Session of the General Assembly. General Fund in the amount of \$5,248,000 is included for the Veterinary Contract Spaces program and \$795,600 is included for the Optometry Contract Spaces program for a total of \$6,043,600 in fiscal year 2021. That represents \$273,200 in additional General Fund support for increased programmatic costs.

The Budget of the Commonwealth dedicates the first \$3,000,000 in excess Lottery receipts over the fiscal year 2021 enacted Lottery estimate of \$277,000,000 to KHEAA for its need-based financial aid programs. Any additional excess receipts shall be held in a trust and agency account until appropriated by the General Assembly.

Postsecondary Education
Postsecondary Education Institutions

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	886,946,600	861,184,300	860,355,300	865,672,400
Special Appropriation		290,000		
Current Year Appropriation			497,400	
Budget Reduction-General Fund	-8,869,500			
Total General Fund	878,077,100	861,474,300	860,852,700	865,672,400
Restricted Funds				
Current Receipts	5,045,013,827	5,079,443,668	6,092,457,300	6,430,606,500
Total Restricted Funds	5,045,013,827	5,079,443,668	6,092,457,300	6,430,606,500
Federal Fund				
Current Receipts	768,333,292	785,150,195	833,703,500	874,894,500
Total Federal Fund	768,333,292	785,150,195	833,703,500	874,894,500
TOTAL SOURCE OF FUNDS	6,691,424,219	6,726,068,163	7,787,013,500	8,171,173,400
EXPENDITURES BY CLASS				
Personnel Costs	3,715,826,993	3,671,887,853	3,862,532,500	4,039,296,400
Operating Expenses	1,804,589,496	1,873,643,290	2,513,884,900	2,666,544,500
Grants Loans Benefits	642,925,882	653,883,463	1,040,269,500	1,080,508,800
Debt Service	158,143,629	162,565,487	171,182,100	173,081,400
Capital Outlay	177,564,700	197,293,600	199,144,500	211,742,300
TOTAL EXPENDITURES	6,499,050,700	6,559,273,693	7,787,013,500	8,171,173,400
EXPENDITURES BY FUND SOURCE				
General Fund	878,077,100	862,493,800	860,852,700	865,672,400
Restricted Funds	4,887,973,100	4,918,171,793	6,092,457,300	6,430,606,500
Federal Fund	733,000,500	778,608,100	833,703,500	874,894,500
TOTAL EXPENDITURES	6,499,050,700	6,559,273,693	7,787,013,500	8,171,173,400
EXPENDITURES BY UNIT				
Eastern Kentucky University	376,925,000	369,208,793	406,568,600	411,448,400
Kentucky State University	65,291,800	69,028,100	69,230,600	68,881,700
Morehead State University	177,756,100	166,672,300	183,227,300	186,127,200
Murray State University	186,614,100	168,947,800	186,615,200	186,615,200
Northern Kentucky University	241,900,100	244,209,400	254,757,300	263,534,400
University of Kentucky	3,199,912,200	3,409,907,300	4,190,939,600	4,511,271,800
University of Louisville	1,229,507,500	1,243,752,900	1,262,331,300	1,296,975,000
Western Kentucky University	335,766,500	278,676,800	386,831,500	385,704,400
Kentucky Community and Technical College System	685,377,400	608,870,300	846,512,100	845,620,500
Postsecondary Education Performance Fund				14,994,800
TOTAL EXPENDITURES	6,499,050,700	6,559,273,693	7,787,013,500	8,171,173,400

**Postsecondary Education
Eastern Kentucky University**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	61,723,700	60,801,700	60,175,200	65,337,000
Postsecondary Ed Performance	3,321,500	3,387,300	3,578,400	
Budget Reduction-General Fund	-650,500			
Total General Fund	64,394,700	64,189,000	63,753,600	65,337,000
Restricted Funds				
Current Receipts	208,836,227	194,728,768	207,314,400	210,611,400
Total Restricted Funds	208,836,227	194,728,768	207,314,400	210,611,400
Federal Fund				
Current Receipts	140,864,492	134,006,595	135,500,600	135,500,000
Total Federal Fund	140,864,492	134,006,595	135,500,600	135,500,000
TOTAL SOURCE OF FUNDS	414,095,419	392,924,363	406,568,600	411,448,400
EXPENDITURES BY CLASS				
Personnel Costs	180,640,593	161,644,953	165,501,000	171,801,000
Operating Expenses	40,192,396	34,344,490	46,387,600	38,602,700
Grants Loans Benefits	146,157,382	164,207,363	179,064,200	182,014,600
Debt Service	9,934,629	9,011,987	15,615,800	19,030,100
TOTAL EXPENDITURES	376,925,000	369,208,793	406,568,600	411,448,400
EXPENDITURES BY FUND SOURCE				
General Fund	64,394,700	64,189,000	63,753,600	65,337,000
Restricted Funds	207,001,200	177,519,793	207,314,400	210,611,400
Federal Fund	105,529,100	127,500,000	135,500,600	135,500,000
TOTAL EXPENDITURES	376,925,000	369,208,793	406,568,600	411,448,400
EXPENDITURES BY UNIT				
Instruction	101,209,101	67,496,989	68,000,000	68,580,800
Research	948,979	794,972	800,000	800,000
Public Service	43,557,364	40,762,385	44,000,000	44,000,000
Libraries	4,656,962	3,063,218	3,100,000	3,100,000
Academic Support	22,646,142	16,741,955	16,742,000	16,742,000
Student Services	21,571,905	15,466,201	15,470,000	15,470,000
Institutional Support	30,136,637	18,745,107	18,995,300	22,292,300
Operation and Maintenance of Plant	43,973,317	39,775,532	40,000,000	40,000,000
Scholarships and Fellowships	77,258,613	135,974,560	169,061,300	169,746,300
Mandatory Transfers				317,000
Auxilliary Enterprises	30,965,980	30,387,874	30,400,000	30,400,000
TOTAL EXPENDITURES	376,925,000	369,208,793	406,568,600	411,448,400

Eastern Kentucky University, originally founded as a training school for teachers, has grown into a comprehensive postsecondary institution with approximately 17,000 students. In addition to the main campus in Richmond, ECU operates regional campuses at Corbin, Danville, Manchester and Somerset.

Baccalaureate degree programs are offered in liberal arts and sciences, business and technology, education, health sciences, and the university's program of distinction, justice and public safety. Each academic program requires students to demonstrate effective communication, creativity and critical thinking skills.

Advanced degrees are offered in education, psychology and technology, and doctoral programs in educational leadership, nursing practice and occupational therapy.

Policy

The Budget of the Commonwealth includes additional General Fund in the amount of \$2,500,000 in fiscal year 2021 for a total of \$4,571,900 for ECU's Mandated Program, the Model Laboratory School.

The Budget of the Commonwealth includes General Fund in the amount of \$317,000 in fiscal year 2021 for debt service to support new bonds in the Capital Projects Budget.

**Postsecondary Education
Kentucky State University**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	26,729,600	25,459,000	25,259,100	25,384,300
Special Appropriation		290,000		
Current Year Appropriation			497,400	
Budget Reduction-General Fund	-267,300			
Total General Fund	26,462,300	25,749,000	25,756,500	25,384,300
Restricted Funds				
Current Receipts	18,455,500	21,010,000	23,474,100	23,000,000
Total Restricted Funds	18,455,500	21,010,000	23,474,100	23,000,000
Federal Fund				
Current Receipts	20,374,000	22,269,100	20,000,000	20,497,400
Total Federal Fund	20,374,000	22,269,100	20,000,000	20,497,400
TOTAL SOURCE OF FUNDS	65,291,800	69,028,100	69,230,600	68,881,700
EXPENDITURES BY CLASS				
Personnel Costs	40,554,000	45,183,700	41,899,000	41,985,300
Operating Expenses	18,888,000	13,190,100	19,081,600	17,506,000
Grants Loans Benefits	5,607,800	6,630,600	7,000,000	6,890,400
Debt Service	242,000	162,300	750,000	750,000
Capital Outlay		3,861,400	500,000	1,750,000
TOTAL EXPENDITURES	65,291,800	69,028,100	69,230,600	68,881,700
EXPENDITURES BY FUND SOURCE				
General Fund	26,462,300	25,749,000	25,756,500	25,384,300
Restricted Funds	18,455,500	21,010,000	23,474,100	23,000,000
Federal Fund	20,374,000	22,269,100	20,000,000	20,497,400
TOTAL EXPENDITURES	65,291,800	69,028,100	69,230,600	68,881,700
EXPENDITURES BY UNIT				
Instruction	9,621,700	10,725,000	10,604,500	9,673,800
Research	8,061,300	7,575,700	8,487,400	8,633,800
Public Service	9,361,800	10,230,200	9,794,200	9,940,900
Academic Support	1,421,800	700,800	1,382,300	1,435,900
Student Services	6,331,600	7,491,900	6,155,900	6,888,600
Institutional Support	11,895,400	15,895,900	14,565,000	13,624,600
Operation and Maintenance of Plant	7,483,600	5,551,400	7,376,400	7,551,100
Scholarships and Fellowships	5,821,600	6,364,000	5,659,900	5,874,000
Auxilliary Enterprises	5,293,000	4,493,200	5,205,000	5,259,000
TOTAL EXPENDITURES	65,291,800	69,028,100	69,230,600	68,881,700

Like other comprehensive universities, Kentucky State University was founded as a training school for teachers. An historically black university, it is also a land grant institution charged with educating and improving the lives of Kentucky's rural residents. The Cooperative Extension Program complements the research activities of the divisions of agriculture and natural resources, aquaculture, environmental studies and sustainable systems, food and animal science and family and consumer science and provides an avenue for technology transfer of research findings that are relevant to Kentuckians, especially those with limited resources living in rural areas.

In addition to its teaching and agriculture departments, KSU offers traditional liberal arts courses, business, computer science, public administration, nursing and pre-professional education for medicine, dentistry, law, engineering and other fields. Kentucky State provides an opportunity for students, including non-traditional students, who otherwise would not have access to college education.

Policy

The Budget of the Commonwealth includes additional General Fund in the amount of \$497,400 in fiscal years 2020 and 2021 for a total of \$7,148,800 for Kentucky State University's Mandated Program, the federal land grant program. These additional General Fund dollars will be used to match additional federal funds.

**Postsecondary Education
Morehead State University**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	39,899,700	38,852,400	38,466,800	38,332,900
Postsecondary Ed Performance	1,742,900			
Budget Reduction-General Fund	-416,400			
Total General Fund	41,226,200	38,852,400	38,466,800	38,332,900
Restricted Funds				
Current Receipts	112,459,500	110,544,200	115,527,200	117,811,000
Total Restricted Funds	112,459,500	110,544,200	115,527,200	117,811,000
Federal Fund				
Current Receipts	25,925,500	25,638,500	29,233,300	29,983,300
Total Federal Fund	25,925,500	25,638,500	29,233,300	29,983,300
TOTAL SOURCE OF FUNDS	179,611,200	175,035,100	183,227,300	186,127,200
EXPENDITURES BY CLASS				
Personnel Costs	84,259,000	75,637,500	82,904,900	84,124,000
Operating Expenses	29,542,000	27,885,500	37,214,400	37,389,600
Grants Loans Benefits	48,062,600	50,358,200	50,242,200	51,497,800
Debt Service	10,141,300	8,717,700	8,589,600	8,589,600
Capital Outlay	5,751,200	4,073,400	4,276,200	4,526,200
TOTAL EXPENDITURES	177,756,100	166,672,300	183,227,300	186,127,200
EXPENDITURES BY FUND SOURCE				
General Fund	41,226,200	38,852,400	38,466,800	38,332,900
Restricted Funds	110,601,800	102,216,800	115,527,200	117,811,000
Federal Fund	25,928,100	25,603,100	29,233,300	29,983,300
TOTAL EXPENDITURES	177,756,100	166,672,300	183,227,300	186,127,200
EXPENDITURES BY UNIT				
Instruction	42,897,500	42,085,500	42,919,000	42,789,300
Research	1,989,500	1,395,400	3,453,000	3,462,700
Public Service	8,206,300	6,406,200	8,181,400	8,588,600
Libraries	3,238,100	2,776,800	2,652,500	2,695,200
Academic Support	8,554,200	6,322,200	5,643,200	5,630,000
Student Services	19,950,600	19,542,300	20,510,900	20,861,300
Institutional Support	14,832,200	11,685,700	13,541,800	13,120,200
Operation and Maintenance of Plant	12,271,800	9,807,300	9,499,300	9,875,500
Scholarships and Fellowships	43,342,700	45,612,400	45,437,700	46,774,100
Mandatory Transfers	4,303,300	3,536,600	3,481,500	4,075,200
Non-Mandatory Transfers	1,535,400	403,700	9,561,000	9,601,400
Auxilliary Enterprises	16,634,500	17,098,200	18,346,000	18,653,700
TOTAL EXPENDITURES	177,756,100	166,672,300	183,227,300	186,127,200

Morehead State University has an enrollment of nearly 11,000 students, including its enrollment of high school juniors and seniors at the Craft Academy for Excellence in Science and Mathematics.

Morehead's in-state undergraduate tuition is low compared to state peer institutions, and it enrolls the largest percentage of Pell-eligible students. The University strives to provide high quality education while increasing efficiency and productivity. Morehead was the first Kentucky institution to offer a complete degree program on-line.

Morehead's program of distinction is space science. Morehead faculty and undergraduate students have collaborated with students and scientists from around the world to build and launch satellites to explore and carry on important investigations in space. A 21-meter tracking antenna is located on the campus.

Policy

Included in the above General Fund is \$3,401,400 in fiscal year 2021 for Morehead State University's Mandated Programs, including \$3,151,400 for the Craft Academy for Excellence in Science and Mathematics and \$250,000 for installation of the Jet Propulsion Laboratory antenna.

Of the \$3,151,400 of General Fund support for the Craft Academy, \$329,000 is new funding. The Craft Academy is a dual-credit residential high school for academically talented juniors and seniors on the campus of Morehead State University. This investment of additional state dollars will allow the Academy to leverage additional private funds.

**Postsecondary Education
Murray State University**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	43,570,800	45,014,500	44,581,400	43,753,800
Postsecondary Ed Performance	2,231,300	557,800		
Budget Reduction-General Fund	-458,000			
Total General Fund	45,344,100	45,572,300	44,581,400	43,753,800
Restricted Funds				
Current Receipts	123,132,400	103,792,600	119,324,800	120,152,400
Total Restricted Funds	123,132,400	103,792,600	119,324,800	120,152,400
Federal Fund				
Current Receipts	18,137,600	19,582,900	22,709,000	22,709,000
Total Federal Fund	18,137,600	19,582,900	22,709,000	22,709,000
TOTAL SOURCE OF FUNDS	186,614,100	168,947,800	186,615,200	186,615,200
EXPENDITURES BY CLASS				
Personnel Costs	110,752,200	98,610,900	105,379,400	105,379,400
Operating Expenses	55,071,900	50,296,500	46,596,300	46,596,300
Grants Loans Benefits	13,396,900	12,664,800	26,644,000	26,644,000
Debt Service	6,354,800	6,273,000	6,399,400	6,399,400
Capital Outlay	1,038,300	1,102,600	1,596,100	1,596,100
TOTAL EXPENDITURES	186,614,100	168,947,800	186,615,200	186,615,200
EXPENDITURES BY FUND SOURCE				
General Fund	45,344,100	45,572,300	44,581,400	43,753,800
Restricted Funds	123,132,400	103,792,600	119,324,800	120,152,400
Federal Fund	18,137,600	19,582,900	22,709,000	22,709,000
TOTAL EXPENDITURES	186,614,100	168,947,800	186,615,200	186,615,200
EXPENDITURES BY UNIT				
Instruction	62,572,500	61,065,000	59,307,100	58,833,900
Research	2,471,900	2,258,100	3,259,900	3,267,500
Public Service	6,731,700	5,977,200	5,137,800	5,137,800
Libraries	3,527,400	3,391,500	3,447,500	3,469,000
Academic Support	6,399,300	6,699,900	6,444,900	6,484,900
Student Services	13,598,400	7,074,500	15,830,100	15,928,200
Institutional Support	18,453,800	18,292,200	19,843,500	19,967,400
Operation and Maintenance of Plant	33,108,400	29,110,900	22,748,500	22,890,600
Scholarships and Fellowships	12,735,900	12,649,500	17,139,800	17,139,800
Mandatory Transfers	6,354,800	6,273,000	6,399,400	6,439,400
Non-Mandatory Transfers	1,495,200	4,584,000	2,911,600	2,911,600
Auxilliary Enterprises	19,164,800	11,572,000	24,145,100	24,145,100
TOTAL EXPENDITURES	186,614,100	168,947,800	186,615,200	186,615,200

Murray State University's total enrollment is approximately 10,000 students. In addition to the main campus in Calloway County, Murray operates regional campuses at Paducah, Madisonville, Hopkinsville, Henderson and Fort Campbell. Cooperation agreements with local community and technical colleges make it possible for students in those locations to earn a four-year degree in education, business, social work or nursing. MSU faculty also provide instructional support for the University of Kentucky's engineering program in Paducah.

In addition to teacher education programs, Murray State University also offers baccalaureate and masters degrees in business, health sciences, agriculture, liberal arts, sciences, engineering and technology. The program of distinction is telecommunications systems management (TSM) and is available at the main campus as well as on-line. About 60% of the students in the TSM Masters degree program are studying on-line. MSU also has an acclaimed on-line MBA program, the largest in the Commonwealth.

Policy

Included in the above General Fund is \$3,200,000 in fiscal year 2021 for Murray State's Mandated Program, the Breathitt Veterinary Center.

**Postsecondary Education
Northern Kentucky University**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	48,875,200	47,458,000	47,974,500	51,280,500
Postsecondary Ed Performance	2,745,900	4,837,200	4,325,500	
Budget Reduction-General Fund	-516,200			
Total General Fund	51,104,900	52,295,200	52,300,000	51,280,500
Restricted Funds				
Current Receipts	177,719,600	177,819,100	189,381,700	199,178,300
Total Restricted Funds	177,719,600	177,819,100	189,381,700	199,178,300
Federal Fund				
Current Receipts	13,075,600	13,075,600	13,075,600	13,075,600
Total Federal Fund	13,075,600	13,075,600	13,075,600	13,075,600
TOTAL SOURCE OF FUNDS	241,900,100	243,189,900	254,757,300	263,534,400
EXPENDITURES BY CLASS				
Personnel Costs	176,925,600	169,667,100	154,308,700	159,625,100
Operating Expenses	35,311,900	40,489,300	42,713,600	44,185,200
Grants Loans Benefits	15,406,900	17,011,300	36,775,800	38,042,800
Debt Service	11,175,600	11,647,200	10,768,900	11,139,900
Capital Outlay	3,080,100	5,394,500	10,190,300	10,541,400
TOTAL EXPENDITURES	241,900,100	244,209,400	254,757,300	263,534,400
EXPENDITURES BY FUND SOURCE				
General Fund	51,104,900	53,314,700	52,300,000	51,280,500
Restricted Funds	177,719,600	177,819,200	189,381,700	199,178,300
Federal Fund	13,075,600	13,075,500	13,075,600	13,075,600
TOTAL EXPENDITURES	241,900,100	244,209,400	254,757,300	263,534,400
EXPENDITURES BY UNIT				
Instruction	70,761,700	75,550,900	75,678,500	77,035,800
Research	1,443,000	2,003,400	1,237,900	1,457,600
Public Service	13,104,500	11,677,400	10,637,200	10,076,100
Libraries	6,343,900	5,410,600	6,479,300	5,794,500
Academic Support	23,626,400	22,796,500	24,802,700	26,535,200
Student Services	30,086,400	29,123,400	23,652,100	24,137,200
Institutional Support	36,628,800	35,470,200	30,495,600	31,377,100
Operation and Maintenance of Plant	22,322,500	21,091,300	20,957,900	20,529,800
Scholarships and Fellowships	15,024,100	16,511,800	37,084,400	44,194,000
Mandatory Transfers	5,975,000	5,826,300	6,469,100	5,772,600
Non-Mandatory Transfers	-148,600	-110,800	-492,500	-492,600
Auxilliary Enterprises	16,732,400	18,858,400	17,755,100	17,117,100
TOTAL EXPENDITURES	241,900,100	244,209,400	254,757,300	263,534,400

Northern Kentucky University is the only one of Kentucky's comprehensive universities that did not start as an institution for training teachers. NKU began as a community college under the University of Kentucky and became an autonomous institution by an act of the General Assembly in 1968. Upper division courses were offered beginning in 1971, the same year that Salmon P. Chase College of Law merged with what was then known as Northern Kentucky State College. Today there are over 14,000 students enrolled. Although about one-third are non-residents, the Kentuckians among them come from 106 of the state's 120 counties. Boone, Kenton and Campbell counties in northern Kentucky account for 7,227 students. Due to limited dormitory space, 80% of undergraduates commute.

Between 45% and 50% of NKU's first time, full-time students are first generation college-goers. The university seeks to provide support services that make it possible for all members of its diverse student body to succeed. Academic advisors

use a web-based system to proactively identify students who are “off path” for timely degree completion and suggest changes to guide students to a degree. Another particular focus is on transfer students, reflecting NKU’s continuing connection with Gateway Community and Technical College. Gateway2NKU maintains 39 program pathways for seamless transfer between the institutions. Social work pathway participants, for example, graduate in three semesters after transfer to NKU.

Policy

Included in the above General Fund is \$1,323,900 in fiscal year 2021 for NKU’s Mandated Program, the Kentucky Center for Mathematics.

