

TEAM KENTUCKY



2020-2022 EXECUTIVE BUDGET

Andy Beshear
GOVERNOR

John Hicks
STATE BUDGET DIRECTOR



Volume I

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	Executive Branch				
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,361,566,700	12,937,155,200	13,202,557,800	11,539,040,900	11,825,999,400
Postsecondary Ed Performance		-81,123,500	-89,986,900		
Surplus Expenditure Plan	130,094,500				
Current Year Appropriation	45,449,300				
Continuing Approp-General Fund	202,891,000	266,090,783	266,090,783	375,290,800	325,290,800
Other	792,000				
Total General Fund	11,740,793,500	13,122,122,483	13,378,661,683	11,914,331,700	12,151,290,200
Tobacco Fund					
Regular Appropriation		100,000	100,000		
Tobacco Settlement - Phase I	120,087,500	119,108,300	114,864,500	108,226,600	104,785,700
Continuing Approp-Tob Settlement	62,788,700	18,824,500	12,061,600	18,773,500	11,989,100
Budget Reduction-Tobacco	-7,200,000				
Total Tobacco Fund	175,676,200	138,032,800	127,026,100	127,000,100	116,774,800
Restricted Funds					
Other		-1,216,100	-949,200		
Balance Forward	862,479,051	744,753,352	663,309,852	744,085,540	576,943,440
Current Receipts	8,126,239,431	8,478,736,100	8,834,658,350	8,526,021,900	8,879,171,600
Non-Revenue Receipts	969,844,958	921,278,100	933,688,600	911,008,800	929,054,400
Fund Transfers	-50,917,800	-3,589,300	-987,400	-120,429,100	-111,009,700
Total Restricted Funds	9,907,645,640	10,139,962,152	10,429,720,202	10,060,687,140	10,274,159,740
Federal Fund					
Balance Forward	-22,710,104	24,116,232	23,174,732	17,285,700	18,082,000
Current Receipts	14,079,818,931	14,252,731,400	14,685,434,203	14,134,516,400	14,291,440,100
Non-Revenue Receipts	2,140,800	-2,540,200	-2,548,100	-2,522,300	-2,530,200
Total Federal Fund	14,059,249,627	14,274,307,432	14,706,060,835	14,149,279,800	14,306,991,900
Road Fund					
Regular Appropriation	1,582,795,600	1,679,989,100	1,700,997,500	1,624,020,000	1,590,121,700
Current Year Appropriation	4,265,500				
Other	9,046,100				
Total Road Fund	1,596,107,200	1,679,989,100	1,700,997,500	1,624,020,000	1,590,121,700
TOTAL SOURCE OF FUNDS	37,479,472,167	39,354,413,967	40,342,466,320	37,875,318,740	38,439,338,340
EXPENDITURES BY CLASS					
Personnel Costs	7,686,706,600	8,452,284,735	8,603,184,150	8,022,734,300	8,277,418,824
Operating Expenses	3,593,325,000	3,899,106,265	4,021,899,953	3,774,892,500	3,930,899,976
Grants Loans Benefits	22,340,981,700	23,439,502,700	24,053,976,100	22,590,558,200	22,905,019,700
Debt Service	1,159,315,800	1,224,616,300	1,192,297,900	1,158,604,800	1,113,696,800
Capital Outlay	272,460,300	302,932,900	306,441,500	284,143,300	294,256,800
Construction	1,206,124,600	1,065,953,100	1,090,241,500	1,094,048,000	1,063,735,500
TOTAL EXPENDITURES	36,258,914,000	38,384,396,000	39,268,041,103	36,924,981,100	37,585,027,600
EXPENDITURES BY FUND SOURCE					
General Fund	11,311,702,700	12,852,791,600	13,110,113,800	11,576,540,700	11,818,082,100
Tobacco Fund	154,869,000	124,117,200	119,135,800	113,084,400	108,884,400
Restricted Funds	9,163,560,100	9,476,122,700	9,786,747,800	9,483,743,700	9,783,911,900
Federal Fund	14,041,963,900	14,251,132,700	14,682,922,003	14,131,197,800	14,287,401,800
Road Fund	1,586,818,300	1,679,989,100	1,700,997,500	1,620,414,500	1,586,747,400
TOTAL EXPENDITURES	36,258,914,000	38,384,153,300	39,399,916,903	36,924,981,100	37,585,027,600

EXPENDITURES BY UNIT

General Government	1,832,884,200	1,996,447,800	2,012,366,600	1,800,655,900	1,819,573,300
Economic Development	38,523,100	55,206,000	55,292,300	33,195,900	36,055,300
Department of Education	5,072,549,500	5,584,485,600	5,588,223,800	5,242,808,800	5,237,065,200
Education and Workforce Development	637,803,200	654,807,500	656,563,100	615,595,100	617,246,200
Energy and Environment	287,082,700	304,400,100	312,322,700	250,970,300	260,749,900
Finance and Administration	945,346,300	1,047,408,700	1,015,807,500	993,182,700	960,474,400
Health and Family Services	14,783,372,600	15,444,959,900	16,019,576,100	15,007,584,100	15,285,043,300
Justice and Public Safety	1,276,297,700	1,532,169,000	1,550,028,200	1,345,687,300	1,369,130,400
Labor	205,714,400	202,789,100	204,395,000	202,693,700	204,407,600
Personnel	61,891,700	64,178,800	64,566,000	64,171,200	64,610,500
Postsecondary Education	8,151,482,100	8,549,211,100	8,947,556,903	8,536,480,700	8,930,169,100
Public Protection	134,598,700	140,293,700	140,756,700	129,067,100	129,301,700
Tourism, Arts and Heritage	261,866,200	300,162,600	302,680,000	275,773,400	281,291,000
Transportation	2,569,501,600	2,507,633,400	2,529,782,000	2,427,114,900	2,389,909,700
TOTAL EXPENDITURES	36,258,914,000	38,384,153,300	39,399,916,903	36,924,981,100	37,585,027,600