Postsecondary Education
University of Kentucky

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	253,677,400	250,224,300	246,563,900	258,609,200
Postsecondary Ed Performance	13,411,800	9,119,000	14,492,500	
Budget Reduction-General Fund	-2,670,900			
Total General Fund	264,418,300	259,343,300	261,056,400	258,609,200
Restricted Funds				
Current Receipts	2,853,960,500	3,033,921,100	3,667,977,500	3,972,440,600
Total Restricted Funds	2,853,960,500	3,033,921,100	3,667,977,500	3,972,440,600
Federal Fund				
Current Receipts	234,881,400	252,378,500	261,905,700	280,222,000
Total Federal Fund	234,881,400	252,378,500	261,905,700	280,222,000
TOTAL SOURCE OF FUNDS	3,353,260,200	3,545,642,900	4,190,939,600	4,511,271,800
EXPENDITURES BY CLASS				
Personnel Costs	1,938,121,300	2,014,479,900	2,046,258,400	2,199,363,000
Operating Expenses	1,026,917,300	1,125,353,300	1,651,339,300	1,799,767,900
Grants Loans Benefits	40,671,600	40,989,900	237,644,500	247,582,800
Debt Service	81,062,900	87,187,900	88,673,400	86,787,400
Capital Outlay	113,139,100	141,896,300	167,024,000	177,770,700
TOTAL EXPENDITURES	3,199,912,200	3,409,907,300	4,190,939,600	4,511,271,800
EXPENDITURES BY FUND SOURCE				
General Fund	264,418,300	259,343,300	261,056,400	258,609,200
Restricted Funds	2,700,612,500	2,898,185,500	3,667,977,500	3,972,440,600
Federal Fund	234,881,400	252,378,500	261,905,700	280,222,000
TOTAL EXPENDITURES	3,199,912,200	3,409,907,300	4,190,939,600	4,511,271,800
EXPENDITURES BY UNIT				
Instruction	314,880,800	320,713,800	441,923,600	450,436,600
Research	287,815,700	306,290,700	381,310,900	400,664,900
Public Service	589,943,900	629,787,400	636,834,100	667,563,500
Libraries	25,264,600	25,763,500	27,367,200	27,800,600
Academic Support	85,830,700	90,795,400	108,529,200	111,280,200
Student Services	42,616,600	45,032,700	54,189,000	55,187,000
Institutional Support	63,232,600	80,798,900	196,026,000	196,503,100
Operation and Maintenance of Plant	68,264,800	70,906,500	96,934,300	101,322,200
Scholarships and Fellowships	40,671,600	40,989,900	237,644,500	247,582,800
Mandatory Transfers	21,261,300	22,636,500	22,181,600	22,981,900
Non-Mandatory Transfers	-96,949,600	-56,100,900	6,700,000	6,700,000
Auxilliary Enterprises	242,354,700	238,061,000	248,140,000	266,534,300
Hospitals	1,514,724,500	1,594,231,900	1,733,159,200	1,956,714,700
TOTAL EXPENDITURES	3,199,912,200	3,409,907,300	4,190,939,600	4,511,271,800

The University of Kentucky is Commonwealth's flagship institution of higher education. It is one of the nation's top research universities and also has an important land grant mission for a state where agriculture is a major economic sector. UK is one of only eight universities in the United States with schools of agriculture, engineering, law, medicine and pharmacy on a single campus. It also maintains professional programs in dentistry, architecture, business, economics, education and social professions.

The University campus is undergoing dramatic physical change. In the past eight years, UK has completed, initiated, or approved more than \$2.5 billion in capital investment focused on living, learning, health care, research, and dining spaces.

University researchers employ over 8,000 Kentuckians who generate over \$21 million in state and local taxes annually. Currently on-going investigations include problems of aging, cancer, cardiovascular and neuro-generative diseases; renewable fuels and plant-based alternatives for industrial manufacturing; drug development and delivery system design; plant bio-tech; equine health; and materials for medical devices and implants.

Policy

Included in the above General Fund is \$80,568,800 in fiscal year 2021 for UK's Mandated Programs, including:

- \$31,275,300 for the College of Agriculture Cooperative Extension Service;
- \$29,479,600 for the Kentucky Agricultural Experiment Station;
- \$5,176,200 for the Center for Applied Energy Research;
- \$4,076,300 for the Kentucky Geological Survey;
- \$4,034,200 for the Veterinary Diagnostic Laboratory;
- \$2,040,500 for the Sanders-Brown Center on Aging;
- \$1,800,000 for the College of Agriculture Division of Regulatory Services;
- \$600,000 for the College of Agriculture Kentucky Small Business Development Center;
- \$586,300 for the University Press of Kentucky;
- \$500,000 for the Human Development Institute Supported Higher Education Project;
- \$450,200 for the Center for Excellence in Rural Health;
- \$450,200 for the Kentucky Cancer Registry; and
- \$100,000 for the Sports Medicine Research Institute.

Of the funding outlined above, \$586,300 for the University Press; \$500,000 for the Supported Higher Education Project; and \$100,000 for the Sports Medicine Research Institute is new funding. The \$500,000 for the Supported Higher Education Project comes from Lottery funds.

Included in the above Restricted Fund appropriation is \$1,500,000 from the Horse Racing Commission's Equine Drug Research Council to support UK's Equine Analytical Chemistry Lab.

Postsecondary Education
University of Louisville

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	126,177,500	124,610,600	123,290,400	124,117,900
Postsecondary Ed Performance	6,580,500	2,507,100	3,343,300	
Budget Reduction-General Fund	-1,327,600			
Total General Fund	131,430,400	127,117,700	126,633,700	124,117,900
Restricted Funds				
Current Receipts	999,620,600	1,018,178,700	1,037,241,100	1,052,772,700
Total Restricted Funds	999,620,600	1,018,178,700	1,037,241,100	1,052,772,700
Federal Fund				
Current Receipts	98,456,500	98,456,500	98,456,500	120,084,400
Total Federal Fund	98,456,500	98,456,500	98,456,500	120,084,400
TOTAL SOURCE OF FUNDS	1,229,507,500	1,243,752,900	1,262,331,300	1,296,975,000
EXPENDITURES BY CLASS				
Personnel Costs	665,491,300	673,202,100	683,257,800	694,886,900
Operating Expenses	403,902,100	408,581,700	414,685,000	412,762,000
Grants Loans Benefits	128,944,300	130,438,200	132,386,600	157,324,200
Debt Service	22,547,700	22,808,900	23,149,600	23,149,600
Capital Outlay	8,622,100	8,722,000	8,852,300	8,852,300
TOTAL EXPENDITURES	1,229,507,500	1,243,752,900	1,262,331,300	1,296,975,000
EXPENDITURES BY FUND SOURCE				
General Fund	131,430,400	127,117,700	126,633,700	124,117,900
Restricted Funds	999,620,600	1,018,178,700	1,037,241,100	1,052,772,700
Federal Fund	98,456,500	98,456,500	98,456,500	120,084,400
TOTAL EXPENDITURES	1,229,507,500	1,243,752,900	1,262,331,300	1,296,975,000
EXPENDITURES BY UNIT				
Instruction	208,296,600	210,710,100	213,857,600	217,852,600
Research	97,270,800	98,397,800	99,867,700	102,908,000
Public Service	88,938,700	89,969,000	91,313,100	94,093,100
Libraries	13,254,600	13,408,200	13,608,500	14,022,800
Academic Support	98,827,800	99,972,800	101,466,100	104,555,200
Student Services	20,993,200	21,236,500	21,553,600	20,938,500
Institutional Support	55,073,900	55,712,000	56,544,200	58,265,400
Operation and Maintenance of Plant	35,699,700	36,113,200	36,652,700	37,768,600
Scholarships and Fellowships	23,706,400	23,981,200	24,339,200	25,080,300
Mandatory Transfers	10,918,000	11,044,700	11,209,400	11,550,900
Auxilliary Enterprises	10,337,000	10,456,600	10,612,900	10,935,900
Hospitals	566,190,800	572,750,800	581,306,300	599,003,700
TOTAL EXPENDITURES	1,229,507,500	1,243,752,900	1,262,331,300	1,296,975,000

The University of Louisville is Kentucky's metropolitan research university, with missions of teaching, research and service. Located in the state's largest city, U of L operates on three campuses: the historic Belknap Campus, the Health Sciences Campus in downtown Louisville's medical complex, and the Shelby Campus in suburban Jefferson County. U of L enrolled 22,471 students in the fall of 2018, with 80.3 percent of the previous fall's freshman class returning. The six-year graduation rate is now 56.6 percent.

U of L researchers received almost \$138 million in grant funding in 2018. The University focuses on translational research, new knowledge and discoveries that can improve people's lives now. The Nucleus facility downtown was developed with innovative tax-increment financing to incubate and accelerate business entities that provide the bridges from the academy into the larger world. The FirstBuild micro-factory on the Belknap campus designs and builds the next

generation of home appliances in collaboration with GE Appliances and Local Motors. Medical research focuses on treatment of pediatric spinal cord injuries, biodefense and emerging infectious diseases, and cancer. Development continues at the Shelby Campus where a conference center and hotel are planned.

Policy

Included in the above General Fund is \$845,200 in fiscal year 2021 for U of L's Mandated Programs, including \$695,200 for the Rural Health Education Program and \$150,000 for the Kentucky Autism Training Center.

**Postsecondary Education
Western Kentucky University**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	70,823,600	70,034,800	69,344,200	72,596,200
Postsecondary Ed Performance	3,830,200	3,748,600	4,379,100	
Budget Reduction-General Fund	-746,500			
Total General Fund	73,907,300	73,783,400	73,723,300	72,596,200
Restricted Funds				
Current Receipts	227,284,800	171,504,300	280,768,200	280,768,200
Total Restricted Funds	227,284,800	171,504,300	280,768,200	280,768,200
Federal Fund				
Current Receipts	34,574,400	33,389,100	32,340,000	32,340,000
Total Federal Fund	34,574,400	33,389,100	32,340,000	32,340,000
TOTAL SOURCE OF FUNDS	335,766,500	278,676,800	386,831,500	385,704,400
EXPENDITURES BY CLASS				
Personnel Costs	200,864,000	159,641,400	192,127,200	192,127,200
Operating Expenses	53,513,400	52,605,600	79,951,000	78,823,900
Grants Loans Benefits	21,555,000	19,955,400	94,260,900	94,260,900
Debt Service	16,684,700	16,756,500	17,235,400	17,235,400
Capital Outlay	43,149,400	29,717,900	3,257,000	3,257,000
TOTAL EXPENDITURES	335,766,500	278,676,800	386,831,500	385,704,400
EXPENDITURES BY FUND SOURCE				
General Fund	73,907,300	73,783,400	73,723,300	72,596,200
Restricted Funds	227,284,800	171,504,300	280,768,200	280,768,200
Federal Fund	34,574,400	33,389,100	32,340,000	32,340,000
TOTAL EXPENDITURES	335,766,500	278,676,800	386,831,500	385,704,400
EXPENDITURES BY UNIT				
Instruction	110,635,700	104,742,900	121,983,800	120,619,300
Research	7,471,100	6,561,100	4,323,000	4,323,000
Public Service	13,651,300	14,291,700	9,617,300	9,617,300
Libraries	5,994,600	5,314,900	8,513,800	8,513,800
Academic Support	21,995,700	19,253,700	26,771,900	26,771,900
Student Services	34,620,100	31,399,700	36,195,400	36,195,400
Institutional Support	26,284,300	-734,800	29,353,700	29,353,700
Operation and Maintenance of Plant	41,638,800	29,903,100	33,642,400	33,642,400
Scholarships and Fellowships	22,252,400	20,285,000	81,538,400	81,538,400
Mandatory Transfers			11,482,800	11,720,200
Non-Mandatory Transfers	22,156,000	19,362,800		
Auxilliary Enterprises	29,066,500	28,296,700	23,409,000	23,409,000
TOTAL EXPENDITURES	335,766,500	278,676,800	386,831,500	385,704,400

Founded in 1906, Western Kentucky University is the largest of Kentucky's six comprehensive postsecondary institutions with nearly 20,000 students on the main campus in Bowling Green and at regional campuses in Glasgow, Owensboro and Elizabethtown. In addition to its traditional mission to train teachers and education leaders for the schools in its service area, WKU provides academic programs in liberal arts and sciences, business, engineering, health sciences and agriculture.

WKU is the home of the Gatton Academy of Mathematics and Science for exceptional Kentucky high school juniors and seniors. The Academy was named the number one high school in the United States in 2012 and 2013 by Newsweek.

In 2018, 646 WKU students participated in study abroad in 28 countries. WKU students also enjoy a global experience

through the presence of faculty and fellow students recruited from around the world. The Confucius Institute expands knowledge and strengthens ties with China through language education and arts and cultural programming.

Policy

Included in the above General Fund is \$5,735,100 in fiscal year 2021 for WKU's Mandated Programs, including \$4,985,100 for the Gatton Academy of Mathematics and Science and \$750,000 for the Kentucky Mesonet.

Of the \$4,985,100 of General Fund support for the Gatton Academy, \$237,400 is new funding. The Gatton Academy is a dual-credit residential high school for academically talented juniors and seniors on the campus of Western Kentucky University.

Postsecondary Education
Kentucky Community and Technical College System

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	172,524,700	167,729,000	166,034,000	171,265,800
Postsecondary Ed Performance	9,080,300	6,843,000	8,547,000	
Budget Reduction-General Fund	-1,816,100			
Total General Fund	179,788,900	174,572,000	174,581,000	171,265,800
Restricted Funds				
Current Receipts	323,544,700	247,944,900	451,448,300	453,871,900
Total Restricted Funds	323,544,700	247,944,900	451,448,300	453,871,900
Federal Fund				
Current Receipts	182,043,800	186,353,400	220,482,800	220,482,800
Total Federal Fund	182,043,800	186,353,400	220,482,800	220,482,800
TOTAL SOURCE OF FUNDS	685,377,400	608,870,300	846,512,100	845,620,500
EXPENDITURES BY CLASS				
Personnel Costs	318,219,000	273,820,300	390,896,100	390,004,500
Operating Expenses	141,250,500	120,896,800	175,916,100	175,916,100
Grants Loans Benefits	223,123,400	211,627,700	276,251,300	276,251,300
Capital Outlay	2,784,500	2,525,500	3,448,600	3,448,600
TOTAL EXPENDITURES	685,377,400	608,870,300	846,512,100	845,620,500
EXPENDITURES BY FUND SOURCE				
General Fund	179,788,900	174,572,000	174,581,000	171,265,800
Restricted Funds	323,544,700	247,944,900	451,448,300	453,871,900
Federal Fund	182,043,800	186,353,400	220,482,800	220,482,800
TOTAL EXPENDITURES	685,377,400	608,870,300	846,512,100	845,620,500
EXPENDITURES BY UNIT				
Instruction	190,950,700	161,943,500	240,711,800	237,396,600
Public Service	45,870,000	38,641,100	56,956,500	59,380,100
Libraries	7,663,800	6,849,900	9,509,800	9,509,800
Academic Support	29,288,600	25,417,000	36,226,400	36,226,400
Student Services	61,455,300	54,507,600	75,802,200	75,802,200
Institutional Support	34,130,200	31,635,100	36,103,000	36,103,000
Operation and Maintenance of Plant	93,990,300	79,455,100	116,565,200	116,565,200
Scholarships and Fellowships	222,028,500	210,421,000	274,637,200	274,637,200
TOTAL EXPENDITURES	685,377,400	608,870,300	846,512,100	845,620,500

The Kentucky Community and Technical College System (KCTCS) was created in 1997 by the merger of the technical college system in the Cabinet for Workforce Development and the community college system then under the direction of the University of Kentucky. There are 16 community and technical colleges operating at more than 70 locations across the state, with more than 107,000 students enrolled.

The mission of KCTCS is to be a gateway to affordable, high quality postsecondary education. The system maintains an open admissions policy and a robust menu of developmental courses. In addition to industry-specific training leading to portable credentials, the colleges offer a two year academic curriculum designed to transfer to all of Kentucky's four-year institutions.

KCTCS operates more than 140 on-line programs leading to associate degrees and certificates. The system is Kentucky's largest provider of workforce training, reaching nearly 42,000 employees annually.

KCTCS administers the Kentucky Board of Emergency Medical Services and the Kentucky Fire Commission.

Policy

Included in the above General Fund is \$8,819,400 in fiscal year 2021 for KCTCS' Mandated Programs, including:

- \$4,149,800 for the KCTCS-TRAINS program;
- \$1,869,900 for the State Fire Rescue Training;
- \$1,799,700 for the Kentucky Board of Emergency Medical Services; and
- \$1,000,000 for the Adult Agriculture Education program.

Included in KCTCS' Restricted Fund appropriation is \$50,560,000 in fiscal year 2021 for the Firefighters Foundation Program Fund, which includes \$1,250,000 for a new program to treat firefighters affected by Post-Traumatic Stress Injury and Post-Traumatic Stress Disorder.

Postsecondary Education
Postsecondary Education Performance Fund

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	42,944,400	31,000,000	38,665,800	14,994,800
Postsecondary Ed Performance	-42,944,400	-31,000,000	-38,665,800	
Total General Fund				14,994,800
TOTAL SOURCE OF FUNDS				14,994,800
EXPENDITURES BY CLASS				
Operating Expenses				14,994,800
TOTAL EXPENDITURES				14,994,800
EXPENDITURES BY FUND SOURCE				
General Fund				14,994,800
TOTAL EXPENDITURES				14,994,800
EXPENDITURES BY UNIT				
Postsecondary Education Performance Fund				14,994,800
TOTAL EXPENDITURES				14,994,800

The 2017 General Assembly enacted Senate Bill 153, now codified in KRS 164.092, which established a comprehensive funding model for Kentucky's public postsecondary education system to distribute resources based on rational criteria, including student success, course completion, and operational support components. The first allocation from the Postsecondary Education Performance Fund was made in fiscal year 2018.

Policy

The Budget of the Commonwealth redistributed 2% of each postsecondary institution's and KCTCS' General Fund base appropriation (less debt service and Mandated Programs) to the Postsecondary Education Performance Fund in fiscal year 2021. These funds will be distributed in accordance with the comprehensive performance funding model. KRS 164.092 requires a postsecondary education working group to convene in fiscal year 2021 and every three years thereafter to determine if the comprehensive funding model is functioning as expected, identify unintended consequences of the model, and recommend any adjustments to the model.

Public Protection

Public Protection

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	7,490,670	7,074,100	7,178,100	5,312,900
Budget Reduction-General Fund	-397,600			
Reorganization Adjustment	271,230	644,600	652,700	
Total General Fund	7,364,300	7,718,700	7,830,800	5,312,900
Restricted Funds				
Balance Forward	81,926,826	96,861,317	116,330,700	106,683,600
Current Receipts	104,163,058	107,985,902	100,984,200	103,370,900
Non-Revenue Receipts	30,150,396	36,656,953	37,739,400	35,923,000
Fund Transfers	-30,850,000	-23,000,000	-23,000,000	-38,000,000
Total Restricted Funds	185,390,280	218,504,172	232,054,300	207,977,500
Federal Fund				
Balance Forward	3,487		-37,473	
Current Receipts	878,837	493,918	1,434,700	1,197,200
Total Federal Fund	882,325	493,918	1,397,227	1,197,200
TOTAL SOURCE OF FUNDS	193,636,905	226,716,789	241,282,327	214,487,600
EXPENDITURES BY CLASS				
Personnel Costs	59,070,333	65,582,427	82,393,600	75,670,800
Operating Expenses	11,035,259	10,623,924	12,718,300	12,879,400
Grants Loans Benefits	25,809,107	31,606,873	39,039,600	38,039,600
Capital Outlay	773,200	2,223,243	447,200	
TOTAL EXPENDITURES	96,687,899	110,036,467	134,598,700	126,589,800
EXPENDITURES BY FUND SOURCE				
General Fund	7,276,612	7,331,462	7,830,800	5,312,900
Restricted Funds	88,528,963	102,173,688	125,370,700	120,080,700
Federal Fund	882,325	531,317	1,397,200	1,196,200
TOTAL EXPENDITURES	96,687,899	110,036,467	134,598,700	126,589,800
EXPENDITURES BY UNIT				
Secretary	5,843,174	6,122,629	7,257,800	6,956,100
Professional Licensing	3,549,627	3,326,048	4,722,700	5,123,100
Kentucky Claims Commission	2,148,497	1,793,605	2,515,200	2,073,800
Boxing and Wrestling Commission	141,565	154,600	179,600	183,000
Alcoholic Beverage Control	5,847,597	6,155,032	8,897,500	7,675,200
Charitable Gaming	3,163,552	3,127,914	4,333,900	3,795,200
Financial Institutions	10,513,390	12,074,187	13,966,100	13,114,000
Horse Racing Commission	30,640,962	37,961,362	45,585,400	44,246,900
Housing, Buildings and Construction	20,012,488	23,443,807	26,239,700	24,985,500
Insurance	14,827,048	15,877,284	20,900,800	18,437,000
TOTAL EXPENDITURES	96,687,899	110,036,467	134,598,700	126,589,800

The Public Protection Cabinet's mission is to provide for public safety, consumer protection and financial integrity through the enforcement and administration of laws and regulations throughout the Commonwealth. The Cabinet has six departments:

- Department of Alcoholic Beverage Control
- Department of Charitable Gaming
- Department of Financial Institutions
- Department of Housing, Buildings and Construction
- Department of Insurance
- Department of Professional Licensing.

The Cabinet also has commissions attached for administrative purposes only:

- Kentucky Horse Racing Commission
- Kentucky Boxing & Wrestling Commission
- Kentucky Claims Commission.

The Office of the Secretary also includes the Office of Administrative Services, the Office of Communications and Public Outreach, Office of Administrative Hearings, and the Office of Legal Services.

**Public Protection
Secretary**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	598,070			
Budget Reduction-General Fund	-62,300			
Reorganization Adjustment	271,230	644,600	652,700	
Total General Fund	807,000	644,600	652,700	
Restricted Funds				
Balance Forward	1,784,537	1,330,930	613,500	136,300
Current Receipts	18,375	96,763	24,200	18,700
Non-Revenue Receipts	4,566,132	4,663,800	6,103,700	7,814,000
Total Restricted Funds	6,369,044	6,091,493	6,741,400	7,969,000
TOTAL SOURCE OF FUNDS	7,176,044	6,736,093	7,394,100	7,969,000
EXPENDITURES BY CLASS				
Personnel Costs	5,469,603	5,746,196	6,893,600	6,585,500
Operating Expenses	373,571	376,432	364,200	370,600
TOTAL EXPENDITURES	5,843,174	6,122,629	7,257,800	6,956,100
EXPENDITURES BY FUND SOURCE				
General Fund	805,061	644,600	652,700	
Restricted Funds	5,038,113	5,478,029	6,605,100	6,956,100
TOTAL EXPENDITURES	5,843,174	6,122,629	7,257,800	6,956,100
EXPENDITURES BY UNIT				
Office of the Secretary - Comm - Legal	5,843,174	6,122,629	7,257,800	6,956,100
TOTAL EXPENDITURES	5,843,174	6,122,629	7,257,800	6,956,100

The Office of the Secretary (OOS) provides leadership, management, and direction to the Public Protection Cabinet's (PPC) agencies to ensure the delivery of services is conducted in a consistent, ethical, and coordinated manner. Executive Order 2009-535 established the PPC and OOS.

The Secretary is appointed by the Governor, is responsible for ensuring the enforcement of statutes and administrative regulations for programmatic areas within the cabinet, and establishes the focus for policy development as well as program priorities. The Secretary serves as the Chief Executive Officer of the cabinet and advises the Governor on policy matters relating to public protection issues.

The Office coordinates activities among the agencies organized under the Cabinet to provide the most efficient delivery of services to the citizens of the Commonwealth.

**Public Protection
Kentucky Claims Commission**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	1,239,200	1,371,000	1,390,000	1,005,400
Other	278,300			
Total General Fund	1,517,500	1,371,000	1,390,000	1,005,400
Restricted Funds				
Balance Forward	641,412	1,063,431	1,253,900	1,127,900
Current Receipts	814,989	871,828	842,000	821,100
Non-Revenue Receipts	-17			
Total Restricted Funds	1,456,384	1,935,258	2,095,900	1,949,000
Federal Fund				
Balance Forward			-22,773	
Current Receipts	321,200	105,719	180,000	157,200
Total Federal Fund	321,200	105,719	157,227	157,200
TOTAL SOURCE OF FUNDS	3,295,084	3,411,978	3,643,127	3,111,600
EXPENDITURES BY CLASS				
Personnel Costs	1,059,279	1,014,078	1,394,600	952,500
Operating Expenses	855,895	617,846	845,600	846,300
Grants Loans Benefits	233,323	161,681	275,000	275,000
TOTAL EXPENDITURES	2,148,497	1,793,605	2,515,200	2,073,800
EXPENDITURES BY FUND SOURCE				
General Fund	1,434,344	983,762	1,390,000	1,005,400
Restricted Funds	392,953	681,351	968,000	911,200
Federal Fund	321,200	128,492	157,200	157,200
TOTAL EXPENDITURES	2,148,497	1,793,605	2,515,200	2,073,800
EXPENDITURES BY UNIT				
Kentucky Claims Commission	776,784	442,033	827,400	680,800
Kentucky Claims Commission Reparations	1,371,713	1,351,572	1,687,800	1,393,000
TOTAL EXPENDITURES	2,148,497	1,793,605	2,515,200	2,073,800

The Kentucky Claims Commission was created by Executive Order 2016-576 and codified in KRS 49. The Claims-Administration Section, Tax Appeals and Crime Victims Compensation share the same Commission members appointed by the Governor.

The Claims Commission is the only forum through which a citizen may sue the state for alleged negligence. Payments to claimants of less than \$5,000 are from funds of the state agency determined to be at fault, awards over \$5,000 disbursed from appropriations from the General Fund (ANOC), and awards against the Transportation Cabinet distributed from the Road Fund. The maximum award on a single claim is \$250,000 and there is a cap of \$400,000 on multiple claims arising from the same incident.

The Claims Commission as a payer of last resort is able to reimburse innocent crime victims up to \$25,000 for their medical expenses, lost wages that are not paid by any other source, and include funeral expenses up to \$5,000. The amount of time that a claimant has to submit a claim is five years. The Commission receives an allocation of 3.4 percent of the state court cost fees and pursuant to KRS 186.574 receives 5.7% of the \$30 fee from county attorney's traffic safety programs.

Pursuant to KRS 216B.400 and KRS 49, the Claims Commission is responsible for paying health care providers and facilities for sexual assault examinations. The Commission receives federal funding from the Victims of Crime Act (VOCA) matching grant at 60% based on prior year claims from General and Restricted Funds.

The Claims Commission has exclusive jurisdiction to hear and resolve appeals arising from final rulings, orders, and determinations of any agency of state or county government relating to revenue and taxation.

**Public Protection
Professional Licensing**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward		6,121,732	7,650,500	7,381,800
Current Receipts	4,806,759	5,039,320	4,700,000	5,186,200
Non-Revenue Receipts	-244,667	-184,500	-246,000	-300,000
Total Restricted Funds	9,671,359	10,976,552	12,104,500	12,268,000
TOTAL SOURCE OF FUNDS	9,671,359	10,976,552	12,104,500	12,268,000
EXPENDITURES BY CLASS				
Personnel Costs	2,909,935	2,827,474	3,674,100	4,105,500
Operating Expenses	555,188	450,143	943,600	912,600
Grants Loans Benefits	84,504	48,431	105,000	105,000
TOTAL EXPENDITURES	3,549,627	3,326,048	4,722,700	5,123,100
EXPENDITURES BY FUND SOURCE				
Restricted Funds	3,549,627	3,326,048	4,722,700	5,123,100
TOTAL EXPENDITURES	3,549,627	3,326,048	4,722,700	5,123,100
EXPENDITURES BY UNIT				
Occupations, Professions, and Licensing	1,397,853	1,608,310	1,724,400	1,811,500
Kentucky Real Estate Authority	2,151,774	1,717,738	2,998,300	3,311,600
TOTAL EXPENDITURES	3,549,627	3,326,048	4,722,700	5,123,100

KRS 224.10-052 initially established the Office of Occupations and Professions (O & P) with the responsibility of providing general administrative services to state regulatory boards/entities at the option of the board/commission. In April 2017, Executive Order 2017-325 was codified in KRS 324B.020 to restructure the Office, thus creating the Department of Professional Licensing (DPL). Through utilization of DPL services, these boards license and/or track licensure status for approximately 46,000 individuals/businesses throughout the Commonwealth each year.

The boards/entities served by DPL include:

- Kentucky Board of Certification of Alcohol and Drug Counselors
- Kentucky Board of Licensure and Certification for Dietitians and Nutritionists
- Kentucky Board of Certification of Fee-Based Pastoral Counselors
- Kentucky Board of Ophthalmic Dispensers
- Kentucky Board of Licensure for Nursing Home Administrators
- Kentucky Directory of Registered Athlete Agents
- Kentucky Board of Licensure for Massage Therapy
- Kentucky Board of Podiatry
- Kentucky Board of Licensure for Professional Art Therapists
- Kentucky Board of Chiropractic Examiners
- Kentucky Board of Examiners of Psychology
- Kentucky Board of Licensure for Occupational Therapy
- Kentucky Board of Registration for Professional Geologists
- Kentucky Board of Interpreters for the Deaf and Hard of Hearing
- Kentucky Board of Licensed Professional Counselors
- Kentucky Board of Licensure of Marriage and Family Therapists
- Kentucky Licensing Board for Specialists in Hearing Instruments
- Kentucky Board of Speech-Language Pathology & Audiology
- Kentucky Board of Licensure for Private Investigators
- Kentucky Applied Behavior Analysis Licensing Board
- Kentucky Board of Prosthetics, Orthotics, and Pedorthics
- Kentucky Board of Licensed Diabetes Educators
- Kentucky Registry of Secondary Metals Recyclers
- Kentucky Board of Durable Medical Equipment Suppliers

Executive Order 2016-859 was codified in KRS 324B.020 to establish the Kentucky Real Estate Authority within the Department in order to provide oversight of the four professional licensing boards that serve functions in the real estate industry. The four boards were abolished and the Board of Real Estate Professionals, Kentucky Board of Real Estate Appraisers, Board of Home Inspectors and Kentucky Board of Auctioneers were recreated under the Authority. Each board under the Authority has five voting members and an Executive Director. The Real Estate Authority utilizes the administrative support services provided by the Department of Professional Licensing.

**Public Protection
Boxing and Wrestling Commission**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	258,490	290,945	312,000	305,500
Current Receipts	174,019	175,652	173,100	173,100
Total Restricted Funds	432,509	466,597	485,100	478,600
TOTAL SOURCE OF FUNDS	432,509	466,597	485,100	478,600
EXPENDITURES BY CLASS				
Personnel Costs	121,733	136,543	160,900	158,400
Operating Expenses	19,832	18,057	18,700	24,600
TOTAL EXPENDITURES	141,565	154,600	179,600	183,000
EXPENDITURES BY FUND SOURCE				
Restricted Funds	141,565	154,600	179,600	183,000
TOTAL EXPENDITURES	141,565	154,600	179,600	183,000
EXPENDITURES BY UNIT				
Boxing and Wrestling Commission	141,565	154,600	179,600	183,000
TOTAL EXPENDITURES	141,565	154,600	179,600	183,000

The Boxing and Wrestling Commission, pursuant to KRS Chapter 229, is the sole authority over professional boxing, wrestling, and amateur and professional mixed martial arts (MMA) shows or exhibitions in Kentucky. The five Commission board members are appointed by the Governor and recommend statutory and regulatory changes, review applications for licensure and review recommendations from the Kentucky Boxing and Wrestling Commission Medical Advisory Panel. The Commission is responsible for enforcement of KRS Chapter 229 and 201 KAR Chapter 27 including investigation of complaints and issuance of violations, processing licenses for all parties involved including: professional and amateur MMA contestants, professional boxers, professional wrestlers, managers, trainers, referees, judges, timekeepers, physicians, promoters, and event staff. Requested show dates and participants are subject to the Commission review and approval. All wrestling events undergo inspection on a random basis and a Commission Inspector supervises all boxing and MMA events.

**Public Protection
Alcoholic Beverage Control**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	591,700			
Budget Reduction-General Fund	-67,900			
Other	-278,300			
Total General Fund	245,500			
Restricted Funds				
Balance Forward	2,939,516	4,556,201	6,591,900	6,050,700
Current Receipts	7,877,301	8,478,422	8,316,300	8,687,800
Non-Revenue Receipts	-358,519	-529,297	-600,000	-1,025,000
Fund Transfers	-300,000			-2,400,000
Total Restricted Funds	10,158,299	12,505,326	14,308,200	11,313,500
Federal Fund				
Balance Forward			-14,700	
Current Receipts		226,963	654,700	440,000
Total Federal Fund		226,963	640,000	440,000
TOTAL SOURCE OF FUNDS	10,403,799	12,732,289	14,948,200	11,753,500
EXPENDITURES BY CLASS				
Personnel Costs	4,588,745	5,051,991	7,979,500	6,757,200
Operating Expenses	1,005,323	866,419	818,000	918,000
Capital Outlay	253,530	236,623	100,000	
TOTAL EXPENDITURES	5,847,597	6,155,032	8,897,500	7,675,200
EXPENDITURES BY FUND SOURCE				
General Fund	245,500			
Restricted Funds	5,602,097	5,913,443	8,257,500	7,236,200
Federal Fund		241,589	640,000	439,000
TOTAL EXPENDITURES	5,847,597	6,155,032	8,897,500	7,675,200
EXPENDITURES BY UNIT				
Administration, Enforcement and License	5,531,533	5,890,142	8,179,700	6,958,400
Tobacco Enforcement	316,065	264,890	717,800	716,800
TOTAL EXPENDITURES	5,847,597	6,155,032	8,897,500	7,675,200

The Department of Alcoholic Beverage Control (ABC) administers and enforces the laws and regulations relating to the manufacturing, sales, transportation, storage, advertising and trafficking of alcoholic beverages, except for the collection of taxes, as set out in the Kentucky Revised Statutes (KRS) Chapters 241 to 244 and title 804 of the Kentucky Administrative Regulations (KAR). The Commissioner is the Department's chief executive officer and serves as Chairman of the separate three-member, quasi-judicial administrative body, Alcoholic Beverage Control Board (Board). The Distilled Spirits and the Malt Beverage Administrators review applications, sign licenses for issuance, and serve as the two other members of the Board. The Department's primary responsibility is to regulate the alcoholic beverage industry by licensing the production and sale of alcoholic beverages in the state of Kentucky, while enforcing the alcoholic beverage control laws.

The Department also implements laws, pursuant to KRS 438.300 – 438.350, relating to the use, display, sell or distribution of tobacco products with an emphasis on persons under the age of eighteen.

**Public Protection
Charitable Gaming**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	2,955,827	4,284,926	5,967,700	5,966,200
Current Receipts	4,468,834	4,787,742	4,306,200	4,306,200
Non-Revenue Receipts	23,817	22,920	26,200	68,300
Total Restricted Funds	7,448,478	9,095,588	10,300,100	10,340,700
TOTAL SOURCE OF FUNDS	7,448,478	9,095,588	10,300,100	10,340,700
EXPENDITURES BY CLASS				
Personnel Costs	2,692,275	2,822,578	3,713,100	3,321,400
Operating Expenses	356,546	305,336	440,800	473,800
Grants Loans Benefits	2,500			
Capital Outlay	112,230		180,000	
TOTAL EXPENDITURES	3,163,552	3,127,914	4,333,900	3,795,200
EXPENDITURES BY FUND SOURCE				
Restricted Funds	3,163,552	3,127,914	4,333,900	3,795,200
TOTAL EXPENDITURES	3,163,552	3,127,914	4,333,900	3,795,200
EXPENDITURES BY UNIT				
Charitable Gaming	3,163,552	3,127,914	4,333,900	3,795,200
TOTAL EXPENDITURES	3,163,552	3,127,914	4,333,900	3,795,200

The Department of Charitable Gaming (DCG) is responsible for the regulation and licensing of charitable gaming and associated activities within the Commonwealth as well as the enforcement of KRS 238 and Title 820 KAR, Chapter 1. The DCG continues to emphasize the importance of charitable gaming to the citizens and communities across the Commonwealth of Kentucky and ensures the integrity and accountability of an all cash industry through its regulatory activities. The mission of the Department is to establish an effective and efficient mechanism for the regulation of charitable gaming in order to ensure that proceeds from lawful gaming activities are used to further a charitable purpose and to provide services in order to maximize the revenues generated by charitable gaming.

**Public Protection
Financial Institutions**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	6,835,600	7,098,146	8,065,800	6,103,700
Current Receipts	17,535,434	17,369,772	16,774,500	16,536,600
Non-Revenue Receipts	-1,259,499	-1,327,900	-1,770,500	-2,500,000
Fund Transfers	-5,500,000	-3,000,000	-3,000,000	-4,000,000
Total Restricted Funds	17,611,536	20,140,018	20,069,800	16,140,300
TOTAL SOURCE OF FUNDS	17,611,536	20,140,018	20,069,800	16,140,300
EXPENDITURES BY CLASS				
Personnel Costs	8,890,890	10,445,734	12,031,000	11,178,900
Operating Expenses	1,619,133	1,628,453	1,935,100	1,935,100
Grants Loans Benefits	3,367			
TOTAL EXPENDITURES	10,513,390	12,074,187	13,966,100	13,114,000
EXPENDITURES BY FUND SOURCE				
Restricted Funds	10,513,390	12,074,187	13,966,100	13,114,000
TOTAL EXPENDITURES	10,513,390	12,074,187	13,966,100	13,114,000
EXPENDITURES BY UNIT				
Administrative Services	1,452,001	1,715,562	1,947,000	1,723,900
Securities	1,681,328	1,857,958	2,262,800	2,108,400
Depository Institutions	4,478,779	5,130,907	6,103,400	5,822,800
Non-Depository Institutions	2,901,281	3,369,760	3,652,900	3,458,900
TOTAL EXPENDITURES	10,513,390	12,074,187	13,966,100	13,114,000

The Department of Financial Institutions, pursuant to KRS Chapters 286 and 292, licenses and regulates banks, bank holding companies, trust companies, credit unions, savings and loan associations, consumer loan companies, industrial loan companies, mortgage loan companies, mortgage loan brokers, check cashing licensees, sale of check licensees, securities issuers, broker-dealers, agents, and investment advisors. A Commissioner appointed by the Governor heads the Department.

The Commissioner's Office is responsible for the overall management of the agency. The Public Information Officer is part of the Commissioner's office and is responsible for all communications with the media and handling the department's public relations efforts through coordination of educational seminars, brochures, and newsletters.

The Division of Securities carries out the registration of securities issuances in the state. The Division registers broker-dealers, their agents, investment advisers, and investment adviser representatives, and conducts on-site examinations of these regulated entities. The Division investigates allegations of securities fraud or other illegal conduct entities involved in the securities industry that is operating within Kentucky.

The Division of Depository Institutions licenses/charters, examines and regulates depository financial institutions within the Bank Branch and Credit Union Branch. The Bank Branch is responsible for the examination and supervision of commercial banks, bank holding companies, and independent trust companies. The Credit Union Branch is responsible for examination and supervision of all state chartered credit unions.

The Division of Non-Depository Institutions includes both the Compliance Branch and Consumer Protection Branch. The Compliance branch is responsible for the examination and supervision of consumer loan companies, industrial loan companies, mortgage loan companies, mortgage loan brokers, check cashing licensees, and money transmitters. The Consumer Protection Branch is responsible for the investigation of complaints and provides outreach and education to protect consumers from financial frauds.

**Public Protection
Horse Racing Commission**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	2,647,200	3,092,300	3,147,700	1,677,700
Budget Reduction-General Fund	-267,400			
Total General Fund	2,379,800	3,092,300	3,147,700	1,677,700
Restricted Funds				
Balance Forward	33,248,244	39,362,727	44,494,200	43,920,200
Current Receipts	5,045,155	5,873,578	5,664,400	5,679,400
Non-Revenue Receipts	29,330,490	34,126,978	36,199,300	36,115,000
Total Restricted Funds	67,623,889	79,363,283	86,357,900	85,714,600
TOTAL SOURCE OF FUNDS	70,003,689	82,455,583	89,505,600	87,392,300
EXPENDITURES BY CLASS				
Personnel Costs	4,221,258	5,004,502	5,600,500	5,258,600
Operating Expenses	914,835	1,495,871	1,238,100	1,328,700
Grants Loans Benefits	25,485,413	31,396,945	38,659,600	37,659,600
Capital Outlay	19,455	64,045	87,200	
TOTAL EXPENDITURES	30,640,962	37,961,362	45,585,400	44,246,900
EXPENDITURES BY FUND SOURCE				
General Fund	2,379,800	3,092,300	3,147,700	1,677,700
Restricted Funds	28,261,162	34,869,062	42,437,700	42,569,200
TOTAL EXPENDITURES	30,640,962	37,961,362	45,585,400	44,246,900
EXPENDITURES BY UNIT				
Administration and Regulation of Racing	4,341,594	5,373,035	5,457,700	5,235,400
Equine Drug Research Fund	394,911	463,116	500,000	500,000
Thoroughbred Development Fund	9,501,900	11,891,668	17,727,500	16,727,500
Standardbred Development Fund	924,999	1,677,913	2,525,000	2,525,000
Standardbred Horsemen Fees	394,800	455,250	695,000	695,000
Ky Quarter Horse, Appaloosa & Arabian Development Fund			15,000	15,000
County Fair Purse Fund	57,045	36,969	50,000	50,000
Backside Improvement Commission	300,400	1,155,763	600,400	600,400
Ky Thoroughbred Breeder Incentive Fund	12,285,520	14,099,617	14,849,800	14,733,600
Ky Standardbred Breeder Incentive Fund	1,289,999	1,692,704	2,115,000	2,115,000
Ky Horse Breeders Incentive Fund	1,149,793	1,115,328	1,050,000	1,050,000
TOTAL EXPENDITURES	30,640,962	37,961,362	45,585,400	44,246,900

The Kentucky Horse Racing Commission is an independent regulatory agency attached to the Public Protection Cabinet for administrative purposes. The Commission regulates all horses racing and pari-mutuel wagering thereon in the Commonwealth consistent with KRS Chapter 230 and Titles 810 and 811 of the Kentucky Administrative Code. The Commission is responsible for developing programs and procedures for race day medications, recommending tax incentives, and promoting the horse industry.

The Executive Director's Office is responsible for overseeing the day-to-day operations and carrying out policy and program directives of the Commission. The Division of Veterinary Services oversees the state veterinarians and support staff. The Division of Racing & Security supervises drug testing and interdiction at racetracks. The Division of Licensing is responsible for licensing all individuals who participate in horse racing. The Division of Incentives and Development including the Kentucky Thoroughbred, Standardbred, and Horse Breeders' Incentive Funds provide rewards to breeders of horses bred and foaled in Kentucky. Incentive funds are derived from sales taxes paid on stud fees.

The Equine Drug Research Council, KRS 230.265, advises the Commission on research and on the regulation of therapeutic medications and prohibited substances. One tenth of one percent of the thoroughbred pari mutuel handle supports the Council and supports drug research and testing, equine medical research, equine health research or any regulatory or administrative activity of the Commission related to such research.

The Thoroughbred Development Fund, KRS 230.400, created in 1978 to encourage breeders from other states to send their breeding stock to Kentucky to improve the caliber of breeding and racing stock in the Commonwealth. The program receives three fourth of one percent of the total pari mutuel handle and the funds disbursed as purse supplements to the owner of the horse.

The Standardbred Development Fund, KRS 230.770, supports efforts to encourage breeders from other states to send their breeding stock to Kentucky, to increase the number of owners in Kentucky, and to increase the number of horses bred in Kentucky. It receives one percent of the pari mutuel handle and allocates funds as purses for the Kentucky Sire Stakes.

The Kentucky Quarter Horse, Appaloosa and Arabian Development Fund was established during the 2010 General Assembly to promote races and provide purses for races for horses bred and foaled in the Commonwealth. The Kentucky Horse Racing Commission is responsible for distributing the funds to persons, corporations or associations operating licensed tracks within Kentucky conducting Quarter Horse, Appaloosa or Arabian horse racing.

The County Fair Purse Fund, KRS 230.398, receives funding from pari mutuel Standardbred racing tickets not redeemed and four percent of the commissions on wagers at simulcast facilities and redistributes the funds in the form of purse supplements for Standardbred racing events to county fairs.

The Backside Improvement Fund, KRS 230.218, is responsible for promoting, enhancing, and improving the backsides of eligible thoroughbred racing associations with an average pari-mutuel handle of \$1,200,000 or less per racing day. Associations conducting thoroughbred racing, with an average pari-mutuel handle of \$1,200,000 or less per live racing day, are required to pay one half of one percent of on-track wagers to the Backside Improvement Fund.

The Thoroughbred Owners and Breeders Fund, KRS 230.380, receives six percent of the commissions on wagers at simulcast facilities to fund capital improvements and promote off-track betting. It also supports marketing and promotion of the Kentucky thoroughbred industry.

Public Protection
Housing, Buildings and Construction

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	2,414,500	2,610,800	2,640,400	2,629,800
Total General Fund	2,414,500	2,610,800	2,640,400	2,629,800
Restricted Funds				
Balance Forward	13,462,253	15,268,526	14,047,600	9,937,400
Current Receipts	19,512,754	19,761,849	19,647,500	19,940,900
Non-Revenue Receipts	-105,900	-149,900	-158,400	-159,300
Fund Transfers				-600,000
Total Restricted Funds	32,869,107	34,880,475	33,536,700	29,119,000
TOTAL SOURCE OF FUNDS	35,283,607	37,491,275	36,177,100	31,748,800
EXPENDITURES BY CLASS				
Personnel Costs	16,094,393	18,595,228	22,096,700	20,837,500
Operating Expenses	3,530,110	3,115,254	4,143,000	4,148,000
Capital Outlay	387,985	1,733,325		
TOTAL EXPENDITURES	20,012,488	23,443,807	26,239,700	24,985,500
EXPENDITURES BY FUND SOURCE				
General Fund	2,411,907	2,610,800	2,640,400	2,629,800
Restricted Funds	17,600,581	20,833,007	23,599,300	22,355,700
TOTAL EXPENDITURES	20,012,488	23,443,807	26,239,700	24,985,500
EXPENDITURES BY UNIT				
General Administration and Management	1,350,141	3,458,364	3,474,600	2,923,900
Fire Prevention	1,132,097	1,411,662	1,280,900	894,000
Boiler Inspections	758,641	1,048,836	1,150,200	1,091,600
Hazardous Materials Inspections	796,269	669,999	762,600	786,300
Manufactured Housing Inspections	555,902	642,664	819,700	839,900
General Inspections	1,738,607	1,689,300	1,752,400	1,752,100
Sprinkler/Alarm Inspections	94,774	21,011	23,500	23,500
Elevator Inspections	984,076	1,248,916	1,515,000	1,505,300
Plumbing	5,443,354	6,488,555	7,223,300	7,274,000
Safe Cigarette Program	6,000	6,000	6,000	6,000
HVAC	2,386,841	2,550,514	3,172,100	3,240,100
Building Codes Enforcement	3,162,076	3,023,826	3,727,200	3,431,000
Electrical	1,603,711	1,184,160	1,332,200	1,217,800
TOTAL EXPENDITURES	20,012,488	23,443,807	26,239,700	24,985,500

The mission of the Department of Housing, Buildings and Construction is to protect the life and property of the citizens of the Commonwealth through educational, licensing, plan review, permitting, inspection, and compliance programs in the administration of codes and standards relating to the construction and maintenance of buildings and structures consistent with KRS 198B, 318, 227A, and KAR title 815. The Department accomplishes this by providing oversight of building construction through enforcement of building and fire codes to include: Plumbing, Boiler, HVAC, Electrical, Elevator, Manufactured Housing, and Hazardous Materials installations. The Department also ensures fire and life safety in existing buildings; licenses/certifies plumbers, boiler contractors, HVAC installers, electricians, elevator mechanics and contractors, manufactured housing installers, underground storage tank installers, sprinkler/fire alarm inspectors, and building inspectors; and serves as headquarters for the State Fire Marshal.