General Government

General Government

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,158,282,500	1,416,554,200	1,443,942,800	1,252,971,200	1,277,107,700
Surplus Expenditure Plan	130,094,500				
Current Year Appropriation	21,535,000				
Continuing Approp-General Fund	15,144,400				
Reorganization Adjustment	151,800				
Other	662,000				
Total General Fund	1,325,870,200	1,416,554,200	1,443,942,800	1,252,971,200	1,277,107,700
Tobacco Fund					
Regular Appropriation		100,000	100,000		
Tobacco Settlement - Phase I	40,929,300	38,879,300	38,879,300	35,244,800	35,618,800
Continuing Approp-Tob Settlement	24,801,800	18,824,500	12,061,600	18,773,500	11,989,100
Budget Reduction-Tobacco	-3,279,000				
Reorganization Adjustment	-2,050,000				
Total Tobacco Fund	60,402,100	57,803,800	51,040,900	54,018,300	47,607,900
Restricted Funds					
Other		-1,216,100	-949,200		
Balance Forward	131,011,407	118,472,952	103,930,852	117,737,740	89,056,540
Current Receipts	172,770,400	203,460,800	204,404,200	187,958,100	189,582,800
Non-Revenue Receipts	104,276,233	110,412,900	109,934,700	109,718,400	112,044,200
Fund Transfers	-1,500,000	-460,200	-558,600	-7,900,000	-16,700,000
Total Restricted Funds	406,558,040	430,670,352	416,761,952	407,514,240	373,983,540
Federal Fund					
Balance Forward	3,914,400	11,362,432	7,263,832	4,531,900	2,077,400
Current Receipts	176,620,600	195,042,600	185,869,900	184,171,100	183,869,800
Total Federal Fund	180,535,000	206,405,032	193,133,732	188,703,000	185,947,200
Road Fund					
Regular Appropriation	562,000	567,300	570,100	572,200	575,500
Total Road Fund	562,000	567,300	570,100	572,200	575,500
TOTAL SOURCE OF FUNDS	1,973,927,340	2,112,000,684	2,105,449,484	1,903,778,940	1,885,221,840
EXPENDITURES BY CLASS					
Personnel Costs	419,634,400	512,618,100	519,333,500	447,832,400	454,589,924
Operating Expenses	144,189,300	155,343,500	154,566,800	154,922,700	151,788,776
Grants Loans Benefits	1,022,834,600	1,091,145,500	1,121,894,700	968,562,900	1,000,087,800
Debt Service	225,012,800	213,731,300	195,964,100	211,689,100	198,831,000
Capital Outlay	21,213,100	23,852,100	20,854,100	17,648,800	14,275,800
TOTAL EXPENDITURES	1,832,884,200	1,996,690,500	2,012,613,200	1,800,655,900	1,819,573,300
EXPENDITURES BY FUND SOURCE					
General Fund	1,325,870,200	1,424,029,200	1,451,417,800	1,252,971,200	1,277,107,700
Tobacco Fund	41,628,600	45,814,700	44,936,200	42,029,200	41,503,200
Restricted Funds	288,820,300	326,895,400	326,138,500	318,457,700	314,727,300
Federal Fund	176,003,100	199,141,200	189,304,000	186,625,600	185,659,600
Road Fund	562,000	567,300	570,100	572,200	575,500
TOTAL EXPENDITURES	1,832,884,200	1,996,447,800	2,012,366,600	1,800,655,900	1,819,573,300

EXPENDITURES BY UNIT

Office of the Governor	7,112,400	7,342,100	7,424,800	8,167,100	7,852,000
Office of State Budget Director	3,795,200	3,861,700	4,005,100	3,904,400	4,051,600
Homeland Security	6,025,200	8,458,000	8,319,300	6,045,100	6,051,300
Department of Veterans' Affairs	92,503,000	109,270,400	108,741,600	95,776,700	94,535,000
Governor's Office of Agricultural Policy	41,228,600	45,314,700	44,436,200	41,479,200	40,953,200
Kentucky Infrastructure Authority	64,246,900	80,717,700	69,388,800	63,996,500	64,700,600
Military Affairs	140,127,800	168,410,300	169,065,200	140,320,000	140,445,900
Commission on Human Rights	2,260,600	2,898,700	2,921,700	2,564,200	2,597,600
Commission on Women				357,500	357,500
Department for Local Government	39,942,900	40,352,900	40,430,900	57,745,900	57,828,100
Local Government Economic Assistance Fund	38,624,200	22,825,700	22,825,700	35,275,200	29,583,300
Local Government Economic Development Fund	13,570,500	13,570,500	13,570,500		
Local Government Regional Development Agency Assistance Fund		6,000,000	6,000,000	6,000,000	6,000,000
Executive Branch Ethics Commission	975,700	1,129,600	1,139,700	1,010,900	1,023,300
Secretary of State	5,155,100	5,248,800	5,291,900	5,321,300	5,364,200
Board of Elections	13,176,800	10,060,900	9,539,500	8,985,900	5,455,000
Registry of Election Finance	1,529,400	1,622,000	1,642,000	1,597,700	1,618,500
Attorney General	34,903,400	37,711,900	37,539,600	36,027,200	36,156,400
Unified Prosecutorial System	119,244,300	163,406,700	165,114,700	131,906,500	134,404,500
Treasury	5,781,900	6,479,000	6,523,000	5,902,200	5,943,600
Agriculture	37,956,300	41,897,300	42,178,400	40,177,100	40,445,100
Auditor of Public Accounts	17,698,900	20,345,200	20,636,400	17,928,500	17,996,500
Personnel Board	845,900	868,600	897,900	878,700	909,200
Kentucky Retirement Systems	108,883,200	51,206,900	51,614,700	49,058,300	49,496,600
Occupational & Professional Boards & Commissions	25,516,600	27,483,400	27,731,500	26,820,300	27,117,200
Kentucky River Authority	7,550,000	8,100,700	6,892,100	7,991,000	6,785,500
School Facilities Construction Commission	129,071,300	123,620,600	126,639,700	124,255,800	129,262,000
Teachers' Retirement System	803,463,400	918,093,100	940,443,000	797,720,300	819,095,500
Judgments	16,900,000			22,500,000	22,500,000
Appropriations Not Otherwise Classified	19,026,400	20,526,400	20,526,400	14,526,400	14,526,400
KY Communications Network Authority	35,768,300	49,624,000	50,886,300	46,416,000	46,517,700
TOTAL EXPENDITURES	1,832,884,200	1,996,447,800	2,012,366,600	1,800,655,900	1,819,573,300

**General Government
Office of the Governor**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,258,000	7,040,300	7,120,500	6,972,400	7,057,300
Total General Fund	6,258,000	7,040,300	7,120,500	6,972,400	7,057,300
Tobacco Fund					
Tobacco Settlement - Phase I	2,050,000				
Reorganization Adjustment	-2,050,000				
Total Tobacco Fund					
Restricted Funds					
Balance Forward	60,800	11,500		11,500	
Current Receipts	245,400	290,300	304,300	283,200	294,700
Total Restricted Funds	306,200	301,800	304,300	294,700	294,700
Federal Fund					
Balance Forward	-397,400				
Current Receipts	957,100			900,000	500,000
Total Federal Fund	559,700			900,000	500,000
TOTAL SOURCE OF FUNDS	7,123,900	7,342,100	7,424,800	8,167,100	7,852,000
EXPENDITURES BY CLASS					
Personnel Costs	6,111,100	6,183,900	6,269,300	6,152,100	6,242,800
Operating Expenses	1,001,300	1,158,200	1,155,500	1,115,000	1,109,200
Grants Loans Benefits				900,000	500,000
TOTAL EXPENDITURES	7,112,400	7,342,100	7,424,800	8,167,100	7,852,000
EXPENDITURES BY FUND SOURCE					
General Fund	6,258,000	7,040,300	7,120,500	6,972,400	7,057,300
Restricted Funds	294,700	301,800	304,300	294,700	294,700
Federal Fund	559,700			900,000	500,000
TOTAL EXPENDITURES	7,112,400	7,342,100	7,424,800	8,167,100	7,852,000
EXPENDITURES BY UNIT					
Governor	5,355,200	5,872,100	5,936,100	5,656,900	5,728,600
Governor's Office Expense Allowance	34,400	35,500	35,500	36,000	36,100
Lieutenant Governor	589,700	802,600	814,400	610,300	615,500
Lieutenant Governor's Expense Allowance	19,200	19,800	19,800	20,100	20,200
Secretary of the Cabinet	297,200	314,900	318,600	310,500	314,800
Kentucky Commission on Military Affairs	816,700	297,200	300,400	1,348,300	951,800
Office of Minority Empowerment				185,000	185,000
TOTAL EXPENDITURES	7,112,400	7,342,100	7,424,800	8,167,100	7,852,000

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 Executive Budget includes additional General Fund in the amount of \$229,100 in fiscal year 2021 and \$261,300 in fiscal year 2022 to fund cost increases associated with the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$29,900 in fiscal year 2021 and \$75,800 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

Additional General Fund in the amount of \$185,000 in each fiscal year is included for the Office of Minority Empowerment.

General Fund in the amount of \$171,500 in each fiscal year is included for the Military Affairs Commission to support the Base Re-alignment and Closure (BRAC) consulting contract. This funding was previously included in the Department of Military Affairs budget unit.