The Division of Fire Prevention enforces the Kentucky Standards of Safety (815 KAR 10:060) in addition to state and federal laws and regulations by performing property inspections, reviewing plans and issuing permits for the underground storage tanks, and educating the public about fire safety.

The Division of Plumbing, a fee-supported program, enforces the Kentucky State Plumbing code (KRS 318.130; 815 KAR Chapter 20). Duties of the Division include: installation inspections of all plumbing systems throughout the state; approval of plumbing plans for all public buildings; testing of applicants for licensure; issuing renewal licenses to master and journeyman plumbers, and assisting the State Plumbing Code Committee in its review of plumbing code administrative regulations.

The Division of Heating, Ventilation, and Air Conditioning (HVAC) is responsible for annual licensing and oversight of the heating, ventilation, and air conditioning contractors, journeymen, and apprentices

The Division of Building Codes Enforcement (BCE) provides overall coordination and enforcement of the Kentucky Building Code (815 KAR 7:120) and the Kentucky Residential Code (815 KAR 7:125). Among the duties of this division are inspection, plan review, licensing, investigation, and technical consulting services to the construction industry supported primarily from plan review fees.

The Division of Electrical is composed of the Electrical Licensing and Electrical Inspection Sections. The Electrical Division enforces the mandates contained within KRS Chapter 227A and KRS 224.450-530 to protect the public through regulation, licensure and inspection of the electrical industry.

**Public Protection
Insurance**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	14,691,679	17,483,753	27,333,600	25,753,900
Current Receipts	43,909,438	45,530,977	40,536,000	42,020,900
Non-Revenue Receipts	-1,801,441	34,852	-1,814,900	-4,090,000
Fund Transfers	-25,050,000	-20,000,000	-20,000,000	-31,000,000
Total Restricted Funds	31,749,676	43,049,582	46,054,700	32,684,800
Federal Fund				
Balance Forward	3,487			
Current Receipts	557,637	161,236	600,000	600,000
Total Federal Fund	561,125	161,236	600,000	600,000
TOTAL SOURCE OF FUNDS	32,310,801	43,210,818	46,654,700	33,284,800
EXPENDITURES BY CLASS				
Personnel Costs	13,022,222	13,938,103	18,849,600	16,515,300
Operating Expenses	1,804,826	1,750,115	1,971,200	1,921,700
Grants Loans Benefits		-184		
Capital Outlay		189,250	80,000	
TOTAL EXPENDITURES	14,827,048	15,877,284	20,900,800	18,437,000
EXPENDITURES BY FUND SOURCE				
Restricted Funds	14,265,923	15,716,049	20,300,800	17,837,000
Federal Fund	561,125	161,236	600,000	600,000
TOTAL EXPENDITURES	14,827,048	15,877,284	20,900,800	18,437,000
EXPENDITURES BY UNIT				
Executive Director and Administration	1,441,013	1,443,649	1,744,500	1,591,200
Administrative Services	1,654,777	1,943,920	2,466,800	2,051,200
Financial Standards and Examination	2,394,475	2,381,022	3,842,300	3,594,900
Agent Licensing	1,470,241	1,676,629	2,070,800	1,747,000
Consumer Protection	2,505,910	2,860,365	3,580,100	3,143,200
Insurance Fraud Investigation	1,475,971	1,803,488	1,887,500	1,808,100
Mine Subsidence Program	37,386	47,450	208,700	200,000
Insurance Product Regulation	3,847,274	3,720,761	5,100,100	4,301,400
TOTAL EXPENDITURES	14,827,048	15,877,284	20,900,800	18,437,000

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

The Commissioner is responsible for the overall policy, planning, direction, and management of all divisions within the Department. It is the responsibility of the Commissioner to oversee the manner in which the business of insurance is conducted in Kentucky. The Commissioner is charged with protecting the public interest, promoting viable markets, and assuring fair treatment of insurance consumers. An ombudsman provides additional assistance to consumers.

The Division of Insurance Product Regulation was created by combining the previous Health and Life Division and Property and Casualty Divisions. The Health and Life Branch regulates insurance companies selling health, life and disability products. The Health and Life Branch approves policies, certificates, provider networks, quality improvement programs, and rate filings. The branch reviews promotional literature and activities for the protection of the public while assisting with inquiries about Medicare and long-term care insurance. The Property and Casualty Branch regulates coverage and marketing practices of property and casualty insurers. Through its annual review of property and casualty insurance rate and form filings, the Property and Casualty Branch ensures that companies comply with the standards set forth in the Kentucky Insurance Code and regulation of surplus lines insurance. The branch is responsible for reporting medical malpractice claims, recording of no-fault rejections (tort liability), and verifying such rejection.

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

The Insurance Fraud Investigation Division is the Department's law enforcement unit empowered to conduct criminal investigations of suspected fraudulent insurance acts.

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

The Consumer Protection Division is the main link between the Department and the citizens of the Commonwealth. The Division also administers the emergency response program, which provides on-site assistance to citizens or communities affected by insured disasters within the Commonwealth. The Market Conduct Unit of Consumer Protection analyzes and examines the business practices of insurers.

The Division of Administrative Services provides administrative and technological support to the Department through accounting, budgeting, purchasing, human resource, telecommunications, property management and mail center operations.

Tourism, Arts and Heritage

Tourism, Arts and Heritage

Tourism, Arts and Heritage

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	59,236,000	68,068,600	68,477,100	69,696,200
Current Year Appropriation	8,831,600		2,700,000	
Budget Reduction-General Fund	-936,900			
Total General Fund	67,130,700	68,068,600	71,177,100	69,696,200
Restricted Funds				
Balance Forward	109,675,986	132,598,528	190,652,000	226,734,500
Current Receipts	182,025,144	200,524,813	201,066,400	204,068,300
Non-Revenue Receipts	880,154	24,676,611	4,318,000	7,521,700
Fund Transfers				-1,000,000
Total Restricted Funds	292,581,284	357,799,952	396,036,400	437,324,500
Federal Fund				
Balance Forward	11,725,266	11,682,710	6,400,300	11,230,500
Current Receipts	18,010,336	24,765,619	25,530,500	25,233,100
Non-Revenue Receipts	-1,292,034	-12,857,812	133,900	-210,000
Total Federal Fund	28,443,567	23,590,517	32,064,700	36,253,600
Road Fund				
Regular Appropriation	445,200	544,000	553,000	573,800
Total Road Fund	445,200	544,000	553,000	573,800
TOTAL SOURCE OF FUNDS	388,600,751	450,003,069	499,831,200	543,848,100
EXPENDITURES BY CLASS				
Personnel Costs	145,269,351	156,223,033	163,863,700	164,753,200
Operating Expenses	84,025,628	80,150,606	82,843,000	87,285,700
Grants Loans Benefits	7,582,896	6,714,093	8,100,500	7,860,500
Debt Service	3,652,542	2,986,674	2,395,600	3,096,100
Capital Outlay	3,737,629	6,759,883	4,663,400	9,914,500
Construction	31,602	90,740		
TOTAL EXPENDITURES	244,299,648	252,925,028	261,866,200	272,910,000
EXPENDITURES BY FUND SOURCE				
General Fund	67,110,836	68,042,923	71,177,100	69,696,200
Restricted Funds	159,982,756	167,147,827	169,301,900	181,510,400
Federal Fund	16,760,857	17,190,278	20,834,200	21,129,600
Road Fund	445,200	544,000	553,000	573,800
TOTAL EXPENDITURES	244,299,648	252,925,028	261,866,200	272,910,000
EXPENDITURES BY UNIT				
Secretary	15,964,354	16,240,325	17,916,800	18,539,500
Artisans Center	2,409,607	2,617,627	2,641,200	2,665,400
Kentucky Department of Tourism	2,821,085	3,062,483	3,187,000	3,205,000
Parks	100,353,731	99,339,555	100,315,400	99,833,800
Horse Park Commission	13,082,573	12,886,761	12,792,500	13,019,000
State Fair Board	45,534,998	49,788,185	51,321,000	54,060,200
Fish and Wildlife Resources	51,789,874	57,446,460	61,630,300	68,521,300
Historical Society	6,513,006	6,745,045	7,016,700	7,521,000
Arts Council	3,374,661	2,492,585	2,589,000	2,599,000
Heritage Council	1,574,270	1,747,703	1,898,000	2,387,500
Kentucky Center for the Arts	881,490	558,300	558,300	558,300
TOTAL EXPENDITURES	244,299,648	252,925,028	261,866,200	272,910,000

The Tourism, Arts and Heritage Cabinet's mission (KRS 148.522) is to capitalize on the natural assets of the Commonwealth and draw from resources in business development, tourism, outdoor attractions, arts, and cultural heritage. Through unified efforts of its agencies, the Cabinet will continually strive to improve the quality of life of the people of Kentucky by creating new wealth and generating jobs.

The Tourism, Arts and Heritage Cabinet is comprised of the following agencies:

- Kentucky State Fair Board
- Kentucky Heritage Council
- Kentucky Arts Council
- Kentucky Historical Society
- Kentucky Center for the Arts
- Governor's School for the Arts
- Department of Fish and Wildlife Resources
- Kentucky Horse Park
- Kentucky Department of Parks
- Kentucky Artisan Center at Berea
- Department of Tourism
- Office of the Secretary
- The Kentucky Humanities Council

Tourism, Arts and Heritage

Secretary

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	2,561,000	3,158,700	3,213,700	3,276,300
Budget Reduction-General Fund	-341,000			
Reorganization Adjustment	162,000			
Other		-313,000		
Total General Fund	2,382,000	2,845,700	3,213,700	3,276,300
Restricted Funds				
Balance Forward	3,690,103	3,663,419	5,410,400	5,764,900
Current Receipts	322,113	168,062	157,600	157,600
Non-Revenue Receipts	13,233,557	14,975,399	14,900,000	15,000,000
Fund Transfers				-1,000,000
Total Restricted Funds	17,245,773	18,806,881	20,468,000	19,922,500
TOTAL SOURCE OF FUNDS	19,627,773	21,652,581	23,681,700	23,198,800
EXPENDITURES BY CLASS				
Personnel Costs	3,931,912	2,868,403	3,547,200	3,587,500
Operating Expenses	9,094,072	10,705,643	11,659,200	12,241,600
Grants Loans Benefits	2,938,370	2,666,279	2,710,400	2,710,400
TOTAL EXPENDITURES	15,964,354	16,240,325	17,916,800	18,539,500
EXPENDITURES BY FUND SOURCE				
General Fund	2,382,000	2,843,874	3,213,700	3,276,300
Restricted Funds	13,582,354	13,396,450	14,703,100	15,263,200
TOTAL EXPENDITURES	15,964,354	16,240,325	17,916,800	18,539,500
EXPENDITURES BY UNIT				
Executive Policy and Management	2,811,055	2,843,874	3,244,800	3,296,300
Tourism Meeting & Convention Marketing	13,153,299	13,396,450	14,672,000	15,243,200
TOTAL EXPENDITURES	15,964,354	16,240,325	17,916,800	18,539,500

The Office of the Secretary's appropriation unit comprises of:

Executive Policy and Management - The Executive Policy and Management unit directs planning and management of the agencies within the Cabinet. This program develops plans to assure orderly growth and improved management, recommends executive actions and legislative measures, and evaluates agency budget requests.

Tourism, Meeting, and Convention Marketing Fund – This fund is established by KRS 142.406 with revenues from a one percent transient room tax dedicated for the sole purpose of marketing and promoting tourism in the Commonwealth, including expenditures to market and promote events and venues related to meetings, conventions, trade shows, cultural activities, historical sites, recreation, entertainment, natural phenomena, areas of scenic beauty, craft marketing, and any other economic activity that brings tourists and visitors to the Commonwealth.

Tourism, Arts and Heritage

Artisans Center

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	404,400	477,900	486,900	290,300
Budget Reduction-General Fund	-11,700			
Total General Fund	392,700	477,900	486,900	290,300
Restricted Funds				
Balance Forward	312,771	363,975	356,400	340,500
Current Receipts	1,622,911	1,588,184	1,585,400	1,585,400
Total Restricted Funds	1,935,682	1,952,159	1,941,800	1,925,900
Road Fund				
Regular Appropriation	445,200	544,000	553,000	573,800
Total Road Fund	445,200	544,000	553,000	573,800
TOTAL SOURCE OF FUNDS	2,773,582	2,974,059	2,981,700	2,790,000
EXPENDITURES BY CLASS				
Personnel Costs	1,257,712	1,325,832	1,297,100	1,308,400
Operating Expenses	1,151,895	1,271,841	1,344,100	1,357,000
Capital Outlay		16,056		
Construction		3,898		
TOTAL EXPENDITURES	2,409,607	2,617,627	2,641,200	2,665,400
EXPENDITURES BY FUND SOURCE				
General Fund	392,700	477,900	486,900	290,300
Restricted Funds	1,571,707	1,595,727	1,601,300	1,801,300
Road Fund	445,200	544,000	553,000	573,800
TOTAL EXPENDITURES	2,409,607	2,617,627	2,641,200	2,665,400
EXPENDITURES BY UNIT				
Berea Artisans Center	2,409,607	2,617,627	2,641,200	2,665,400
TOTAL EXPENDITURES	2,409,607	2,617,627	2,641,200	2,665,400

The Kentucky Artisan Center at Berea is established to promote Kentucky arts and craft products and serve as a unique gateway for travelers, offering quality Kentucky arts, crafts, music, and other artisan products, along with authentic heritage experiences. The Artisan Center purchases for resale over 4,000 different artisan products from over 800 vendors in 100 counties statewide. Hospitality, café food service, KY travel information assistance, and rest stop services are also provided by the Center for over 250,000 visitors annually. The Center currently serves as the only mid-state rest area on I-75.

The Appalachian/Kentucky Artisans Gateway Center Authority (KRS 148.560-569) has an appointed, thirteen member board to direct operations of the Center and is attached to the Tourism Arts and Heritage Cabinet for administrative purposes.

Tourism, Arts and Heritage
Kentucky Department of Tourism

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	3,036,600	3,118,000	3,157,900	3,145,000
Budget Reduction-General Fund	-36,200			
Reorganization Adjustment	-162,000			
Other		-50,000		
Total General Fund	2,838,400	3,068,000	3,157,900	3,145,000
Restricted Funds				
Balance Forward	49,280	62,714	60,500	46,700
Current Receipts	13,874	15,256	15,300	18,000
Total Restricted Funds	63,154	77,969	75,800	64,700
TOTAL SOURCE OF FUNDS	2,901,554	3,145,969	3,233,700	3,209,700
EXPENDITURES BY CLASS				
Personnel Costs	2,407,120	2,577,418	2,588,700	2,579,000
Operating Expenses	413,966	485,065	598,300	626,000
TOTAL EXPENDITURES	2,821,085	3,062,483	3,187,000	3,205,000
EXPENDITURES BY FUND SOURCE				
General Fund	2,820,645	3,045,042	3,157,900	3,145,000
Restricted Funds	440	17,441	29,100	60,000
TOTAL EXPENDITURES	2,821,085	3,062,483	3,187,000	3,205,000
EXPENDITURES BY UNIT				
Executive Policy and Management	1,078,820	1,106,584	1,128,100	1,098,200
Tourism Services	553,281	586,500	509,200	529,500
Marketing and Advertising	1,076,739	1,193,399	1,331,900	1,349,800
Communications and Promotions	112,246	176,000	217,800	227,500
TOTAL EXPENDITURES	2,821,085	3,062,483	3,187,000	3,205,000

The Department of Tourism was created to promote, develop, and provide support services for the tourism industry within the Commonwealth.

Executive Policy and Management - The Executive Policy and Management program establishes the policies and goals; coordinates the overall planning, management, and direction for the agency; and provides for the efficient administration of the Department and its programs.

Tourism Services - The Division of Tourism Services provides technical and design support to the overall marketing and promotions activities of the department. These activities provide graphic design support for development of both print and website promotions as well as technical support for website maintenance. Additionally, the division disseminates tourism information to tourists and potential visitors via a telephone system and fulfills visitor information through direct mail. Tourism Services provides assistance to travel planners calling the toll-free phone line requesting information as well as fulfilling requests for the Official Visitors Guide.

Marketing and Administration - The Division of Marketing and Administration is responsible for motivating travel to and within Kentucky. The Division maintains a database of all of the tourism related attractions, destinations and events throughout the state. These tourism assets are promoted through advertising via broadcast, print, and online media. Additionally, the Division participates in trade shows, events and conferences to showcase the state. The Division also collaborates with industry partners within the state and throughout the region to leverage marketing efforts.

The Tourism Marketing Incentive Program is a collaborative effort to utilize the one percent transient room tax funds, dedicated for the sole purpose of marketing and promoting tourism in the Commonwealth, efficiently and effectively.

The Division of Marketing and Administration staffs eight Welcome Centers throughout the state. The travel hosts at the Centers, located in Florence, Franklin, Grayson, Hopkinsville, Paducah, Simpsonville, Shepherdsville and Williamsburg offer helpful travel information and a positive image of Kentucky to tourists seeking assistance when they visit the state.

Communications and Promotions - The Division of Communications and Promotions works to complement the activities of the Department's advertising programs by engaging media and employing other strategies that publicize Kentucky's attractions and events as tourism destinations. These efforts primarily focus on generating earned broadcast and print media to support the marketing efforts of the department. This Division serves as the liaison with media sources, maintaining constant contact through e-newsletters, and a web-based media resource site. Assistance is provided to individual media representatives and travel writers in a variety of ways including, but not limited to, creating story ideas, making travel arrangements, providing photographs, video and fact verification. Regular press releases are prepared for the Department of Travel and Tourism and the Department of Parks to keep the public abreast of attractions and events in Kentucky. The goal of the division is to provide comprehensive support for projects and promotions developed through the department on behalf of the tourism industry in Kentucky.

Tourism, Arts and Heritage

Parks

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	36,044,800	46,549,700	46,838,000	47,547,900
Current Year Appropriation	8,831,600		2,700,000	
Total General Fund	44,876,400	46,549,700	49,538,000	47,547,900
Restricted Funds				
Balance Forward	612,761	-2,646,612	1,849,100	153,300
Current Receipts	54,424,107	52,369,611	51,557,600	51,996,500
Non-Revenue Receipts	-2,206,150	4,916,799	-2,476,000	230,000
Total Restricted Funds	52,830,718	54,639,798	50,930,700	52,379,800
TOTAL SOURCE OF FUNDS	97,707,118	101,189,498	100,468,700	99,927,700
EXPENDITURES BY CLASS				
Personnel Costs	60,906,944	63,580,524	65,335,000	63,521,100
Operating Expenses	35,850,539	32,763,375	31,310,000	32,244,300
Debt Service	3,279,542	2,844,174	2,395,600	2,793,600
Capital Outlay	316,998	151,595	1,274,800	1,274,800
Construction	-292	-112		
TOTAL EXPENDITURES	100,353,731	99,339,555	100,315,400	99,833,800
EXPENDITURES BY FUND SOURCE				
General Fund	44,876,400	46,548,807	49,538,000	47,547,900
Restricted Funds	55,477,331	52,790,748	50,777,400	52,285,900
TOTAL EXPENDITURES	100,353,731	99,339,555	100,315,400	99,833,800
EXPENDITURES BY UNIT				
General Administration and Support	15,370,908	15,801,239	16,025,400	17,002,000
Resort Parks	65,269,924	65,458,952	66,057,200	64,373,800
Recreation Parks and Historic Sites	17,751,780	17,525,454	17,583,400	17,801,300
Cafeterias	1,961,120	553,910	649,400	656,700
TOTAL EXPENDITURES	100,353,731	99,339,555	100,315,400	99,833,800

The Department of Parks operates the Kentucky State Park System under the authority of KRS Chapter 148. The Department strives to provide quality recreational facilities and to preserve and protect historically significant sites and natural phenomena in the Commonwealth of Kentucky.

The Vision for Kentucky State Parks is to provide quality recreation and hospitality experiences for people of all ages that enhance their appreciation for adventure, fun, education, and beauty through responsible stewardship of our Commonwealth's natural, historic and cultural resources, and with a professional staff committed to excellent service for our guests.

The Mission of Kentucky State Parks is to provide a sustainable system of parks that delivers quality programs, amenities, and services, which create memorable experiences, and a sense of place, contributes to the economic growth of the Commonwealth, and preserves the historic and natural integrity and traditions of our parks for existing and future generations.

The activities of the Department include the operation and maintenance of 17 resort parks, 22 recreational parks, 7 historic sites, one cafeteria in Frankfort, and other miscellaneous facilities, including one interstate park. The Park System provides overnight lodging to 431,000 guests, food service for 1,192,000 meals for dining patrons, camping for 560,000 guests, golf for 170,000 players, along with other park amenities and activities.

Resort Parks

The Resort Parks program encourages tourism and economic development in Kentucky by providing excellent overnight accommodations, quality food service, and recreational activities for visitors at the 17 resort parks. The resort parks and their locations are:

Barren River Resort Park - Barren County	Kenlake Resort Park - Marshall County
Blue Licks Battlefield State Park - Robertson County	Kentucky Dam Village Resort Park - Marshall County
Buckhorn Lake Resort Park - Perry County	Lake Barkley Resort Park - Trigg County
Carter Caves Resort Park - Carter County	Lake Cumberland Resort Park - Russell County
Cumberland Falls Resort Park - Whitley County	Natural Bridge Resort Park - Powell County
Dale Hollow Resort Park - Cumberland and Clinton Counties	Pennyrile Forest Resort Park - Christian County
General Butler Resort Park - Carroll County	Pine Mountain Resort Park - Bell County
Greenbo Lake Resort Park - Greenup County	Rough River Resort Park - Grayson County
Jenny Wiley Resort Park - Floyd County	

The Recreation Parks and Historic Sites program encourages tourism and economic development in Kentucky by providing modern recreational and camping facilities and preserving significant scenic and historic landmarks, as well as operating museums and shrines.

Recreation Park Facilities

Big Bone Lick State Park - Boone County	Lake Malone State Park - Muhlenberg County
Carr Creek State Park - Knott County	Lincoln Homestead State Park - Washington County
Columbus-Belmont Battlefield State Park - Hickman County	Mineral Mound State Park - Lyon County
E. P. "Tom" Sawyer State Park - Jefferson County	My Old Kentucky Home State Park - Nelson County
Fort Boonesborough State Park - Madison County	Nolin Lake State Park - Edmonson County
General Burnside State Park - Pulaski County	Old Fort Harrod State Park - Mercer County
Grayson Lake State Park - Elliott and Carter Counties	Paintsville Lake State Park - Johnson County
Green River Lake State Park - Taylor County	Pine Mountain Trail State Park - Harlan & Bell Counties
John James Audubon State Park - Henderson County	Taylorsville Lake State Park - Spencer County
Kincaid Lake State Park - Pendleton County	Yatesville Lake State Park - Lawrence County
Kingdom Come State Park - Harlan County	
Dawkins Line Rail Trail Park - Johnson/Magoffin Counties	

Historic Sites

Perryville Battlefield State Shrine - Boyle County	Jefferson Davis Monument State Shrine - Todd County
Dr. Thomas Walker State Shrine - Knox County	Waveland State Shrine - Fayette County
Isaac Shelby State Shrine - Lincoln County	
Wickliffe Mounds State Historic Site - Ballard County	
Old Mulkey Meeting House State Shrine - Monroe County	

Cafeterias

The Cafeteria program provides food service in the Capitol Annex Building for members of the General Assembly, state employees, and visitors. The cafeteria also provides catering service for special local events.

General Administration and Support

The General Administration and Support program provides an organizational and administrative system to maintain and operate the park system entities. Central administrative functions, such as accounting, purchasing, budgeting, and personnel, along with program operations support and central maintenance and minor construction support, are included in this program.

Policy

The Budget of the Commonwealth includes Restricted Funds for a \$4,000 training incentive stipend for Park Rangers. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund.

The Budget of the Commonwealth provides General Fund in the amount of \$2,700,000 in fiscal year 2019-2020, to cover a shortfall from fiscal year 2018.

The Budget of the Commonwealth provides General Fund of \$398,000 in fiscal year 2020-2021 for debt service on new bonds included in the capital budget.

**Tourism, Arts and Heritage
Horse Park Commission**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	2,417,600	1,673,700	1,708,100	1,729,000
Budget Reduction-General Fund	-126,000			
Other		350,000		
Total General Fund	2,291,600	2,023,700	1,708,100	1,729,000
Restricted Funds				
Balance Forward	332,900	346,052	159,600	159,600
Current Receipts	10,761,417	10,628,620	11,036,300	11,082,300
Non-Revenue Receipts	42,709	48,030	48,100	48,100
Total Restricted Funds	11,137,025	11,022,702	11,244,000	11,290,000
TOTAL SOURCE OF FUNDS	13,428,625	13,046,402	12,952,100	13,019,000
EXPENDITURES BY CLASS				
Personnel Costs	7,373,056	7,818,862	7,544,900	7,765,300
Operating Expenses	5,563,927	4,862,743	5,020,600	5,026,700
Grants Loans Benefits	90	30,680	35,000	35,000
Capital Outlay	119,937	174,477	192,000	192,000
Construction	25,563			
TOTAL EXPENDITURES	13,082,573	12,886,761	12,792,500	13,019,000
EXPENDITURES BY FUND SOURCE				
General Fund	2,291,600	2,023,700	1,708,100	1,729,000
Restricted Funds	10,790,973	10,863,061	11,084,400	11,290,000
TOTAL EXPENDITURES	13,082,573	12,886,761	12,792,500	13,019,000
EXPENDITURES BY UNIT				
Kentucky Horse Park	13,082,573	12,886,761	12,792,500	13,019,000
TOTAL EXPENDITURES	13,082,573	12,886,761	12,792,500	13,019,000

The Kentucky Horse Park (KRS 148.260) is comprised of 1,224 acres on which are situated over 1101 structures, 40 miles of fencing and 260 campsites. Horse Park programs consist primarily of four main functions:

Equine Theme Park-The central area of the park contains tourist activities that include the Visitor Information Center, International Museum of the Horse, gift shop, restaurant, Parade of Breeds and Hall of Champions shows, horseback riding, horse drawn tours, and other activities.

Events-The Horse Park is the host venue for both equine and non-equine special events. Horse shows are central to the mission of the park and comprise the majority of special event activities. More than 100 annual equine events utilize 24 pole barns (2,000 stalls), a climate controlled 5,500 seat Alltech Arena, the 7,338 seat Rolex Stadium, a 1,200 seat covered arena, show office complex, six hunter-jumper rings, five dressage rings, a 7,800-yard cross country course, steeplechase course, and other ancillary structures. The park also hosts non-equine events that include weddings, high school wrestling, cheerleading high school cross-country, dog shows, "Old Kentucky Nights" evening programs, "Southern Lights" holiday lights show, and many other events.

Campground-The popular campground consists of 260 campsites with water/electric hookups, grocery store, two bathhouses, pool, tennis courts, playground, primitive camping, and covered pavilion. Each year more than 102,000 people camp at the Horse Park, generating more than \$1.9 million in direct annual income.

National Horse Center-Another area of remarkable growth has been the National Horse Center (NHC), a collection of the nation's and the state's leading equestrian organizations. The NHC now includes 33 distinct organizations contained in 15 office buildings. The NHC has solidified the key role of the Horse Park in making Kentucky the "Horse Capital of the World."

Policy

The Budget of the Commonwealth includes Restricted Funds for a \$4,000 training incentive stipend for Mounted Patrol Officers. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund.

Tourism, Arts and Heritage

State Fair Board

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	4,902,200	4,214,000	4,113,900	4,416,400
Budget Reduction-General Fund	-299,200			
Total General Fund	4,603,000	4,214,000	4,113,900	4,416,400
Restricted Funds				
Balance Forward	44,818	1,645	554,200	554,200
Current Receipts	41,445,998	46,294,603	47,207,100	49,492,800
Non-Revenue Receipts	-557,174	-167,838		
Total Restricted Funds	40,933,642	46,128,409	47,761,300	50,047,000
TOTAL SOURCE OF FUNDS	45,536,642	50,342,409	51,875,200	54,463,400
EXPENDITURES BY CLASS				
Personnel Costs	24,851,029	28,548,813	29,544,600	30,484,200
Operating Expenses	16,799,804	15,115,390	17,705,100	16,972,500
Grants Loans Benefits	1,570,873	1,417,417	2,518,300	2,218,300
Debt Service	373,000	142,500		302,500
Capital Outlay	1,933,960	4,477,518	1,553,000	4,082,700
Construction	6,332	86,548		
TOTAL EXPENDITURES	45,534,998	49,788,185	51,321,000	54,060,200
EXPENDITURES BY FUND SOURCE				
General Fund	4,603,000	4,214,000	4,113,900	4,416,400
Restricted Funds	40,931,998	45,574,185	47,207,100	49,643,800
TOTAL EXPENDITURES	45,534,998	49,788,185	51,321,000	54,060,200
EXPENDITURES BY UNIT				
Kentucky Fair and Exposition Center	42,984,821	42,863,953	44,544,800	44,545,100
Kentucky International Convention Center	2,177,176	6,781,733	6,776,200	9,212,600
Debt Service	373,000	142,500		302,500
TOTAL EXPENDITURES	45,534,998	49,788,185	51,321,000	54,060,200

The Kentucky State Fair Board is composed of 18 members: the Governor, the Commissioner of Agriculture, the secretary of the Finance and Administration Cabinet, the Dean of the College of Agriculture at the University of Kentucky, the State president of the Kentucky FFA, the State President of the Kentucky 4-H Organization, and 12 members appointed by the Governor. The Board manages and administers the funds, buildings, grounds, and equipment of both the Kentucky Exposition Center and the Kentucky International Convention Center in Louisville. A president is appointed by the Board to manage these centers and Fair Board properties.

Kentucky Exposition Center - The Kentucky Exposition Center provides facilities and services for conventions, trade shows, agricultural activities, athletic events, concerts, and cultural and commercial productions year-round. At this site, the State Fair Board produces its three major expositions during the year: the Kentucky State Fair, the National Farm Machinery Show, and the North American International Livestock Exposition.

The Kentucky Exposition Center is a completely air conditioned complex that includes 1.2 million square feet of exhibit and meeting space at ground level. It includes the 19,000-seat Freedom Hall Coliseum, identical East and West Exhibit Halls, East and West Exposition Wings, the South and North Wing Exposition facilities and Conference Centers, a smaller exposition pavilion, a 600-seat amphitheater, a 5,000 seat Livestock and Horse Show Arena, and a 37,000-seat stadium. Also serving the Kentucky Exposition Center are the adjacent Crowne Plaza, Hilton Gardens Inn, Cracker Barrel restaurant, Thorton's gas station and Executive Bowl, all of which are long term lessees of the State Fair Board.

Kentucky International Convention Center - The Kentucky International Convention Center provides facilities and services for intermediate-sized conventions, trade shows, association events, concerts, and cultural and commercial productions year-round. This facility is an integral and interdependent part of the overall redevelopment of downtown Louisville by both government and private enterprises. Major renovations to the center were completed in August 2018.

The Hyatt and Cowger Parking Garages, which provide 1,300 enclosed parking spaces, serve the Center. The Cowger Garage also includes commercial space, which is leased on a long term basis.

Policy

The Budget of the Commonwealth provides General Fund of \$302,500 in fiscal year 2020-2021 for debt service on new bonds included in the capital budget.

**Tourism, Arts and Heritage
Fish and Wildlife Resources**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	104,155,260	129,962,116	181,102,100	218,694,100
Current Receipts	72,230,792	88,359,907	88,360,500	88,360,500
Non-Revenue Receipts	-9,627,788	4,894,220	-8,169,100	-8,169,100
Fund Transfers				
Total Restricted Funds	166,758,263	223,216,244	261,293,500	298,885,500
Federal Fund				
Balance Forward	11,725,266	12,664,325	7,472,700	11,230,500
Current Receipts	16,304,306	22,998,566	22,998,700	23,485,400
Non-Revenue Receipts	-371,519	-12,857,812	-210,000	-210,000
Total Federal Fund	27,658,052	22,805,078	30,261,400	34,505,900
TOTAL SOURCE OF FUNDS	194,416,315	246,021,322	291,554,900	333,391,400
EXPENDITURES BY CLASS				
Personnel Costs	38,040,658	42,836,567	46,954,100	47,950,200
Operating Expenses	11,615,175	11,967,410	12,158,600	15,272,100
Grants Loans Benefits	767,307	701,839	874,000	934,000
Capital Outlay	1,366,735	1,940,238	1,643,600	4,365,000
Construction		407		
TOTAL EXPENDITURES	51,789,874	57,446,460	61,630,300	68,521,300
EXPENDITURES BY FUND SOURCE				
Restricted Funds	36,796,147	42,114,074	42,599,400	49,139,400
Federal Fund	14,993,727	15,332,386	19,030,900	19,381,900
TOTAL EXPENDITURES	51,789,874	57,446,460	61,630,300	68,521,300
EXPENDITURES BY UNIT				
Administration and Support	4,622,793	5,508,888	5,735,100	5,875,000
Wildlife Management	15,074,286	16,872,023	18,056,900	19,522,100
Fisheries Management	9,042,287	10,249,786	10,434,500	14,919,200
Information and Education	7,110,531	7,782,599	8,337,200	8,017,200
Law Enforcement	12,589,415	13,289,828	14,755,000	15,895,900
Marketing	976,969	1,097,485	1,081,300	1,053,900
Engineering, Infrastructure & Technology	2,373,594	2,645,851	3,230,300	3,238,000
TOTAL EXPENDITURES	51,789,874	57,446,460	61,630,300	68,521,300

The Department of Fish and Wildlife Resources, established by KRS Chapter 150, is responsible for the conservation and management of fish and wildlife resources in Kentucky. A Departmental Commissioner is appointed by the Fish and Wildlife Commission. The Commission, which is responsible for Department policy, is a nine member bipartisan body appointed by the Governor from a list of candidates provided by sportsmen and women in each of nine districts.

Financial support of the Department is derived from the sale of hunting and fishing licenses, federal grants, interest income, fines and penalties assessed by the courts for violation of game and fish laws, and numerous other miscellaneous receipts.

The Department owns approximately 130,000 acres of land in Kentucky, which are used to further its program activities. The acreage includes the State Game Farm, approximately 80 major wildlife management areas, two warm water hatcheries, and three summer camps. An additional 700,000 plus acres of land and water is under lease or license by the Department for wildlife management activities. The Daniel Boone National Forest provides an additional 600,000 acres of land for public use.

The Department consists of seven program areas: Administration and Support, Wildlife Management, Fisheries Management, Information and Education, Law Enforcement, Marketing and Engineering, Infrastructure and Technology.

Wildlife Management - The Wildlife Management program manages, develops, and maintains statewide game and non-game populations consistent with habitat availability on state owned lands, licensed wildlife management areas, and privately owned lands. Additionally, Wildlife Management conducts statewide surveys to determine the relative abundance of game and non-game wildlife, formulates hunting regulations based upon biological data and recreational demands, restores viable native wildlife species by restocking in suitable habitat, and evaluates the impact of land, water resource, and other construction projects on wildlife resources. Technical guidance is provided to private landowners for improvement of wildlife habitat. A fish and wildlife electronic information system is being maintained for use by state agencies that includes geographic information such as land types, vegetation conditions, and wildlife populations.

Fisheries Management - The Fisheries Management program manages Kentucky fishery resources to provide optimum fishing opportunities for anglers through research, surveys, fish stocking, regulation, and technical biological guidance. Fishery biologists manage and develop fish populations and their associated habitats in major impoundments, streams, rivers, and 100,000 acres of small lakes and ponds. In addition, technical guidance is provided to private pond owners. Research biologists provide support to management through evaluation of stocking and regulatory practices. The Environmental Section of the Fisheries Division manages the Kentucky Wetland Stream Mitigation Fund (referred to as the fees in-lieu of program) authorized by KRS 150.255 and by agreement with the U.S. Army Corps of Engineers. Corps 404 permits require mitigation when projects fill stream or wetland habitat. Funds are derived when 404 permit applicants can elect to pay a fee to satisfy mitigation requirements. These fees are used for identifying and restoring degraded streams with eroding banks and impacted habitat to stable conditions or restoring wetlands that have been drained.

Information and Education - The Information and Education program is responsible for educating and informing the public about our wildlife resources and the importance of conservation, and the recreational opportunities the fish and wildlife resources provide. The information and education program is essential to provide the general and sporting public timely and accurate information directly and through the media. Additionally, the dissemination of regulatory information is necessary for the sporting public to comply with applicable laws and regulations. The program also provides classroom instruction on wildlife conservation, hunter education, aquatic education; operates the Salato Wildlife Education Center; and, administers three summer camps for children.

Law Enforcement - The Law Enforcement program enforces fish, wildlife, and boating laws. Officers assist other federal, state, and local agencies in enforcement of all criminal laws in the Commonwealth. Officers also assist the public during times of natural disasters such as floods, forest fires, and severe winter weather.

Administration and Support - The Administration and Support program area manages the day-to-day operations of the Department including maintaining accounting records, ensuring proper purchasing and inventory procedures, and administering hunting and fishing license sales and revenue collections. The Public Affairs Division facilitates public involvement in departmental policy and regulations.

Marketing – The Marketing program is responsible for marketing, public involvement, social survey research, trend analysis, economic analysis of the benefits of wildlife associated recreations and boating.

Engineering, Infrastructure and Technology - The Engineering program provides the labor and technical engineering services required for small construction projects, such as building small bridges, buildings, boat ramps, and roads. In addition, Engineering is responsible for surveying all property owned or being purchased by the Department

Policy

The Budget of the Commonwealth includes Restricted Funds for a \$4,000 training incentive stipend for Conservation Officers. These funds are provided from the Fish and Game Fund.

The Budget of the Commonwealth includes Restricted Funds in the amount of \$954,900 and Federal Funds in the amount of \$1,970,000 to fund programs that help control Asian Carp populations.

Tourism, Arts and Heritage

Historical Society

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	5,596,500	5,893,700	5,952,400	6,456,700
Budget Reduction-General Fund	-66,100			
Total General Fund	5,530,400	5,893,700	5,952,400	6,456,700
Restricted Funds				
Balance Forward	45,063	38,556	162,900	106,000
Current Receipts	823,182	822,202	837,400	856,400
Non-Revenue Receipts	-5,000			
Total Restricted Funds	863,245	860,758	1,000,300	962,400
Federal Fund				
Balance Forward		-324,074	-477,500	
Current Receipts	295,563		647,500	170,000
Non-Revenue Receipts	-461,720			
Total Federal Fund	-166,157	-324,074	170,000	170,000
TOTAL SOURCE OF FUNDS	6,227,488	6,430,384	7,122,700	7,589,100
EXPENDITURES BY CLASS				
Personnel Costs	3,829,168	4,141,822	4,413,400	4,419,500
Operating Expenses	2,596,894	2,561,017	2,557,800	3,056,000
Grants Loans Benefits	86,944	42,205	45,500	45,500
TOTAL EXPENDITURES	6,513,006	6,745,045	7,016,700	7,521,000
EXPENDITURES BY FUND SOURCE				
General Fund	5,530,400	5,893,700	5,952,400	6,456,700
Restricted Funds	824,689	697,886	894,300	894,300
Federal Fund	157,917	153,459	170,000	170,000
TOTAL EXPENDITURES	6,513,006	6,745,045	7,016,700	7,521,000
EXPENDITURES BY UNIT				
Oral History and Educational Outreach	817,663	795,619	1,208,800	1,253,500
Research and Publications	814,780	739,054	803,800	833,300
Museums	867,871	886,900	689,400	696,300
Administration	4,012,692	4,323,473	4,314,700	4,737,900
TOTAL EXPENDITURES	6,513,006	6,745,045	7,016,700	7,521,000

The Kentucky Historical Society (KHS) engages people in the exploration of the Commonwealth's diverse heritage. Through comprehensive and innovative services, interpretive programs, and stewardship, it provides connections to the past, perspective on the present, and inspiration for the future.

The Kentucky Historical Society's statutory mandate, pursuant to KRS 171.311, is to collect and preserve for future generations materials and information regarding Kentucky's past; to disseminate knowledge and understanding of the state's history; and to produce for people of all backgrounds an increased awareness of, and appreciation for, the Commonwealth and its heritage. The agency operates four divisions: Administration, Research and Publications, Museums, and Oral History and Educational Outreach.

The Administration Division provides overall agency direction, planning, and management. It is comprised of the following functional teams: development, director's office, finance and human resources, and communications (which includes visitor services.)

The Research and Publications Division includes the following functional teams: research and interpretation, museum collections and exhibitions, and the design studio. The research and interpretation team publishes the Society's two journals—*The Register of the Kentucky Historical Society* and *Kentucky Ancestors*—and assists with the publication of the quarterly newsletter, *The Chronicle*. The team also administers the historical marker program and the research fellows

program. The museum collections and exhibitions team is responsible for the operation of the Historical Society's three museum facilities—the galleries located in the Thomas D. Clark Center for Kentucky History, the Kentucky Military History Museum, and the Old State Capitol. Since 1999, these facilities have hosted more than 1,000,000 visitors. The team is also responsible for the 200,000+ artifact collection. The design studio is responsible for museum exhibition design and production, along with the design and production of other KHS interpretive and promotional tools.

The Museum Division is responsible for special collections and reference services. The Museum division operates the Martin F. Schmidt Research Library housed in the History Center, which effectively serves genealogists and other researchers. It also cares for an array of manuscripts, maps, 200,000-plus photographs, 8,000 oral history recordings, and rare books.

The Oral History and Educational Outreach Division includes the following units: interpretive education, teacher/student outreach, and community services. Community Services consists of the local history program and the Cemetery Preservation program. Interpretive Education includes school tours, museum theatre, and other educational activities for adults and children. Since 1999, the KHS "history campus" has hosted more than 1,000,000 visitors. The primary outreach programs for students include the Kentucky Junior Historical Society and National History Day. Much of the KHS professional development for teachers is presented through Teaching American History grants awarded by the U.S. Department of Education.

Tourism, Arts and Heritage

Arts Council

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	2,640,700	1,708,700	1,728,900	1,537,900
Budget Reduction-General Fund	-12,600			
Other		13,000		
Total General Fund	2,628,100	1,721,700	1,728,900	1,537,900
Restricted Funds				
Balance Forward	231,869	386,492	463,200	483,800
Current Receipts	155,435	131,678	172,200	373,800
Non-Revenue Receipts		10,000		
Total Restricted Funds	387,304	528,170	635,400	857,600
Federal Fund				
Balance Forward		-314,349	-251,000	
Current Receipts	439,733	769,266	959,500	708,500
Non-Revenue Receipts	-8,334			
Total Federal Fund	431,400	454,917	708,500	708,500
TOTAL SOURCE OF FUNDS	3,446,804	2,704,788	3,072,800	3,104,000
EXPENDITURES BY CLASS				
Personnel Costs	1,255,357	1,061,322	1,055,900	1,065,800
Operating Expenses	542,979	221,289	264,100	264,200
Grants Loans Benefits	1,576,325	1,209,974	1,269,000	1,269,000
TOTAL EXPENDITURES	3,374,661	2,492,585	2,589,000	2,599,000
EXPENDITURES BY FUND SOURCE				
General Fund	2,628,100	1,721,700	1,728,900	1,537,900
Restricted Funds	812	64,940	151,600	352,600
Federal Fund	745,748	705,945	708,500	708,500
TOTAL EXPENDITURES	3,374,661	2,492,585	2,589,000	2,599,000
EXPENDITURES BY UNIT				
Arts Council	1,651,827	1,155,700	1,158,600	1,168,600
Support Grants	1,675,448	1,283,745	1,281,000	1,281,000
Arts Marketing	47,386	53,140	149,400	149,400
TOTAL EXPENDITURES	3,374,661	2,492,585	2,589,000	2,599,000

The Kentucky Arts Council's legislated purpose is to develop and promote a broadly conceived state policy of support for the arts in Kentucky, pursuant to KRS 153.210 to 153.235. As the official state arts agency, the Kentucky Arts Council (KAC) is the sole Kentucky state agency designated to receive partnership funding from the National Endowment for the Arts for any programs related to the arts. All of the KAC's programs, services, initiatives, events and activities support its mission to "create opportunities for the people of Kentucky to value, participate in, and benefit from the arts".

The Kentucky Arts Council manages a multitude of programs, activities and services for the Commonwealth by working in partnership with arts organizations, educational facilities, communities, local government, and individual artists. The work of the KAC encourages the growth and stability of the arts across the state, the promotion of cultural tourism and economic development, the enhancement of quality of life in Kentucky, and the provision of strong arts education programs.