General Government
Office of State Budget Director

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,533,700	3,697,200	3,743,700	3,739,900	3,790,200
Total General Fund	3,533,700	3,697,200	3,743,700	3,739,900	3,790,200
Restricted Funds					
Balance Forward	309,800	174,200	135,600	174,200	135,600
Non-Revenue Receipts	125,900	125,900	125,800	125,900	125,800
Total Restricted Funds	435,700	300,100	261,400	300,100	261,400
TOTAL SOURCE OF FUNDS	3,969,400	3,997,300	4,005,100	4,040,000	4,051,600
EXPENDITURES BY CLASS					
Personnel Costs	3,474,800	3,491,600	3,618,200	3,554,300	3,686,200
Operating Expenses	320,400	370,100	386,900	350,100	365,400
TOTAL EXPENDITURES	3,795,200	3,861,700	4,005,100	3,904,400	4,051,600
EXPENDITURES BY FUND SOURCE					
General Fund	3,533,700	3,697,200	3,743,700	3,739,900	3,790,200
Restricted Funds	261,500	164,500	261,400	164,500	261,400
TOTAL EXPENDITURES	3,795,200	3,861,700	4,005,100	3,904,400	4,051,600
EXPENDITURES BY UNIT					
Budget & Policy Analysis	2,701,100	2,739,600	2,865,800	2,809,400	2,943,200
Policy Research	475,600	487,200	495,600	475,200	481,800
Economic Analysis	618,500	634,900	643,700	619,800	626,600
TOTAL EXPENDITURES	3,795,200	3,861,700	4,005,100	3,904,400	4,051,600

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

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

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

Policy

The Executive Budget includes additional General Fund in the amount of \$142,700 in fiscal year 2021 and \$155,600 in fiscal year 2022 to fund cost increases associated with the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$13,900 in fiscal year 2021 and \$46,900 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**General Government
Homeland Security**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	255,200	2,275,500	2,116,700	265,500	268,400
Total General Fund	255,200	2,275,500	2,116,700	265,500	268,400
Restricted Funds					
Other		-1,216,100	-949,200		
Balance Forward	3,628,500	3,662,300	3,823,000	3,662,300	3,823,000
Current Receipts	1,395,600	2,022,300	1,921,400	1,522,500	1,522,500
Total Restricted Funds	5,024,100	4,468,500	4,795,200	5,184,800	5,345,500
Federal Fund					
Balance Forward	27,700				
Current Receipts	4,068,500	5,219,700	5,071,000	4,096,200	4,096,200
Total Federal Fund	4,096,200	5,219,700	5,071,000	4,096,200	4,096,200
Road Fund					
Regular Appropriation	312,000	317,300	320,100	321,600	324,900
Total Road Fund	312,000	317,300	320,100	321,600	324,900
TOTAL SOURCE OF FUNDS	9,687,500	12,281,000	12,303,000	9,868,100	10,035,000
EXPENDITURES BY CLASS					
Personnel Costs	1,880,300	3,521,400	3,543,700	2,199,100	2,232,300
Operating Expenses	895,500	1,597,200	1,486,200	581,600	554,600
Grants Loans Benefits	3,249,400	3,263,200	3,263,200	3,263,200	3,263,200
Capital Outlay		76,200	26,200	1,200	1,200
TOTAL EXPENDITURES	6,025,200	8,458,000	8,319,300	6,045,100	6,051,300
EXPENDITURES BY FUND SOURCE					
General Fund	255,200	2,275,500	2,116,700	265,500	268,400
Restricted Funds	1,361,800	645,500	811,500	1,361,800	1,361,800
Federal Fund	4,096,200	5,219,700	5,071,000	4,096,200	4,096,200
Road Fund	312,000	317,300	320,100	321,600	324,900
TOTAL EXPENDITURES	6,025,200	8,458,000	8,319,300	6,045,100	6,051,300
EXPENDITURES BY UNIT					
Office of Homeland Security	4,663,400	7,082,800	6,938,200	4,683,300	4,689,500
Law Enforcement Protection Program	519,300	519,300	519,300	519,300	519,300
Commerical Mobile Radio Service	842,500	855,900	861,800	842,500	842,500
TOTAL EXPENDITURES	6,025,200	8,458,000	8,319,300	6,045,100	6,051,300

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$9,000 in fiscal year 2021 and \$10,100 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$600 in fiscal year 2021 and \$2,600 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**General Government
Veterans' Affairs**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	25,810,200	40,326,500	40,978,000	27,182,800	27,710,700
Total General Fund	25,810,200	40,326,500	40,978,000	27,182,800	27,710,700
Restricted Funds					
Balance Forward	17,349,900	12,001,200	5,673,200	11,001,200	5,023,200
Current Receipts	60,344,100	62,615,900	64,161,800	62,615,900	64,161,800
Total Restricted Funds	77,694,000	74,617,100	69,835,000	73,617,100	69,185,000
TOTAL SOURCE OF FUNDS	103,504,200	114,943,600	110,813,000	100,799,900	96,895,700
EXPENDITURES BY CLASS					
Personnel Costs	69,161,700	87,266,700	88,745,500	74,158,000	75,203,100
Operating Expenses	13,386,200	14,493,600	14,411,000	13,548,600	13,536,800
Grants Loans Benefits	5,300,100	5,490,100	5,490,100	5,490,100	5,490,100
Debt Service				105,000	210,000
Capital Outlay	4,655,000	2,020,000	95,000	2,475,000	95,000
TOTAL EXPENDITURES	92,503,000	109,270,400	108,741,600	95,776,700	94,535,000
EXPENDITURES BY FUND SOURCE					
General Fund	25,810,200	40,326,500	40,978,000	27,182,800	27,710,700
Restricted Funds	66,692,800	68,943,900	67,763,600	68,593,900	66,824,300
TOTAL EXPENDITURES	92,503,000	109,270,400	108,741,600	95,776,700	94,535,000
EXPENDITURES BY UNIT					
Field Services and Cemeteries	7,853,900	11,281,400	11,697,700	7,688,500	7,792,400
Kentucky Veterans' Centers	84,649,100	97,989,000	97,043,900	88,088,200	86,742,600
TOTAL EXPENDITURES	92,503,000	109,270,400	108,741,600	95,776,700	94,535,000