Major program areas include community arts development, arts infrastructure capacity building, individual artists, folk arts, arts education, and arts marketing. The KAC offers an extensive array of technical assistance and training programs, public events, information services and resources, business development services, sales and performance venues, and grant programs to help ensure that the arts community in Kentucky is strong and viable. The grant funds invested by the KAC across the Commonwealth serves as an important catalyst in community building, and leverages significant funding from other sources.

**Tourism, Arts and Heritage
Heritage Council**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	717,100	715,900	719,000	738,400
Budget Reduction-General Fund	-12,600			
Total General Fund	704,500	715,900	719,000	738,400
Restricted Funds				
Balance Forward	201,162	420,172	533,600	431,400
Current Receipts	225,315	146,691	137,000	145,000
Non-Revenue Receipts			15,000	412,700
Total Restricted Funds	426,477	566,862	685,600	989,100
Federal Fund				
Balance Forward		-343,192	-343,900	
Current Receipts	970,733	997,788	924,800	869,200
Non-Revenue Receipts	-450,461		343,900	
Total Federal Fund	520,272	654,596	924,800	869,200
TOTAL SOURCE OF FUNDS	1,651,249	1,937,358	2,329,400	2,596,700
EXPENDITURES BY CLASS				
Personnel Costs	1,287,046	1,463,470	1,582,800	2,072,200
Operating Expenses	202,535	196,833	225,200	225,300
Grants Loans Benefits	84,688	87,400	90,000	90,000
TOTAL EXPENDITURES	1,574,270	1,747,703	1,898,000	2,387,500
EXPENDITURES BY FUND SOURCE				
General Fund	704,500	715,900	719,000	738,400
Restricted Funds	6,305	33,315	254,200	779,900
Federal Fund	863,464	998,489	924,800	869,200
TOTAL EXPENDITURES	1,574,270	1,747,703	1,898,000	2,387,500
EXPENDITURES BY UNIT				
Kentucky Heritage Council	1,574,270	1,747,703	1,898,000	2,387,500
TOTAL EXPENDITURES	1,574,270	1,747,703	1,898,000	2,387,500

The Kentucky Heritage Council (the State Historic Preservation Office) administers a comprehensive state historic preservation program with structure in three areas: the Site Protection Program, the Site Identification and Evaluation Program and the Site Development Program.

The Council administers national historic preservation activities in Kentucky, monitors projects and distributes grants involving federal funds, offers programs and services involving all aspects of historic preservation, and provides technical assistance to local governments, the public, and other agencies.

Major program activities include surveying historic sites, nominating sites to the National Register of Historic Places, administering the Kentucky Main Street program in partnership with Renaissance on Main, overseeing federal and state historic preservation tax credit programs and restoration grants programs, conducting archaeological investigations, and reviewing all federally funded, licensed, and permitted projects.

Attached to the Heritage Council for administration and programmatic services are the African American Heritage Commission, Native American Heritage Commission, Military Heritage Commission, and the Kentucky Historic Preservation Review Board. The Kentucky Heritage Council is administered in accordance with KRS 171.3801.

Tourism, Arts and Heritage
Kentucky Center for the Arts

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	915,100	558,300	558,300	558,300
Budget Reduction-General Fund	-31,500			
Total General Fund	883,600	558,300	558,300	558,300
TOTAL SOURCE OF FUNDS	883,600	558,300	558,300	558,300
EXPENDITURES BY CLASS				
Personnel Costs	129,348			
Operating Expenses	193,842			
Grants Loans Benefits	558,300	558,300	558,300	558,300
TOTAL EXPENDITURES	881,490	558,300	558,300	558,300
EXPENDITURES BY FUND SOURCE				
General Fund	881,490	558,300	558,300	558,300
TOTAL EXPENDITURES	881,490	558,300	558,300	558,300
EXPENDITURES BY UNIT				
Kentucky Center for the Arts	323,190			
Governor's School for the Arts	558,300	558,300	558,300	558,300
TOTAL EXPENDITURES	881,490	558,300	558,300	558,300

Kentucky Center for the Arts ("The Kentucky Center") is the Commonwealth's premier performing arts center. The Kentucky Center serves over 400,000 people each year. It is the performance home of the state's largest orchestra, opera, ballet, Broadway and children's theatre productions. In addition, The Kentucky Center presents a variety of national and international artists.

The Kentucky Center houses three theaters: the 2,406-seat Robert S. Whitney Hall, the 619-seat Moritz von Bomhard Theater, and the 139-seat Boyd Martin Experimental Theater. The facility features a multi-tiered lobby, rehearsal halls, and spaces for social and business events.

The Kentucky Center provides a wide range of nationally recognized educational programs, including professional development for teachers, partnerships with schools and community centers, and opportunities for artists to work in classrooms. The Center is also a leader in providing award-winning access services that make the theater experience possible for patrons with disabilities. The Kentucky Center, in partnership with the Kentucky Arts Council, provides access and technical consulting services for arts and cultural organizations across Kentucky. The Kentucky Center's management also provides theatrical consulting services throughout the state.

The Governor's School for the Arts (GSA) is a model program, recognized nationally by the President's Committee on the Arts and Humanities and the National Endowment of the Arts. GSA was established in 1987 to address the needs of an underserved Kentucky population: Kentucky's artistically gifted and talented young people. Whereas opportunities for advanced academic work has been widely available to Kentucky's academically gifted students, opportunities to pursue advanced work in the arts have been considerably more limited, particularly for geographically and/or economically marginalized students. GSA not only plays a vital role in preparing students for their pursuit of careers in the arts, but also prepares them for all facets of professional life requiring leadership, critical thinking, exceptional communication skills and understanding of the multi-cultural world. GSA is a model program, recognized nationally by the President's Committee on the Arts & Humanities and the National Endowment for the Arts. The school currently serves 256 students.

Transportation

**Transportation
Transportation**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	6,228,200	6,089,000	6,089,000	6,089,000
Special Appropriation	10,000,000			
Continuing Approp-General Fund	3,552,385	6,049,230	1,957,400	
Budget Reduction-General Fund	-319,000			
Total General Fund	19,461,585	12,138,230	8,046,400	6,089,000
Restricted Funds				
Balance Forward	122,215,374	97,274,099	111,020,300	15,776,000
Current Receipts	127,245,156	127,438,892	143,305,600	150,479,300
Non-Revenue Receipts	9,841,442	40,585,619	59,002,700	10,502,800
Fund Transfers	-4,588,200	-7,370,900	-6,424,000	-4,838,400
Total Restricted Funds	254,713,772	257,927,710	306,904,600	171,919,700
Federal Fund				
Balance Forward		-67,348,172	1,071,000	
Current Receipts	763,891,057	882,243,915	794,522,700	754,897,400
Non-Revenue Receipts	-28,801,937	84,621,784		
Total Federal Fund	735,089,120	899,517,527	795,593,700	754,897,400
Road Fund				
Regular Appropriation	1,390,207,200	1,427,517,000	1,395,472,200	1,458,606,300
Surplus Expenditure Plan	57,237,112	19,582,190	75,328,000	
Current Year Appropriation			4,265,500	
Continuing Approp-Road Fund	336,329,257	408,175,824		
Other	7,466,004	6,968,866	9,046,100	
Total Road Fund	1,791,239,573	1,862,243,880	1,484,111,800	1,458,606,300
TOTAL SOURCE OF FUNDS	2,800,504,050	3,031,827,346	2,594,656,500	2,391,512,400
EXPENDITURES BY CLASS				
Personnel Costs	515,872,099	585,351,143	596,707,800	582,338,700
Operating Expenses	281,881,943	301,419,074	263,125,600	290,105,600
Grants Loans Benefits	264,713,139	251,620,122	295,305,000	264,224,100
Debt Service	261,508,559	261,737,015	246,470,600	233,495,800
Capital Outlay	12,412,093	12,958,482	1,513,200	1,906,200
Construction	996,025,170	1,083,955,213	1,166,354,100	1,005,381,100
TOTAL EXPENDITURES	2,332,413,001	2,497,041,049	2,569,476,300	2,377,451,500
EXPENDITURES BY FUND SOURCE				
General Fund	13,412,353	10,129,991	8,046,400	6,089,000
Restricted Funds	157,439,674	146,907,366	291,128,600	161,464,300
Federal Fund	802,437,292	898,446,493	795,593,700	754,897,400
Road Fund	1,359,123,682	1,441,557,199	1,474,707,600	1,455,000,800
TOTAL EXPENDITURES	2,332,413,001	2,497,041,049	2,569,476,300	2,377,451,500
EXPENDITURES BY UNIT				
General Administration and Support	70,095,868	74,805,168	84,057,000	88,284,200
Aviation	23,251,964	15,905,348	36,201,600	24,519,100
Debt Service	154,820,593	154,413,383	142,387,200	144,385,900
Highways	1,656,412,735	1,824,763,220	1,851,879,000	1,666,311,500
Public Transportation	34,731,118	34,828,829	58,296,400	40,430,000
Revenue Sharing	344,224,041	340,519,204	346,364,300	350,007,300
Vehicle Regulation	37,351,984	41,215,898	50,290,800	63,513,500
Transfer to Capital Projects	11,524,698	10,590,000		
TOTAL EXPENDITURES	2,332,413,001	2,497,041,049	2,569,476,300	2,377,451,500

The Transportation Cabinet is responsible for maintaining and improving transportation services in the Commonwealth. All modes of transportation are addressed by the Cabinet, including air transportation, railroads, waterways, public transit, and highways. The Secretary of Transportation, who is appointed by the Governor, heads the organization. The duties and responsibilities of the Cabinet are found in Titles XV and XVI of the Kentucky Revised Statutes.

The Cabinet receives funding from the state Road Fund, proceeds from highway bonds issued by the Kentucky Turnpike Authority, and federal aid apportionments for highways. Other revenue sources include agency receipts, non highway federal aid, the state General Fund, and a federal fund leveraging mechanism titled Grant Anticipation Revenue Vehicle (GARVEE) bonds. The revenue components of the Road Fund are the motor fuels tax, motor vehicle usage tax, license and privilege taxes, interest income, and miscellaneous departmental fees, permits, and sales.

Seven major budget units comprise the Transportation Cabinet: General Administration and Support, Aviation, Public Transportation, Revenue Sharing, Highways, Vehicle Regulation, and Debt Service.

Organizationally, the agency is divided into four departments: Aviation, Vehicle Regulation, Rural and Municipal Aid, and Highways. Each department is headed by a commissioner directly responsible to the Secretary. Other organizational units include the Office of Support Services, the Office of Transportation Delivery, the Office of Audits, the Office of Human Resource Management, the Office of Information Technology, the Office of Legal Services, the Office of Public Affairs, the Office of Budget and Fiscal Management, the Office for Civil Rights and Small Business Development, and the Office of Inspector General. These units report to the Office of the Secretary. The following offices report to the State Highway Engineer in the Department of Highways: the Office of Project Development, the Office of Project Delivery and Preservation, the Office of Highway Safety, and Highway District Offices One through Twelve. The Office of Local Programs and the Office of Rural and Secondary Roads report to the Commissioner of Rural and Municipal Aid.

The Transportation Cabinet has its origin as an agency of the Commonwealth of Kentucky in 1912 when the General Assembly established the Department of Highways. Legislation in 1974 created the Department of Transportation by consolidating the Departments of Highways, Motor Transportation, and Aeronautics, plus certain transportation-related functions of the Department of Public Safety and the Department of Revenue. The 1982 General Assembly established the Transportation Cabinet as the successor to the Department of Transportation, and it assumed all of the duties formerly associated with the Department.

Transportation
General Administration and Support

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	500,000	500,000	500,000	500,000
Total General Fund	500,000	500,000	500,000	500,000
Restricted Funds				
Balance Forward	198,793	-723,034	206,300	124,000
Current Receipts	1,318,957	1,406,074	2,281,600	2,625,300
Non-Revenue Receipts	-881,191	865,514		
Total Restricted Funds	636,559	1,548,555	2,487,900	2,749,300
Road Fund				
Regular Appropriation	74,651,200	80,814,900	81,193,100	85,112,100
Total Road Fund	74,651,200	80,814,900	81,193,100	85,112,100
TOTAL SOURCE OF FUNDS	75,787,759	82,863,455	84,181,000	88,361,400
EXPENDITURES BY CLASS				
Personnel Costs	30,083,875	33,846,702	40,804,900	39,431,500
Operating Expenses	32,345,342	33,206,492	34,419,300	39,596,600
Grants Loans Benefits	506,520	449,392	510,800	502,800
Debt Service	7,107,346	7,107,757	7,112,200	7,110,100
Capital Outlay	36,675	157,788	1,177,800	1,551,200
Construction	16,110	37,036	32,000	92,000
TOTAL EXPENDITURES	70,095,868	74,805,168	84,057,000	88,284,200
EXPENDITURES BY FUND SOURCE				
General Fund	500,000	449,175	500,000	500,000
Restricted Funds	1,359,593	1,342,221	2,363,900	2,672,100
Road Fund	68,236,276	73,013,771	81,193,100	85,112,100
TOTAL EXPENDITURES	70,095,868	74,805,168	84,057,000	88,284,200
EXPENDITURES BY UNIT				
Office of the Secretary	5,828,722	6,516,312	8,792,900	9,033,100
Legal Services	4,216,806	4,441,207	5,716,100	5,737,300
Office of Human Resource Management	4,179,185	4,809,500	5,801,600	5,815,600
Office of Support Services	20,093,950	20,382,145	22,547,300	24,544,400
Technology	31,960,150	34,476,485	35,311,000	37,435,400
Office of Audits	3,817,055	4,179,519	5,888,100	5,718,400
TOTAL EXPENDITURES	70,095,868	74,805,168	84,057,000	88,284,200

The General Administration and Support appropriation unit provides management and administrative services and ensures efficient day to day operations. This unit includes the Office of Secretary and nine other offices.

The Office of Budget and Fiscal Management, the Office for Civil Rights and Small Business Development, the Office of Legal Services, the Office of Public Affairs, the Office of Inspector General, the Office of Human Resource Management, the Office of Support Services, the Office of Audits, and the Office of Information Technology provide leadership, management, and staff support to the Transportation Cabinet and provide the Secretary with the managerial tools necessary to operate the Cabinet.

The Office of the Secretary is the central point of contact with the general public and external organizations and serves as the main policymaking arm of the Cabinet. The Office of Budget and Fiscal Management and the Office of Audits manage the planning and use of the Cabinet's financial resources. The Office for Civil Rights and Small Business Development conducts programs to provide women and minorities an equal opportunity for employment and to compete for highway construction contracts. The Office of Legal Services provides the agency with the required legal representation before administrative boards and all levels of the court system. The Office of Public Affairs is responsible for the Cabinet's communications with employees, the news media, and the general public. The Office of Inspector

exists to provide the Cabinet a mechanism for both employees and Kentuckians to report incidences of wrongdoing regarding the Cabinet's service. The Office of Human Resource Management is responsible for the Cabinet's human resources policies and personnel utilization and development programs. The Office of Support Services provides oversight and management of the Cabinet's statewide facilities, including all ongoing capital projects not associated with highway construction. Beginning in April 2013, the Office of Support Services began providing production print services for the Executive Branch through its Division of Graphic Design and Printing, a function previously performed by the Commonwealth Office of Technology. The Office of Information Technology is responsible for the technological application development and system support functions for the Cabinet.

Policy

The General Fund appropriation provides funding for the improvement of public river ports in the Commonwealth. The Secretary of Transportation, in conjunction with the Kentucky Water Transportation Advisory Board, shall determine how to distribute the funds.

**Transportation
Aviation**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Special Appropriation	10,000,000			
Continuing Approp-General Fund	3,381,748	6,024,337	1,706,300	
Total General Fund	13,381,748	6,024,337	1,706,300	
Restricted Funds				
Balance Forward	12,241,061	14,931,953	21,614,500	6,090,400
Current Receipts	18,063,794	18,236,971	17,845,700	18,015,400
Non-Revenue Receipts	-1,830,700	-2,350,600	-1,829,800	-1,831,100
Fund Transfers	-388,200	-426,100	-424,000	-438,400
Total Restricted Funds	28,085,955	30,392,224	37,206,400	21,836,300
Federal Fund				
Balance Forward		-394,520		
Current Receipts	28,515	397,560	590,300	500,000
Non-Revenue Receipts	-309,191	44,614		
Total Federal Fund	-280,677	47,653	590,300	500,000
Road Fund				
Regular Appropriation	2,676,100	2,779,600	2,789,000	2,797,700
Continuing Approp-Road Fund	10	10		
Total Road Fund	2,676,110	2,779,610	2,789,000	2,797,700
TOTAL SOURCE OF FUNDS	43,863,137	39,243,823	42,292,000	25,134,000
EXPENDITURES BY CLASS				
Personnel Costs	3,068,298	3,124,463	4,111,300	3,174,400
Operating Expenses	782,092	826,145	852,800	912,200
Grants Loans Benefits	16,878,326	9,676,200	29,038,800	18,051,400
Debt Service	1,830,606	1,830,556	1,829,800	1,831,100
Capital Outlay	7,569	8,813		
Construction	685,072	439,172	368,900	550,000
TOTAL EXPENDITURES	23,251,964	15,905,348	36,201,600	24,519,100
EXPENDITURES BY FUND SOURCE				
General Fund	7,357,410	4,318,003	1,706,300	
Restricted Funds	13,154,002	8,777,708	31,116,000	21,221,400
Federal Fund	113,844	47,653	590,300	500,000
Road Fund	2,626,708	2,761,985	2,789,000	2,797,700
TOTAL EXPENDITURES	23,251,964	15,905,348	36,201,600	24,519,100
EXPENDITURES BY UNIT				
Commonwealth Aviation	18,993,018	11,469,440	31,732,000	20,038,600
Capital City Airport	2,428,339	2,605,352	2,639,800	2,649,400
Aviation Administration	1,830,606	1,830,556	1,829,800	1,831,100
TOTAL EXPENDITURES	23,251,964	15,905,348	36,201,600	24,519,100

In accordance with KRS Chapter 183, the Transportation Cabinet supports the Commonwealth's Aviation program. There are two divisions within the Department of Aviation: Commonwealth Aviation and Capital City Airport. The Commonwealth Aviation division is charged with the Air Regulatory program and the Airport Development program. The Air Regulatory program is responsible for inspecting and determining the safety and efficiency of all of the Commonwealth's public use airport and heliport facilities. Pursuant to KRS 183.861, the Kentucky Airport Zoning Commission protects the navigable airspace within the state by evaluating applications for construction, issuing permits, and maintaining updated airport zoning maps. The Commission is attached to the Air Regulatory program for administrative purposes. The Airport Development program provides for administration, planning and management of airport construction, and maintenance of local airports. Airport Development also provides technical and financial assistance to the state's 59 public use airports, including updating and distributing the state aeronautical charts and airport directories.

The Capital City Airport is a public use airport located in Frankfort, Kentucky. Capital City Airport is home to 78 aircraft, including the fleet of owned and operated by state government and the National Guard located in Frankfort.

Policy

The Budget of the Commonwealth suspends the provisions of KRS 183.525 and transfers \$438,400 in fiscal year 2020-2021 from the Kentucky Aviation Economic Development Fund to the General Fund to support General Fund supported aviation bonds authorized by the 2005 General Assembly.

The Budget of the Commonwealth suspends the provisions of KRS 183.525 and transfers \$995,600 in fiscal year 2020-2021 from the Kentucky Aviation Economic Development Fund to the Road Fund to support Road Fund supported aviation bonds authorized by the 2008 General Assembly.

The Budget of the Commonwealth suspends the provisions of KRS 183.525 and transfers \$835,500 in fiscal year 2020-2021 and from the Kentucky Aviation Economic Development Fund to the Road Fund to support Road Fund supported aviation bonds authorized by the 2010 General Assembly.

**Transportation
Debt Service**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Road Fund				
Regular Appropriation	165,825,600	160,014,400	150,097,400	147,991,400
Total Road Fund	165,825,600	160,014,400	150,097,400	147,991,400
TOTAL SOURCE OF FUNDS	165,825,600	160,014,400	150,097,400	147,991,400
EXPENDITURES BY CLASS				
Personnel Costs				100,000
Debt Service	154,820,593	154,413,383	142,387,200	144,285,900
TOTAL EXPENDITURES	154,820,593	154,413,383	142,387,200	144,385,900
EXPENDITURES BY FUND SOURCE				
Road Fund	154,820,593	154,413,383	142,387,200	144,385,900
TOTAL EXPENDITURES	154,820,593	154,413,383	142,387,200	144,385,900
EXPENDITURES BY UNIT				
Economic Development Lease Rental	154,820,593	154,413,383	142,387,200	144,385,900
TOTAL EXPENDITURES	154,820,593	154,413,383	142,387,200	144,385,900

The Debt Service program is the budget entity through which lease rental payments are made on the revenue bonds the Commonwealth has issued to finance major highway construction projects.

KRS Chapter 175 authorizes the Turnpike Authority of Kentucky to issue revenue bonds to construct, maintain, repair, and operate designated roads of the Toll Road System, the Resource Recovery Road System, and the Economic Development Road System.

The first of these systems, the Toll Road System, was constructed during the mid-1960s and early 1970s. All of the Toll Road bonds that were issued to construct the state's parkways are now retired.

The Resource Recovery Road System began in the late 1970s, and most of the system's roads were built during the 1980s. The most significant project was KY 80. The final lease rental payment for the Resource Recovery Road bonds was made in fiscal year 2008-2009.

The Economic Development Road System was established and funded through a series of bond issues. The first was a \$300 million issue sold in 1984. The second was a relatively small sale of \$36.6 million in 1987. The third and largest was a \$600 million program which was implemented in bond sales during 1990, 1993, and 1995. The projects constructed with the \$600 million series were designated as "Revitalization Projects" and are now complete. The fourth issue was authorized by the 1998 General Assembly in the amount of \$200 million. The bonds were sold in 1999 and projects funded with those proceeds are now complete. The 2005 General Assembly authorized the fifth series of Economic Development Road bonds in the amount of \$450 million. The bond projects associated with the 2005 series were split to support three initiatives: \$300 million for projects in the adopted Six-Year Highway Plan; \$100 million to fund County Road Aid projects; and \$50 million to support Municipal Road Aid projects. The 2006 General Assembly authorized an additional \$350 million in Economic Development Road Bonds. The entire 2006 series was authorized to support projects in the adopted Six-Year Highway Plan. The seventh issue was authorized by the 2008 General Assembly in the amount of \$50 million for projects associated with Base Re-alignment and Closure (BRAC) activities in and around Fort Knox. The 2009 General Assembly authorized bonds in the amount of \$400 million to support projects in the adopted Six-Year Highway Plan. The 2010 Special Session of the General Assembly authorized \$112 million in BRAC bonds to complete the projects in Fort Knox and \$400 million in bonds for projects included in the Biennial Highway Construction Plan. All but \$50 million of the \$400 million in bonds authorized by the 2010 Special Session of the General Assembly have been issued.

Through lease agreements with the Turnpike Authority of Kentucky and the Asset and Liability Commission, the Transportation Cabinet provides funds to pay the Toll Road, Resource Recovery Road, and the Economic Development Road revenue bonds. In the Debt Service program, funds are reserved exclusively for semi-annual lease rental payments to meet the principal and interest requirements of these outstanding bonds, along with any administrative costs of the Turnpike Authority.

Policy

The American Recovery and Reinvestment Act of 2009 created a new debt instrument for tax-exempt municipal bond issuers, called Build America Bonds. Municipal bond issuers could issue Build America Bonds for eligible tax-exempt purposes on a permanent basis only. The Commonwealth was eligible for a subsidy for bonds issued as Build America Bonds prior to December 31, 2010. Subsidies from the Build America Bonds shall lapse to the Road Fund. The amount of the Road Fund lapse is \$3,605,500 in fiscal year 2020-2021.

**Transportation
Highways**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	101,354,881	71,942,157	77,994,900	2,013,900
Current Receipts	88,849,664	88,099,928	102,946,800	102,947,100
Non-Revenue Receipts	12,586,432	42,037,605	60,888,900	10,888,900
Total Restricted Funds	202,790,977	202,079,690	241,830,600	115,849,900
Federal Fund				
Balance Forward		-66,652,156		
Current Receipts	734,215,299	849,589,567	740,073,200	725,999,900
Non-Revenue Receipts	-28,388,341	84,403,365		
Total Federal Fund	705,826,959	867,340,775	740,073,200	725,999,900
Road Fund				
Regular Appropriation	777,426,900	806,608,700	796,751,100	826,464,900
Surplus Expenditure Plan	57,237,112	19,582,190	75,328,000	
Continuing Approp-Road Fund	207,451,129	286,114,037		
Total Road Fund	1,042,115,141	1,112,304,927	872,079,100	826,464,900
TOTAL SOURCE OF FUNDS	1,950,733,077	2,181,725,392	1,853,982,900	1,668,314,700
EXPENDITURES BY CLASS				
Personnel Costs	458,364,210	521,610,641	521,201,900	494,400,300
Operating Expenses	224,252,061	243,526,636	198,693,800	219,893,100
Grants Loans Benefits	29,115,604	21,255,511	19,106,600	14,743,700
Debt Service	94,607,763	95,240,569	95,141,400	79,468,700
Capital Outlay	843,152	2,201,881	335,400	355,000
Construction	849,229,946	940,927,982	1,017,399,900	857,450,700
TOTAL EXPENDITURES	1,656,412,735	1,824,763,220	1,851,879,000	1,666,311,500
EXPENDITURES BY FUND SOURCE				
Restricted Funds	130,848,820	124,084,798	239,816,700	113,846,700
Federal Fund	772,479,115	867,340,775	740,073,200	725,999,900
Road Fund	753,084,800	833,337,647	871,989,100	826,464,900
TOTAL EXPENDITURES	1,656,412,735	1,824,763,220	1,851,879,000	1,666,311,500
EXPENDITURES BY UNIT				
Research	3,876,182	4,271,139	4,527,400	4,527,400
Construction	1,148,883,852	1,279,253,580	1,284,706,400	1,092,981,800
Maintenance	359,065,487	383,915,255	383,998,900	403,067,200
Engineering Administration	15,306,838	15,562,066	18,368,200	19,151,900
Planning	13,782,801	15,107,782	16,112,100	13,917,000
Highway Operations	41,036,236	45,259,345	51,071,000	52,733,900
Equipment Services	65,285,115	69,929,023	77,002,600	68,413,900
Highway Safety	9,176,225	11,465,030	16,092,400	11,518,400
TOTAL EXPENDITURES	1,656,412,735	1,824,763,220	1,851,879,000	1,666,311,500

The Highways appropriation unit is the largest program in the Transportation Cabinet. There are eight programs in the Department of Highways: Research, Construction, Maintenance, Engineering Administration, Highway Planning, Highway Operations, Highway Safety and Equipment Services. The Construction program is divided into five subprograms: Bond Funded Construction, State Funded Construction, Federal Funded Construction, Toll Bond Funded Construction, and the TIFIA Loan program.

The Department of Highways is responsible for the construction, reconstruction, and maintenance of the State Primary Road System through authority granted by KRS 177.020. The Department is headed by a commissioner who is appointed by the Governor on recommendation of the Secretary of Transportation. This agency administers all of the programs within the Highways appropriation unit.

Combined travel by all motor vehicles over Kentucky's 78,000 miles of roads and streets equals over 47.6 billion vehicle-miles. The State Primary Road System carries about 85 percent of all traffic. This network consists of approximately 27,500 miles of interstate highways, resource recovery roads, parkways, economic development roads, primary, secondary, rural, unclassified roads, and approximately 9,000 state maintained bridges. Kentucky's interstate system, consisting of approximately 800 miles, carries 27 percent of all travel.

**Transportation
Highways
Research**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Federal Fund				
Balance Forward		182,871		
Current Receipts	3,476,037	3,486,428	3,383,400	3,383,400
Non-Revenue Receipts		-335,662		
Total Federal Fund	3,476,037	3,333,637	3,383,400	3,383,400
Road Fund				
Regular Appropriation	1,434,000	1,144,000	1,144,000	1,144,000
Continuing Approp-Road Fund	2,819,795	2,520,778		
Other	-1,150,000			
Total Road Fund	3,103,795	3,664,778	1,144,000	1,144,000
TOTAL SOURCE OF FUNDS	6,579,832	6,998,415	4,527,400	4,527,400
EXPENDITURES BY CLASS				
Personnel Costs	3,586,177	4,271,139	4,527,400	4,519,400
Operating Expenses	290,005			8,000
TOTAL EXPENDITURES	3,876,182	4,271,139	4,527,400	4,527,400
EXPENDITURES BY FUND SOURCE				
Federal Fund	3,293,166	3,333,637	3,383,400	3,383,400
Road Fund	583,016	937,502	1,144,000	1,144,000
TOTAL EXPENDITURES	3,876,182	4,271,139	4,527,400	4,527,400

The Research program is primarily a problem-solving service available to the Department of Highways. The program provides studies of traffic safety and operations, pavement mechanics and performance, materials characteristics and behavior, and transportation policies. The Research function is mandated by the Commonwealth's use of federal highway funds in accordance with Title 23 of the Federal Code, which requires the use of 25 percent of funds for highway research and development. The Transportation Cabinet partners with the University of Kentucky Transportation Center to carry out research functions. The partnership conducts workshops on highway maintenance and management; traffic engineering, computerized signalization, signal technician certification, incident management/traffic mitigation, and provides on-demand technical assistance. The program maintains a lending library, including both written and audio-visual materials. The program also publishes a quarterly newsletter.

**Transportation
Highways
Construction**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	92,038,086	62,920,844	67,381,600	
Current Receipts	7,623,058	5,869,869	16,391,500	16,391,500
Non-Revenue Receipts	15,430,480	36,848,229	60,888,900	10,888,900
Total Restricted Funds	115,091,624	105,638,942	144,662,000	27,280,400
Federal Fund				
Balance Forward		-66,071,235		
Current Receipts	715,907,864	828,135,962	713,975,100	706,975,100
Non-Revenue Receipts	-27,803,611	84,270,930		
Total Federal Fund	688,104,254	846,335,656	713,975,100	706,975,100
Road Fund				
Regular Appropriation	371,375,100	357,902,700	350,831,300	358,726,300
Surplus Expenditure Plan	57,237,112	19,582,190	75,328,000	
Continuing Approp-Road Fund	168,485,557	254,234,376		
Total Road Fund	597,097,769	631,719,266	426,159,300	358,726,300
TOTAL SOURCE OF FUNDS	1,400,293,647	1,583,693,865	1,284,796,400	1,092,981,800
EXPENDITURES BY CLASS				
Personnel Costs	178,687,679	207,087,115	185,427,600	172,211,600
Operating Expenses	31,211,782	52,274,489	16,255,600	16,255,600
Grants Loans Benefits	26,473,970	17,854,612	11,296,100	11,296,100
Debt Service	94,607,763	95,240,569	95,141,400	79,468,700
Capital Outlay	104,000	1,214,505		
Construction	817,798,658	905,582,291	976,585,700	813,749,800
TOTAL EXPENDITURES	1,148,883,852	1,279,253,580	1,284,706,400	1,092,981,800
EXPENDITURES BY FUND SOURCE				
Restricted Funds	52,170,780	38,257,324	144,662,000	27,280,400
Federal Fund	753,849,679	846,335,656	713,975,100	706,975,100
Road Fund	342,863,392	394,660,599	426,069,300	358,726,300
TOTAL EXPENDITURES	1,148,883,852	1,279,253,580	1,284,706,400	1,092,981,800

The Construction program is the largest single funding component within the Highways appropriation unit. It encompasses all construction and major reconstruction of roadways in the State Primary Road System. The Construction Program is divided into five sub-programs: Bond Funded Construction, State Funded Construction, Federal Funded Construction, Toll Bond Funded Construction, and the TIFIA Loan program. KRS 45.750(3) exempts road projects, including associated equipment and land acquisition purchases, from the capital construction statutes outlined in KRS Chapter 45.760 - 45.810.

Several different road systems constructed in the Commonwealth over the last 40 years have used Bond Funded Construction. General obligation bonds were sold to finance the original construction of the Interstate System. The Turnpike Authority of Kentucky sold revenue bonds to fund construction of the toll road system that crisscrosses the state. Tolls on these parkways were removed once the bonds were paid. Resource recovery bonds were sold in the late 1970s for construction of the Resource Recovery Road System, a network of highways over which coal resources could be efficiently hauled. The Turnpike Authority received authorization to sell bonds in 1984, 1987, 1990, 1993, 1995, 1999, 2005, 2006, 2008, 2009, and 2010 for projects identified as part of the Economic Development Road System. The Authority received authorization in 2008 and 2010 to issue bonds to support road projects specifically related to the Base Re-alignment and Closure (BRAC) activities in and around Fort Knox. All of the roads constructed using proceeds from Turnpike Authority bonds are built by the Cabinet on behalf of the Authority, and then are leased to the Cabinet until the bonds are retired. At that time they are transferred to the Cabinet and become a part of the state highway system.

The State Funded Construction program provides for many highway improvement needs, emergency needs, industrial access roads, parkway and primary road pavement rehabilitation, and other projects for which federal funding is not available. The state resurfacing program is a part of this sub-program area and provides for resurfacing of roads in the state maintained highway system. The Highway Construction Contingency account, authorized in KRS 45.247, is also included in the State-Funded Construction program.

The Federal Construction program addresses the major construction, reconstruction, and rehabilitation needs for nearly 12,000 miles of interstate, primary, secondary, urban systems, and Appalachian routes across the state. This funding is provided under Titles 23 and 40 of the US Code. From fiscal year 2005 to fiscal year 2008, \$440 million in Grant Anticipation Revenue Vehicle (GARVEE) bonds were appropriated to support interstate projects along I-64, I-75, and I-65. In addition, GARVEE bonds totaling \$336 million were authorized in 2008 and 2010 for the Louisville Bridges project. The 2010 Special Session of the General Assembly authorized \$330 million in GARVEE bonds for the US-68/KY-80 Lake Barkley and Kentucky Lake Bridges Project. For display purposes, the GARVEE bonds are located in the Bond Funded Construction program. However, the debt service to support the GARVEE bonds is located in the Federal Fund Construction program.

House Bill 4 from the 2009 Special Session of the General Assembly created the Kentucky Public Transportation Infrastructure Authority (KPTIA) to facilitate the construction, financing, operation, and oversight of mega-projects. According to the Federal Highway Administration, mega-projects are projects that have a total cost of \$500 million or more. The Authority has the power to finance mega-projects through the use of tolls, funds from any GARVEE, funds appropriated by the state or federal government, and any other funds pledged for their purpose.

Policy

The Budget of the Commonwealth authorizes the Secretary of Transportation to continue the Cash Management program, formerly known as the Pre-financing Road Projects program, authorized by the Appropriations Act since the 2000-2002 biennium. The Cash Management program allows the Cabinet to expedite projects in the Biennial Highway Construction Plan by managing Road Fund cash, while ensuring that expenditures remain within enacted appropriations.

**Transportation
Highways
Maintenance**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward		-705,974		
Current Receipts	3,707,401	3,005,244	3,687,900	3,687,900
Non-Revenue Receipts	-1,207,382	1,015,383		
Total Restricted Funds	2,500,019	3,314,653	3,687,900	3,687,900
Road Fund				
Regular Appropriation	349,072,600	379,476,600	380,311,000	399,379,300
Continuing Approp-Road Fund	36,145,777	29,358,883		
Other		5,200,000		
Total Road Fund	385,218,377	414,035,483	380,311,000	399,379,300
TOTAL SOURCE OF FUNDS	387,718,396	417,350,136	383,998,900	403,067,200
EXPENDITURES BY CLASS				
Personnel Costs	190,357,841	214,170,614	225,918,500	217,285,100
Operating Expenses	166,885,137	167,098,784	155,519,800	173,332,900
Grants Loans Benefits	3,087	1,094		
Capital Outlay	400,000	559,290		
Construction	1,419,422	2,085,473	2,560,600	12,449,200
TOTAL EXPENDITURES	359,065,487	383,915,255	383,998,900	403,067,200
EXPENDITURES BY FUND SOURCE				
Restricted Funds	3,205,993	3,314,653	3,687,900	3,687,900
Road Fund	355,859,494	380,600,602	380,311,000	399,379,300
TOTAL EXPENDITURES	359,065,487	383,915,255	383,998,900	403,067,200

Kentucky has invested approximately \$19 billion in its highway infrastructure which is comprised of right-of-way, roadways, and bridges. KRS 176.050 assigns the responsibility for operating and maintaining this highway infrastructure to the Department of Highways. The Maintenance program's role is to operate and maintain the roadways, bridges, rest areas, and traffic control devices on all state-maintained highways. Two organizational units under the Office of Project Delivery and Preservation administer the Maintenance program: the Division of Maintenance and the Division of Traffic Operations. The duties of this unit are explained in Kentucky Revised Statutes 175.580, 175.610, 176.050, 176.051, 177.020, 177.410, 177.530, 177.550, 177.830-890, 177.905-990, and 180.290.

The Division of Maintenance responsibilities are broken down into two areas. The Roadway Preservation program maintains approximately 15,000 miles of state primary highways and 13,000 miles of rural secondary highways. The Pavement and Operations Management personnel inspect and evaluate pavement conditions on over 27,000 miles of state-maintained roads, determine strategies for improvement, estimate funding needs, and recommend annual priorities. The Bridge Preservation program is responsible for all state-maintained bridges, except those on the Rural Secondary system.

Revolving Maintenance serves as a materials revolving mechanism for refurbishing damaged guardrail. Damaged guardrail is shipped to Frankfort, straightened and re-galvanized, and is placed back into service as needs arise.

Capital Improvements is a subset of the Division of Maintenance for coordinating with the Kentucky State Police vehicle accident data in order to establish priorities for installing new guardrail in locations it does not currently exist.

The Rest Area Operations/Maintenance program provides sanitary and accessible restroom facilities and other convenient services for motorists traveling through the state. There are 26 rest area and welcome center locations and two truck rest haven locations.

The Division of Traffic Operations is responsible for the installation and maintenance of traffic control devices on over 27,000 miles of highways. This division uses a multitude of Intelligent Transportation Systems to communicate, control, detect and process data to effectively move traffic through the state in the safest manner possible.

**Transportation
Highways
Engineering Administration**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Road Fund				
Regular Appropriation	15,262,200	20,055,500	18,368,200	19,151,900
Other	650,000	-2,800,000		
Total Road Fund	15,912,200	17,255,500	18,368,200	19,151,900
TOTAL SOURCE OF FUNDS	15,912,200	17,255,500	18,368,200	19,151,900
EXPENDITURES BY CLASS				
Personnel Costs	13,227,708	13,930,408	15,597,100	15,710,900
Operating Expenses	1,738,403	1,294,457	2,435,700	3,084,000
Capital Outlay	339,152	335,364	335,400	355,000
Construction	1,576	1,838		2,000
TOTAL EXPENDITURES	15,306,838	15,562,066	18,368,200	19,151,900
EXPENDITURES BY FUND SOURCE				
Road Fund	15,306,838	15,562,066	18,368,200	19,151,900
TOTAL EXPENDITURES	15,306,838	15,562,066	18,368,200	19,151,900

There are nine divisions organized under the State Highway Engineer's Office.

The Division of Construction supervises highway construction projects, providing administrative support for central office and district construction projects. It also assists the Division of Materials staff in sampling and testing materials used in construction projects.

The Division of Materials establishes standards and controls relating to the quality of materials for the construction, maintenance, and operation of highways and bridges. The Division also develops, coordinates, and controls testing procedures that are conducted in the field.

The Division of Structural Design develops and prepares contract plans for all highway structures, as well as any special structures that the Transportation Cabinet builds as part of Kentucky's system of roads. The Division also designs and prepares plans for structural repair and rehabilitation of existing bridges, as well as the design of all overhead sign structures.

The Division of Highway Design, in conjunction with the district design offices, is responsible for the required design activities of the Cabinet's Six-Year Road Plan projects, including the preparation, assembly, and reproduction of construction plans for a project's award.

The Division of Environmental Analysis provides all environmental studies and documents required by federal agencies for federal-aid transportation projects and for state funded projects that require federal permits. The division ensures compliance with all federal laws and regulations.

The Division of Right-of-Way and Utilities acquires property required for the construction and reconstruction of highways. This function involves obtaining title reports, performing appraisals and appraisal reviews, conducting negotiations, providing relocation assistance, facilitating property management, and initiating condemnation procedures on properties affected by proposed projects.

The Division of Program Management is responsible for developing Kentucky's Biennial Six-Year Road Plan.

The Division of Planning provides the day-to-day administration and support for personnel involved in the Highway Planning program activities, including management, clerical support, training, and other overhead expenditures.

The Division of Professional Services is responsible for procuring the Cabinet's professional services relating to road contracts. This division advertises for engineering services, administers the pre-qualification process for consulting services, provides assistance to selection committees for contract awards, negotiates fees for consulting work sought by the Cabinet, and routinely confers with the Finance and Administration Cabinet and the Legislative Research Commission with respect to contract awards.

**Transportation
Highways
Planning**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Federal Fund				
Current Receipts	10,463,754	12,289,185	12,498,900	10,209,900
Non-Revenue Receipts		64,669		
Total Federal Fund	10,463,754	12,353,854	12,498,900	10,209,900
Road Fund				
Regular Appropriation	2,732,300	3,796,700	3,613,200	3,707,100
Other	500,000			
Total Road Fund	3,232,300	3,796,700	3,613,200	3,707,100
TOTAL SOURCE OF FUNDS	13,696,054	16,150,554	16,112,100	13,917,000
EXPENDITURES BY CLASS				
Personnel Costs	13,216,018	14,687,586	15,370,000	12,876,900
Operating Expenses	566,783	420,142	742,100	1,040,100
Construction		54		
TOTAL EXPENDITURES	13,782,801	15,107,782	16,112,100	13,917,000
EXPENDITURES BY FUND SOURCE				
Federal Fund	10,789,564	12,353,854	12,498,900	10,209,900
Road Fund	2,993,237	2,753,928	3,613,200	3,707,100
TOTAL EXPENDITURES	13,782,801	15,107,782	16,112,100	13,917,000

The Planning program is responsible for administrative and technical support and implements transportation planning activities statewide. The program is charged with a variety of statewide planning initiatives including: rail planning, carpooling, alternative fuel, bikeway, pedway, and ferry operations. In addition, it coordinates the Kentucky Scenic Highway and Byway System, manages the traffic data collection and processing equipment, maintains the Highway Information System, and coordinates air quality conformity with several state and federal agencies.

Highway Planning evaluates state-maintained streets and highways to ensure that available federal and state funds are utilized to maximum efficiency. The Planning unit maintains an inventory of all roadway classifications and prepares city, county, and state road maps for sale and distribution. The program also furnishes statistics required by the Federal Highway Administration and state and local government decision-makers.

Metropolitan Planning maintains and distributes federal funding to nine metropolitan planning organizations (MPOs) to implement the continuing, comprehensive, and cooperative planning process, which is mandated by federal law. The MPOs study the impact of transportation operations in urbanized areas concerning congestion management, air quality, environmental issues, public involvement, land use and development, and public transportation.

Area Development Districts (ADDs) Assistance administers a regional planning and public participation process in the state's 15 ADDs as part of the Cabinet's overall statewide transportation planning process, as required by 23 USC and 23 CFR 450. The Cabinet contracts with each ADD for activities in support of the regional and statewide planning process, including public involvement, data collection, analysis, identification of needs, project recommendations, regional prioritization of projects, and technical assistance and review.

**Transportation
Highways
Highway Operations**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward		-1,644,813		
Current Receipts	9,750,245	9,669,332	14,457,200	14,457,500
Non-Revenue Receipts	-1,211,466	4,145,193		
Total Restricted Funds	8,538,779	12,169,711	14,457,200	14,457,500
Road Fund				
Regular Appropriation	32,472,800	38,472,800	36,613,800	38,276,400
Other		-2,400,000		
Total Road Fund	32,472,800	36,072,800	36,613,800	38,276,400
TOTAL SOURCE OF FUNDS	41,011,579	48,242,511	51,071,000	52,733,900
EXPENDITURES BY CLASS				
Personnel Costs	39,034,169	43,582,051	48,087,900	48,447,600
Operating Expenses	2,000,840	1,629,933	2,763,100	4,066,300
Construction	1,226	47,361	220,000	220,000
TOTAL EXPENDITURES	41,036,236	45,259,345	51,071,000	52,733,900
EXPENDITURES BY FUND SOURCE				
Restricted Funds	10,183,592	12,169,711	14,457,200	14,457,500
Road Fund	30,852,644	33,089,634	36,613,800	38,276,400
TOTAL EXPENDITURES	41,036,236	45,259,345	51,071,000	52,733,900

In accordance with KRS Chapter 176, the Highway Operations program provides leadership, management, and central administrative support and funding for central office and district operations for the Transportation Cabinet's Department of Highways. The Commissioner of Highways oversees the Department, which includes the State Highway Engineer's Office, three offices which include 14 divisions, and 12 district offices across the state. In the 12 district offices, the Chief District Engineer manages the road project functions and reports to the State Highway Engineer.

The State Highway Engineer's Office manages and coordinates the engineering functions of the Cabinet, reviews management, engineering, and personnel reports and recommendations from the engineering and professional divisions, staff and Deputy State Highway Engineers. In addition, the Office administers the Cabinet's Engineering Scholarship program and the Engineering Graduate Training program, coordinates the Research program, and manages special projects, such as the Louisville Bridges project.

Contract procurement activities are also a part of the Highway Operations program and include prequalifying road contractors, advertising bids for road construction projects, awarding contracts, and issuing work orders and monitoring required contract provisions.