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 Executive Budget includes additional General Fund in the amount of \$1,057,300 in fiscal year 2021 and \$1,185,700 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$102,400 in fiscal year 2021 and \$332,700 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

The Executive Budget includes additional General Fund debt service in the amount of \$105,000 in fiscal year 2021 and \$210,000 in fiscal year 2022 to support new bonds for capital projects.

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

General Government
Governor's Office of Agricultural Policy

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Tobacco Fund					
Tobacco Settlement - Phase I	38,379,300	38,379,300	38,379,300	34,594,800	34,968,800
Continuing Approp-Tob Settlement	24,801,800	18,824,500	12,061,600	18,773,500	11,989,100
Budget Reduction-Tobacco	-3,279,000				
Total Tobacco Fund	59,902,100	57,203,800	50,440,900	53,368,300	46,957,900
Restricted Funds					
Balance Forward	363,200	272,700	172,700	272,700	172,700
Current Receipts	9,500				
Total Restricted Funds	372,700	272,700	172,700	272,700	172,700
TOTAL SOURCE OF FUNDS	60,274,800	57,476,500	50,613,600	53,641,000	47,130,600
EXPENDITURES BY CLASS					
Personnel Costs	1,587,600	1,642,700	1,664,200	1,601,600	1,619,700
Operating Expenses	530,700	530,700	530,700	529,400	526,600
Grants Loans Benefits	31,110,300	37,141,300	37,241,300	33,348,200	33,806,900
Capital Outlay	8,000,000	6,000,000	5,000,000	6,000,000	5,000,000
TOTAL EXPENDITURES	41,228,600	45,314,700	44,436,200	41,479,200	40,953,200
EXPENDITURES BY FUND SOURCE					
Tobacco Fund	41,128,600	45,214,700	44,336,200	41,379,200	40,853,200
Restricted Funds	100,000	100,000	100,000	100,000	100,000
TOTAL EXPENDITURES	41,228,600	45,314,700	44,436,200	41,479,200	40,953,200
EXPENDITURES BY UNIT					
Governor's Office of Agricultural Policy	41,228,600	45,314,700	44,436,200	41,479,200	40,953,200
TOTAL EXPENDITURES	41,228,600	45,314,700	44,436,200	41,479,200	40,953,200

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

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

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

Pursuant to KRS 248.703 half of Kentucky's tobacco settlement receipts are allocated to the Agricultural Development Fund. That amount is further divided between a counties account for county level grants and a state account for investments that have a regional or statewide purpose. From the state account, the General Assembly has appropriated debt service for bonds to support farmland preservation and safe drinking water, water and sewer infrastructure projects, livestock diagnostic lab design and construction, improvements to 4-H camps and FFA Leadership Center, and funding for land conservation programs. A portion of funds received into the Agriculture Development Fund are allocated for projects at the county level. The specific funding level of a county is dependent upon its tobacco-production dependency in relation to other counties within the state as described in KRS 248.703(3). One hundred and eighteen of Kentucky's

120 counties receive a portion of county allocation. Each county has a council of local agriculture leaders who consider applications for grants from the county's share of funds and prioritizes them for the Agricultural Development Board, which has the final grant authority for each county's funds. The Board has developed several programs in which counties may participate. Funds are provided as matching grants.

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

**General Government
Kentucky Infrastructure Authority**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,140,800	4,364,800	2,227,800	1,513,700	2,199,900
Total General Fund	1,140,800	4,364,800	2,227,800	1,513,700	2,199,900
Restricted Funds					
Balance Forward	481,600				
Non-Revenue Receipts	33,242,600	33,714,000	33,934,500	33,100,900	33,118,800
Total Restricted Funds	33,724,200	33,714,000	33,934,500	33,100,900	33,118,800
Federal Fund					
Current Receipts	29,381,900	42,638,900	33,226,500	29,381,900	29,381,900
Total Federal Fund	29,381,900	42,638,900	33,226,500	29,381,900	29,381,900
TOTAL SOURCE OF FUNDS	64,246,900	80,717,700	69,388,800	63,996,500	64,700,600
EXPENDITURES BY CLASS					
Personnel Costs	2,834,000	3,398,700	3,601,300	2,918,900	2,945,400
Operating Expenses	378,600	285,300	303,200	164,900	160,500
Grants Loans Benefits	31,004,300	43,779,700	34,367,300	30,522,700	30,522,700
Debt Service	30,030,000	33,254,000	31,117,000	30,390,000	31,072,000
TOTAL EXPENDITURES	64,246,900	80,717,700	69,388,800	63,996,500	64,700,600
EXPENDITURES BY FUND SOURCE					
General Fund	1,140,800	4,364,800	2,227,800	1,513,700	2,199,900
Restricted Funds	33,724,200	33,714,000	33,934,500	33,100,900	33,118,800
Federal Fund	29,381,900	42,638,900	33,226,500	29,381,900	29,381,900
TOTAL EXPENDITURES	64,246,900	80,717,700	69,388,800	63,996,500	64,700,600
EXPENDITURES BY UNIT					
Kentucky Infrastructure Authority	64,246,900	80,717,700	69,388,800	63,996,500	64,700,600
TOTAL EXPENDITURES	64,246,900	80,717,700	69,388,800	63,996,500	64,700,600

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

The agency is authorized to 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 Executive Budget includes additional General Fund in the amount of \$11,500 in fiscal year 2021 and \$12,500 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$1,200 in fiscal year 2021 and \$3,900 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

Included in the General Fund appropriation is \$170,000 in fiscal year 2020-2021 and \$510,000 in fiscal year 2021-2022 for debt service to support \$8,172,000 in bonds to match an estimated \$48,856,000 in Federal Funds for the Federally Assisted Wastewater Revolving Loan Fund program (Fund A).

Included in the General Fund appropriation is \$190,000 in fiscal year 2020-2021 and \$532,000 in fiscal year 2021-2022 for debt service to support \$8,222,000 in bonds to match an estimated \$36,606,000 in Federal Funds for the Safe Drinking Water State Revolving Loan Fund program (Fund F).

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

General Government

Military Affairs

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	15,155,400	18,785,100	18,947,000	15,347,600	15,473,500
Total General Fund	15,155,400	18,785,100	18,947,000	15,347,600	15,473,500
Restricted Funds					
Balance Forward	21,982,400	22,677,100	23,332,000	22,677,100	23,332,000
Current Receipts	41,270,000	52,098,700	52,307,800	41,270,000	41,270,000
Non-Revenue Receipts	-1,932,800	-1,970,400	-3,448,000	-1,972,600	-3,451,300
Total Restricted Funds	61,319,600	72,805,400	72,191,800	61,974,500	61,150,700
Federal Fund					
Balance Forward	-8,116,800				
Current Receipts	94,446,700	100,151,800	100,434,600	86,329,900	86,329,900
Total Federal Fund	86,329,900	100,151,800	100,434,600	86,329,900	86,329,900
TOTAL SOURCE OF FUNDS	162,804,900	191,742,300	191,573,400	163,652,000	162,954,100
EXPENDITURES BY CLASS					
Personnel Costs	47,406,500	50,708,300	51,248,600	49,402,600	50,015,700
Operating Expenses	29,361,200	47,809,300	47,916,400	27,578,000	27,083,300
Grants Loans Benefits	54,063,700	54,043,000	54,050,500	54,043,000	54,050,500
Debt Service	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Capital Outlay	7,696,400	14,249,700	14,249,700	7,696,400	7,696,400
TOTAL EXPENDITURES	140,127,800	168,410,300	169,065,200	140,320,000	140,445,900
EXPENDITURES BY FUND SOURCE					
General Fund	15,155,400	18,785,100	18,947,000	15,347,600	15,473,500
Restricted Funds	38,642,500	49,473,400	49,683,600	38,642,500	38,642,500
Federal Fund	86,329,900	100,151,800	100,434,600	86,329,900	86,329,900
TOTAL EXPENDITURES	140,127,800	168,410,300	169,065,200	140,320,000	140,445,900
EXPENDITURES BY UNIT					
Statutory State Operations	30,705,200	47,564,200	47,841,300	30,847,900	30,945,900
Emergency Management	63,933,900	64,102,100	64,183,400	64,047,100	64,062,800
National Guard Operations	171,500	371,500	371,500		
Emergency & Public Safety Operations	2,250,000	2,220,600	2,220,600	2,309,800	2,318,000
Bluegrass Station	13,578,600	15,079,600	15,129,100	13,578,600	13,578,600
Central Clothing Distribution	21,374,000	30,722,400	30,882,000	21,394,700	21,394,700
Federal & Grant Operations	8,114,600	8,349,900	8,437,300	8,141,900	8,145,900
TOTAL EXPENDITURES	140,127,800	168,410,300	169,065,200	140,320,000	140,445,900

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

The Executive Budget includes additional General Fund in the amount of \$332,800 in fiscal year 2021 and \$363,600 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$33,100 in fiscal year 2021 and \$112,800 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**General Government
Commission on Human Rights**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,005,600	2,643,700	2,666,700	2,309,200	2,342,600
Total General Fund	2,005,600	2,643,700	2,666,700	2,309,200	2,342,600
Restricted Funds					
Balance Forward	5,700	5,700	5,700	5,700	5,700
Current Receipts	10,000	10,000	10,000	10,000	10,000
Total Restricted Funds	15,700	15,700	15,700	15,700	15,700
Federal Fund					
Balance Forward	287,600	287,600	287,600	287,600	287,600
Current Receipts	245,000	245,000	245,000	245,000	245,000
Total Federal Fund	532,600	532,600	532,600	532,600	532,600
TOTAL SOURCE OF FUNDS	2,553,900	3,192,000	3,215,000	2,857,500	2,890,900
EXPENDITURES BY CLASS					
Personnel Costs	1,931,100	2,634,100	2,660,100	2,301,700	2,336,600
Operating Expenses	329,500	264,600	261,600	262,500	261,000
TOTAL EXPENDITURES	2,260,600	2,898,700	2,921,700	2,564,200	2,597,600
EXPENDITURES BY FUND SOURCE					
General Fund	2,005,600	2,643,700	2,666,700	2,309,200	2,342,600
Restricted Funds	10,000	10,000	10,000	10,000	10,000
Federal Fund	245,000	245,000	245,000	245,000	245,000
TOTAL EXPENDITURES	2,260,600	2,898,700	2,921,700	2,564,200	2,597,600
EXPENDITURES BY UNIT					
General Administration and Support	817,400	1,273,000	1,276,200	1,055,700	1,066,300
Enforcement Branch	585,000	696,900	704,400	610,400	619,300
Research and Information	408,500	464,500	470,400	426,700	433,500
Legal Affairs	449,700	464,300	470,700	471,400	478,500
TOTAL EXPENDITURES	2,260,600	2,898,700	2,921,700	2,564,200	2,597,600