In fiscal year 2016-2017, the Transportation Cabinet began collecting a portion of the toll revenue from the Louisville-Southern Indiana Ohio River Bridges project to fund toll system operations and maintenance and administrative costs of the Kentucky Public Transportation Infrastructure Authority (KPTIA). The toll revenue is collected in an enterprise fund within the Transportation Cabinet, and the costs that it supports are included in the above restricted funds.

**Transportation
Highways
Equipment Services**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	9,305,024	11,360,329	10,499,100	1,906,700
Current Receipts	67,765,619	69,038,982	68,410,200	68,410,200
Non-Revenue Receipts	-425,199	28,800		
Total Restricted Funds	76,645,444	80,428,111	78,909,300	70,316,900
TOTAL SOURCE OF FUNDS	76,645,444	80,428,111	78,909,300	70,316,900
EXPENDITURES BY CLASS				
Personnel Costs	15,247,440	17,698,656	19,449,300	17,017,500
Operating Expenses	20,028,066	19,016,207	19,519,700	20,361,700
Grants Loans Benefits	545	3,194		5,000
Construction	30,009,064	33,210,965	38,033,600	31,029,700
TOTAL EXPENDITURES	65,285,115	69,929,023	77,002,600	68,413,900
EXPENDITURES BY FUND SOURCE				
Restricted Funds	65,285,115	69,929,023	77,002,600	68,413,900
TOTAL EXPENDITURES	65,285,115	69,929,023	77,002,600	68,413,900

The mission of the Equipment Services program is to provide highway construction and maintenance equipment for use by the Department of Highways. The unit purchases and maintains all the Cabinet's trucks, heavy equipment, and various pieces of support machinery. This program provides its services through the central office garage in Frankfort and a network of 12 repair garages located throughout the state.

**Transportation
Highways
Highway Safety**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	11,772	11,772	114,200	107,200
Current Receipts	3,340	516,501		
Total Restricted Funds	15,112	528,273	114,200	107,200
Federal Fund				
Balance Forward		-763,792		
Current Receipts	4,367,645	5,677,992	10,215,800	5,431,500
Non-Revenue Receipts	-584,730	403,428		
Total Federal Fund	3,782,915	5,317,628	10,215,800	5,431,500
Road Fund				
Regular Appropriation	5,077,900	5,760,400	5,869,600	6,079,900
Total Road Fund	5,077,900	5,760,400	5,869,600	6,079,900
TOTAL SOURCE OF FUNDS	8,875,926	11,606,300	16,199,600	11,618,600
EXPENDITURES BY CLASS				
Personnel Costs	5,007,177	6,183,071	6,824,100	6,331,300
Operating Expenses	1,531,046	1,792,625	1,457,800	1,744,500
Grants Loans Benefits	2,638,001	3,396,611	7,810,500	3,442,600
Capital Outlay		92,722		
TOTAL EXPENDITURES	9,176,225	11,465,030	16,092,400	11,518,400
EXPENDITURES BY FUND SOURCE				
Restricted Funds	3,340	414,086	7,000	7,000
Federal Fund	4,546,707	5,317,628	10,215,800	5,431,500
Road Fund	4,626,178	5,733,316	5,869,600	6,079,900
TOTAL EXPENDITURES	9,176,225	11,465,030	16,092,400	11,518,400

The Office of Transportation Safety is headed by an Executive Director who reports directly to the State Highway Engineer. The Office includes the Division of Incident Management and the Division of Highway Safety Programs. The Motorcycle Advisory Commission for Highway Safety is attached for administrative purposes.

The Division of Incident Management manages the Transportation Operations Center and coordinates highway incident management including providing information to travelers and providing assistance to stranded motorists and law enforcement agencies at the scene of highway incidents.

The Division of Highway Safety Programs is charged with coordinating efforts to reduce fatalities, injuries, and crashes on Kentucky's highway systems.

Transportation
Public Transportation

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	5,728,200	5,589,000	5,589,000	5,589,000
Continuing Approp-General Fund	170,637	24,893	251,100	
Budget Reduction-General Fund	-319,000			
Total General Fund	5,579,837	5,613,893	5,840,100	5,589,000
Restricted Funds				
Balance Forward	100,934	-33,100		
Current Receipts	660,000	560,000	660,000	7,583,600
Non-Revenue Receipts	-33,100	33,100		1,500,000
Total Restricted Funds	727,834	560,000	660,000	9,083,600
Federal Fund				
Balance Forward			1,071,000	
Current Receipts	28,415,240	29,977,049	50,725,300	25,757,400
Total Federal Fund	28,415,240	29,977,049	51,796,300	25,757,400
TOTAL SOURCE OF FUNDS	34,722,912	36,150,943	58,296,400	40,430,000
EXPENDITURES BY CLASS				
Personnel Costs	1,599,512	1,744,298	2,431,100	1,802,900
Operating Expenses	93,265	95,150	121,300	115,200
Grants Loans Benefits	33,038,340	32,989,380	55,744,000	38,511,900
TOTAL EXPENDITURES	34,731,118	34,828,829	58,296,400	40,430,000
EXPENDITURES BY FUND SOURCE				
General Fund	5,554,943	5,362,813	5,840,100	5,589,000
Restricted Funds	760,934	560,000	660,000	9,083,600
Federal Fund	28,415,241	28,906,016	51,796,300	25,757,400
TOTAL EXPENDITURES	34,731,118	34,828,829	58,296,400	40,430,000
EXPENDITURES BY UNIT				
Public Transportation	33,905,818	33,870,629	57,338,200	39,441,900
Multi-Modal Transportation	265,300	398,200	398,200	398,200
Human Services Delivery	560,000	560,000	560,000	589,900
TOTAL EXPENDITURES	34,731,118	34,828,829	58,296,400	40,430,000

The Public Transportation appropriation unit is comprised of three programs: Public Transportation, Multi-Modal, and Human Services Transportation Delivery. The Public Transportation program offers technical and financial assistance to public transportation providers and the metropolitan planning organizations throughout the state through the following federal programs: Sections 5303, 5307, 5309, 5310, 5311, 5316, and 5317. Federal Funds, combined with General Fund and local matching funds, allow public transit authorities to acquire buses and vans.

Also included in the Public Transportation program is funding for Non-public School Transportation, a program that provides grants to non-public schools so that they may offer bus service to their students.

The Multi-Modal program partners with the 15 area development districts with respect to regional and statewide transportation planning processes. This partnership generates public involvement with respect to identifying and prioritizing needs and assists in the project recommendation process, including the coordination of the Statewide Transportation Plan, the State Transportation Improvement program, and the Six-Year Highway Plan.

The Human Service Transportation Delivery program is a partnership between the Transportation Cabinet, the Medicaid program, the Office for Vocational Rehabilitation, and the Office for the Blind. This partnership provides non-emergency medical transportation, jobs access transportation, and transportation to day care facilities. The program also partners with the Veterans' Program Trust Fund to provide transportation services for veterans.

Policy

The Budget of the Commonwealth includes additional restricted funds in the amount of \$8,521,700 in fiscal year 2020-2021 for the purpose of Matching Federal Transit grants. These funds will be transferred from the Energy and Environment Cabinet's proceeds garnered from the Volkswagen Settlement and will be used in accordance with the Beneficiary Mitigation Plan.

The Budget of the Commonwealth includes General Fund in the amount of \$3,500,000 in fiscal year 2020-2021 for nonpublic school transportation.

**Transportation
Revenue Sharing**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Road Fund				
Regular Appropriation	332,030,200	336,345,200	337,318,200	350,007,300
Continuing Approp-Road Fund	126,948,961	122,061,777		
Other	7,466,004	6,968,866	9,046,100	
Total Road Fund	466,445,165	465,375,843	346,364,300	350,007,300
TOTAL SOURCE OF FUNDS	466,445,165	465,375,843	346,364,300	350,007,300
EXPENDITURES BY CLASS				
Personnel Costs	4,013,416	4,627,470	2,017,300	4,582,100
Operating Expenses	13,257,853	10,428,307	9,752,600	10,072,500
Grants Loans Benefits	180,858,731	182,912,404	186,041,100	188,064,300
Construction	146,094,041	142,551,023	148,553,300	147,288,400
TOTAL EXPENDITURES	344,224,041	340,519,204	346,364,300	350,007,300
EXPENDITURES BY FUND SOURCE				
Road Fund	344,224,041	340,519,204	346,364,300	350,007,300
TOTAL EXPENDITURES	344,224,041	340,519,204	346,364,300	350,007,300
EXPENDITURES BY UNIT				
County Road Aid	127,265,579	129,768,362	130,854,200	132,307,900
Rural Secondary	162,652,509	156,562,567	158,741,100	160,383,400
Municipal Aid	53,466,098	53,036,776	55,058,900	55,628,400
Energy Recovery	125,599	311,856	328,500	334,000
Rural and Municipal Aid	714,256	839,644	1,381,600	1,353,600
TOTAL EXPENDITURES	344,224,041	340,519,204	346,364,300	350,007,300

There are five components of the Revenue Sharing program: the County Road Aid program, authorized by KRS 179.410 - 179.440; the Rural Secondary Aid program, authorized by KRS 177.320; the Municipal Road Aid program, authorized by KRS 177.365 – 177.366; the Energy Recovery Road program, authorized by KRS 177.977-177.978; and other Special Programs.

The County Road Aid, Rural Secondary Aid, and Municipal Aid programs receive a portion of the state's motor fuels tax collections. The County Road Aid program receives 18.3 percent of motor fuels tax collections which is distributed to counties for the construction, reconstruction and maintenance of county roads and bridges. The Rural Secondary Aid program receives 22.2 percent of motor fuels tax collections, and funds are used to repair and maintain rural and secondary roads. Funds for both programs are allocated through a formula known as the "formula of fifths," as stated in KRS 177.360. Each county receives a portion of the statewide total as follows: one fifth is divided evenly among all counties, one fifth is divided proportionately based on the amount of rural population in each county, one fifth is distributed on the basis of rural road mileage in each county, and two fifths is apportioned according to each county's share of the total land area in the state.

The Municipal Road Aid program is funded by 7.7 percent of motor fuels tax collections. Distribution is made through a formula based upon the population contained in each city or unincorporated urban area.

Pursuant to KRS 183.220(3), two and one-tenth cents (\$0.021) of the tax collected under the motor fuel tax are excluded from the calculations of revenue sharing distributions as prescribed in KRS 177.320(1) (the Rural Secondary program), KRS 177.320(2) (the County Road Aid program), and KRS 177.365 (the Municipal Road Aid program).

Forty percent of the revenues collected from extended vehicle weight fees support the Energy Recovery Road System. Funds are distributed to the counties for the county-maintained portion of that system. The fund distribution is based on (1) the ratio of miles of roads in each county within this system to the total system miles, and (2) the ratio of the total tons of coal transported over the roads in each county to the total tons reported for the entire state. The Transportation Cabinet has the authority to expend the remaining 60 percent on the roads in the system.

The Special Programs budget unit includes the Commissioner's Office, the Office of Local Programs, the Kentucky Bicycle and Bikeway Commission, and the Bicycle and Pedestrian Program.

Policy

The Motor Fuels revenue estimate for the fiscal year 2021, upon which the Road Fund appropriations in the Revenue Sharing program are based, is \$786,600,000.

**Transportation
Vehicle Regulation**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	8,319,705	11,156,122	11,204,600	7,547,700
Current Receipts	18,352,742	19,135,919	19,571,500	19,307,900
Non-Revenue Receipts			-56,400	-55,000
Fund Transfers	-4,200,000	-6,944,800	-6,000,000	-4,400,000
Total Restricted Funds	22,472,447	23,347,241	24,719,700	22,400,600
Federal Fund				
Balance Forward		-301,495		
Current Receipts	1,232,003	2,279,740	3,133,900	2,640,100
Non-Revenue Receipts	-104,405	173,806		
Total Federal Fund	1,127,598	2,152,050	3,133,900	2,640,100
Road Fund				
Regular Appropriation	27,902,200	30,364,200	27,323,400	46,232,900
Current Year Appropriation			4,265,500	
Total Road Fund	27,902,200	30,364,200	31,588,900	46,232,900
TOTAL SOURCE OF FUNDS	51,502,244	55,863,491	59,442,500	71,273,600
EXPENDITURES BY CLASS				
Personnel Costs	18,742,788	20,397,569	26,141,300	38,847,500
Operating Expenses	11,151,329	13,336,344	19,285,800	19,516,000
Grants Loans Benefits	4,315,617	4,337,234	4,863,700	4,350,000
Debt Service	3,142,250	3,144,750		800,000
TOTAL EXPENDITURES	37,351,984	41,215,898	50,290,800	63,513,500
EXPENDITURES BY FUND SOURCE				
Restricted Funds	11,316,325	12,142,639	17,172,000	14,640,500
Federal Fund	1,429,093	2,152,050	3,133,900	2,640,100
Road Fund	24,606,566	26,921,209	29,984,900	46,232,900
TOTAL EXPENDITURES	37,351,984	41,215,898	50,290,800	63,513,500
EXPENDITURES BY UNIT				
Commissioner	1,913,103	1,847,068	1,309,700	1,373,400
Drivers Licensing	10,440,086	11,473,734	17,280,800	30,541,600
Motor Carriers	5,740,937	6,910,928	8,907,700	8,086,500
Motor Vehicle Licensing	17,337,119	18,989,250	20,409,400	21,221,000
Customer Service	958,249	951,864	1,233,800	1,273,600
Motor Vehicle Commission	962,488	1,043,054	1,149,400	1,017,400
TOTAL EXPENDITURES	37,351,984	41,215,898	50,290,800	63,513,500

The Department of Vehicle Regulation includes the Commissioner's Office and the following divisions: Driver Licensing, Motor Carriers, Motor Vehicle Licensing, and Customer Service. The Motor Vehicle Commission is also attached to the Department for administrative purposes.

Under KRS Chapters 186, 187, 189A, 218A, 281A, and KRS 159.051, the Division of Driver Licensing maintains driver history records for approximately three million drivers. The Division issues licenses to commercial drivers who meet statutory requirements. The Division also enforces driver's license suspensions, revocations, and driver limitation programs. It operates State Traffic School programs, including the Graduated Licensing program.

The Division of Motor Carriers is responsible for the regulation of the trucking and lease/rental industries. The division also collects various taxes from the motor carrier industry, including the weight-distance tax.

The Division of Motor Vehicle Licensing provides for the titling and registration of motor vehicles and boats in accordance with KRS Chapters 186, 186A, 235, and 376. It maintains the Automated Vehicle Information System (AVIS) and controls title distribution functions. Registration and title applications are initiated through local county clerks' offices.

Newly created in 2012, the Division of Customer Service provides a single point of contact for all telephone calls to the Department of Vehicle Regulation in support of over 3 million public customers, Circuit Clerks, County Clerks, and commercial businesses.

Pursuant to KRS Chapter 190, the Kentucky Motor Vehicle Commission licenses and regulates motor vehicle manufacturers, dealers, and salespersons. It is funded through license fees that are deposited into a Restricted Fund account.

Policy

The Budget of the Commonwealth includes an additional Road Fund appropriation in the amount of \$140,700 in fiscal year 2019-2020 and \$402,100 in fiscal year 2020-2021 for the ignition interlock program. The 2015 General Assembly created the Ignition Interlock License program for drunk driving offenders. In the 2019 Regular Session of the General Assembly, Senate Bill 85 expanded the ignition interlock program. The Transportation Cabinet administers the application process; fees collected from the program are deposited into the Road Fund.

The Budget of the Commonwealth includes an additional Road Fund appropriation in the amount of \$4,265,500 in fiscal 2019-2020 and \$17,834,800 in fiscal 2020-2021 to set up and implement the issuance of REAL ID motor vehicle driver licensing and personal identification cards. Travelers will be required to provide a REAL ID or another TSA approved identification to fly or enter a federal building after the recently extended deadline of October 1, 2021. The issuance of REAL ID's will be by the Transportation Cabinet instead of the Circuit Court Clerks. Legislation was passed in the 2020 Session of the General Assembly to transition the issuance of all motor vehicle driver licensing to the Transportation Cabinet from the Judicial branch.

Statewide

**Statewide
Budget Reserve Trust Fund**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation		33,455,100	195,064,500	
Special Appropriation		-290,000	-5,681,500	
Continuing Approp-General Fund	150,491,483	93,779,983	129,077,800	303,590,800
Other	-56,711,500	2,132,700	-14,870,000	
Total General Fund	93,779,983	129,077,783	303,590,800	303,590,800
TOTAL SOURCE OF FUNDS	93,779,983	129,077,783	303,590,800	303,590,800
EXPENDITURES BY CLASS				
TOTAL EXPENDITURES				
EXPENDITURES BY FUND SOURCE				
TOTAL EXPENDITURES				

The Budget Reserve Trust Fund is the Commonwealth's "Rainy Day Fund." KRS 48.705 provides for deposits to the Budget Reserve Trust Fund from half of each fiscal year's general fund surplus until the balance reaches five percent of the prior year's General Fund revenue receipts. The General Assembly has also appropriated amounts directly to the Budget Reserve Trust Fund after years in which withdrawals have reduced the balance to very low levels. The permitted uses of the Budget Reserve Trust Fund are outlined in each biennial Executive branch appropriations act. The most prominent use is when there is a revenue shortfall. The appropriation acts also provide that the Fund can be used for certain necessary government expenses if the General Fund surplus is insufficient to accommodate them. The Fund has not been used in the last four years when there was a General Fund revenue shortfall.

Policy

Kentucky's "Rainy Day Fund" balance has never exceeded 3.7 percent of General Fund revenues. The balance at the beginning of fiscal year 2019-20 is \$306.1 million, which is 2.6 percent of estimated General Fund revenues. House Bill 24 from the 2020 General Assembly authorized the use of an additional \$2.5 million from the Rainy Day Fund for a capital project, bringing the balance to \$303.6 million. In the last four biennial budgets, the General Assembly has drawn \$161.1 million from the Budget Reserve Trust Fund to fund General Fund appropriations in the budget process.

To protect and preserve the Budget Reserve Trust Fund, the enacted budget provides \$25 million in direct appropriations for expenses already incurred and known unbudgeted liabilities, such as Judgments against the Commonwealth, Guardian Ad Litem required reimbursements, security for courthouses across the Commonwealth, and actions required at the Maxey Flats nuclear waste disposal site. This action will prevent \$25 million in further reductions to the balance of the Budget Reserve Trust Fund. This is necessary because the enacted budget reserved the entirety of the \$130.1 million General Fund surplus at the end of fiscal year 2018-19 to pay the required employer contribution for retired teachers' medical liability and a deposit to the unfunded liability of the Kentucky Employees Retirement non-hazardous pension plan, leaving no available resource for these required, unbudgeted expenses.

**Statewide
Capital Construction**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation				700,000
Special Appropriation			2,500,000	
Total General Fund			2,500,000	700,000
Road Fund				
Regular Appropriation			6,140,000	13,940,000
Current Year Appropriation			800,000	
Total Road Fund			6,940,000	13,940,000
TOTAL SOURCE OF FUNDS			9,440,000	14,640,000
EXPENDITURES BY CLASS				
Capital Outlay			9,440,000	14,640,000
TOTAL EXPENDITURES			9,440,000	14,640,000
EXPENDITURES BY FUND SOURCE				
General Fund			2,500,000	700,000
Road Fund			6,940,000	13,940,000
TOTAL EXPENDITURES			9,440,000	14,640,000
EXPENDITURES BY UNIT				
Capital Construction			9,440,000	14,640,000
TOTAL EXPENDITURES			9,440,000	14,640,000

Legislative Branch

Legislative Branch

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	63,206,600	68,607,700	70,162,500	71,986,400
Continuing Approp-General Fund	10,836,038	10,017,782	13,971,500	13,971,500
Budget Reduction-General Fund	-463,900			
Total General Fund	73,578,738	78,625,482	84,134,000	85,957,900
Restricted Funds				
Balance Forward	1,006,535	1,202,802	1,235,094	1,235,094
Current Receipts	196,267	32,267	175,000	75,000
Total Restricted Funds	1,202,802	1,235,069	1,410,094	1,310,094
TOTAL SOURCE OF FUNDS	74,781,540	79,860,551	85,544,094	87,267,994
EXPENDITURES BY CLASS				
Personnel Costs	48,752,842	51,195,380	56,219,100	59,245,400
Operating Expenses	11,241,889	10,729,969	11,780,700	12,776,000
Capital Outlay	82,124	459,598	68,700	40,000
TOTAL EXPENDITURES	60,076,855	62,384,947	68,068,500	72,061,400
EXPENDITURES BY FUND SOURCE				
General Fund	60,076,855	62,384,947	67,893,500	71,986,400
Restricted Funds			175,000	75,000
TOTAL EXPENDITURES	60,076,855	62,384,947	68,068,500	72,061,400
EXPENDITURES BY UNIT				
Legislative Branch	60,076,855	62,384,947	68,068,500	72,061,400
TOTAL EXPENDITURES	60,076,855	62,384,947	68,068,500	72,061,400

Judicial Branch

Judicial Branch

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	365,212,700	384,897,100	388,377,700	392,416,700
Continuing Approp-General Fund	2,281,259	8,835,829	5,979,444	
Budget Reduction-General Fund	-1,886,500	-9,832,700		
Total General Fund	365,607,459	383,900,229	394,357,144	392,416,700
Restricted Funds				
Balance Forward	10,676,276	20,445,910	32,086,081	20,412,700
Current Receipts	22,362,130	26,810,727	24,838,900	24,838,900
Non-Revenue Receipts	14,228,498	23,792,935	22,568,100	22,568,100
Total Restricted Funds	47,266,904	71,049,572	79,493,081	67,819,700
Federal Fund				
Current Receipts	3,914,382	4,219,453	5,042,100	3,190,000
Total Federal Fund	3,914,382	4,219,453	5,042,100	3,190,000
TOTAL SOURCE OF FUNDS	416,788,745	459,169,254	478,892,325	463,426,400
EXPENDITURES BY CLASS				
Personnel Costs	230,827,919	261,978,854	281,176,663	273,768,500
Operating Expenses	156,577,991	157,007,166	166,502,917	170,881,800
Capital Outlay	100,000	2,095,703	3,300,000	3,300,000
TOTAL EXPENDITURES	387,505,910	421,081,723	450,979,580	447,950,300
EXPENDITURES BY FUND SOURCE				
General Fund	356,770,534	377,898,779	386,857,144	392,416,700
Restricted Funds	26,820,994	38,963,491	59,080,336	52,343,600
Federal Fund	3,914,382	4,219,453	5,042,100	3,190,000
TOTAL EXPENDITURES	387,505,910	421,081,723	450,979,580	447,950,300
EXPENDITURES BY UNIT				
Judicial Branch	387,505,910	421,081,723	450,979,580	447,950,300
TOTAL EXPENDITURES	387,505,910	421,081,723	450,979,580	447,950,300