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$86,700 in fiscal year 2021 and \$97,300 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$6,500 in fiscal year 2021 and \$25,300 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

The Executive Budget includes additional General Fund in the amount of \$200,000 in each fiscal year to reinvest in human rights, which has been hampered by both state funding cuts and a loss of federal dollars.

**General Government
Commission on Women**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation				357,500	357,500
Total General Fund				357,500	357,500
TOTAL SOURCE OF FUNDS				357,500	357,500
EXPENDITURES BY CLASS					
Personnel Costs				308,100	308,100
Operating Expenses				49,400	49,400
TOTAL EXPENDITURES				357,500	357,500
EXPENDITURES BY FUND SOURCE					
General Fund				357,500	357,500
TOTAL EXPENDITURES				357,500	357,500
EXPENDITURES BY UNIT					
Commission on Women				357,500	357,500
TOTAL EXPENDITURES				357,500	357,500

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

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

The KCW maintains the watercolor Kentucky Women Remembered Exhibit in the West Wing of the Capitol. The KCW staff coordinates statewide collaborative efforts in order to communicate to the executive branch the challenges and resources that exist for Kentucky women.

Policy

The Executive Budget includes General Fund in the amount of \$357,500 in fiscal year 2021 and \$357,500 in fiscal year 2022 to reinstate the Kentucky Commission on Women.

General Government
Department for Local Government

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,326,700	2,170,700	2,240,000	10,629,700	10,711,900
Total General Fund	9,326,700	2,170,700	2,240,000	10,629,700	10,711,900
Restricted Funds					
Balance Forward	2,545,100	2,426,000	2,306,900	2,426,000	2,306,900
Current Receipts	769,600	776,100	778,900	769,600	769,600
Total Restricted Funds	3,314,700	3,202,100	3,085,800	3,195,600	3,076,500
Federal Fund					
Balance Forward	-460,700				
Current Receipts	30,188,200	29,787,000	29,792,900	46,227,500	46,227,500
Total Federal Fund	29,727,500	29,787,000	29,792,900	46,227,500	46,227,500
TOTAL SOURCE OF FUNDS	42,368,900	35,159,800	35,118,700	60,052,800	60,015,900
EXPENDITURES BY CLASS					
Personnel Costs	4,906,700	5,086,400	5,153,200	7,281,200	7,387,800
Operating Expenses	2,154,600	2,451,000	2,462,000	1,149,200	1,124,600
Grants Loans Benefits	32,881,600	32,815,500	32,815,700	49,315,500	49,315,700
TOTAL EXPENDITURES	39,942,900	40,352,900	40,430,900	57,745,900	57,828,100
EXPENDITURES BY FUND SOURCE					
General Fund	9,326,700	9,670,700	9,740,000	10,629,700	10,711,900
Restricted Funds	888,700	895,200	898,000	888,700	888,700
Federal Fund	29,727,500	29,787,000	29,792,900	46,227,500	46,227,500
TOTAL EXPENDITURES	39,942,900	40,352,900	40,430,900	57,745,900	57,828,100
EXPENDITURES BY UNIT					
Operations	7,717,200	7,600,300	7,666,600	8,542,200	8,579,800
Grants	32,225,700	32,752,600	32,764,300	49,203,700	49,248,300
TOTAL EXPENDITURES	39,942,900	40,352,900	40,430,900	57,745,900	57,828,100

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 Executive Budget includes additional General Fund in the amount of \$219,000 in fiscal year 2021 and \$252,200 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$23,600 in fiscal year 2021 and \$68,200 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

The Executive Budget includes additional General fund in the amount of \$1,000,000 in each fiscal year to fund grants to local governments equal pay audits.

General Government

Local Government Economic Assistance Fund

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	22,825,700	22,825,700	22,825,700	35,275,200	29,583,300
Continuing Approp-General Fund	15,136,500				
Other	662,000				
Total General Fund	38,624,200	22,825,700	22,825,700	35,275,200	29,583,300
TOTAL SOURCE OF FUNDS	38,624,200	22,825,700	22,825,700	35,275,200	29,583,300
EXPENDITURES BY CLASS					
Grants Loans Benefits	38,624,200	22,825,700	22,825,700	35,275,200	29,583,300
TOTAL EXPENDITURES	38,624,200	22,825,700	22,825,700	35,275,200	29,583,300
EXPENDITURES BY FUND SOURCE					
General Fund	38,624,200	22,825,700	22,825,700	35,275,200	29,583,300
TOTAL EXPENDITURES	38,624,200	22,825,700	22,825,700	35,275,200	29,583,300
EXPENDITURES BY UNIT					
County Coal Severance	24,153,600	10,235,400	10,235,400	15,837,700	13,276,400
Cities Coal Severance	2,685,000	1,135,700	1,135,700	1,758,200	1,473,500
County Mineral Severance	10,607,000	10,309,100	10,309,100	15,911,400	13,350,100
Cities Mineral Severance	1,178,600	1,145,500	1,145,500	1,767,900	1,483,300
TOTAL EXPENDITURES	38,624,200	22,825,700	22,825,700	35,275,200	29,583,300

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

After covering debt service for coal county projects from past budgets and the administration of the program by Kentucky Infrastructure Authority and the Department for Local Government, all of the remaining coal severance tax revenues are directed to the Local Government Economic Assistance Fund.

General Government					
Local Government Economic Development Fund					
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	13,570,500	13,570,500	13,570,500		
Total General Fund	13,570,500	13,570,500	13,570,500		
TOTAL SOURCE OF FUNDS	13,570,500	13,570,500	13,570,500		
EXPENDITURES BY CLASS					
Grants Loans Benefits	13,570,500	13,570,500	13,570,500		
TOTAL EXPENDITURES	13,570,500	13,570,500	13,570,500		
EXPENDITURES BY FUND SOURCE					
General Fund	13,570,500	13,570,500	13,570,500		
TOTAL EXPENDITURES	13,570,500	13,570,500	13,570,500		
EXPENDITURES BY UNIT					
Economic Development Fund	13,570,500	13,570,500	13,570,500		
TOTAL EXPENDITURES	13,570,500	13,570,500	13,570,500		

The Local Government Economic Development Fund (LGEDF) is a revenue-sharing program that was created by the 1992 General Assembly to provide coal-producing counties with a means to diversify their economies. The governing statutes that have directed specific percentage shares of General Fund coal severance tax revenues to coal-producing counties have been suspended in the 2020-2022 budget.

Policy

After covering debt service for coal county projects from past budgets and the administration of the program by Kentucky Infrastructure Authority and the Department for Local Government, all of the remaining coal severance tax revenues are directed to the Local Government Economic Assistance Fund.

Severance Tax Dedicated Programs 2020-2022 Biennium
Using Consensus Forecast Estimate

	FY 2020 Revised	FY 2021 Estimate	FY 2022 Estimate
Coal Severance Tax Resources			
Coal Severance Tax	69,819,500	46,186,400	39,145,700
<i>Less: KIA LGEDF Admin cost</i>	(370,000)	(370,000)	(370,000)
<i>Less: DLG LGEDF Admin cost</i>	(669,700)	(669,700)	(669,700)
<i>Less: Debt Service</i>	(27,456,700)	(26,210,600)	(24,784,800)
Total coal severance tax resources to be distributed	41,323,100	18,936,100	13,321,200
Local Government Economic Assistance Fund (LGEAF) Total Funds			
Coal Severance Tax Revenue (15%-FY 20), (100%-FY21 & 22)	6,198,500	18,936,100	13,321,200
Other Mineral Severance Tax Revenue	16,646,300	16,339,100	16,262,100
Transfer from LGEDF	642,900	-	-
Total LGEAF enacted	23,487,700	35,275,200	29,583,300
Local Government Economic Development Fund (LGEDF)			
Coal Severance Tax Revenue	7,500,000	-	-
Fund transfer from Ky Coal Fields Endowment Fund	7,563,400	-	-
<i>Less: Operation Unite</i>	(500,000)	-	-
<i>Less: Mining Engineering Scholarships</i>	(350,000)	-	-
<i>Less: Transfer to LGEAF</i>	(642,900)	-	-
Total LGEDF for County Distribution	13,570,500	-	-

General Government
Local Government Regional Development Agency Assistance Fund

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Current Receipts		6,000,000	6,000,000		
Non-Revenue Receipts				6,000,000	6,000,000
Total Restricted Funds		6,000,000	6,000,000	6,000,000	6,000,000
TOTAL SOURCE OF FUNDS		6,000,000	6,000,000	6,000,000	6,000,000
EXPENDITURES BY CLASS					
Personnel Costs		6,000,000	6,000,000	6,000,000	6,000,000
TOTAL EXPENDITURES		6,000,000	6,000,000	6,000,000	6,000,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds		6,000,000	6,000,000	6,000,000	6,000,000
TOTAL EXPENDITURES		6,000,000	6,000,000	6,000,000	6,000,000
EXPENDITURES BY UNIT					
Regional Development Agency Assistance Fund		6,000,000	6,000,000	6,000,000	6,000,000
TOTAL EXPENDITURES		6,000,000	6,000,000	6,000,000	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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	555,700	693,200	703,300	590,900	603,300
Total General Fund	555,700	693,200	703,300	590,900	603,300
Restricted Funds					
Balance Forward	194,400	124,400	100,000	124,400	116,400
Current Receipts	350,000	412,000	412,000	412,000	412,000
Total Restricted Funds	544,400	536,400	512,000	536,400	528,400
TOTAL SOURCE OF FUNDS	1,100,100	1,229,600	1,215,300	1,127,300	1,131,700
EXPENDITURES BY CLASS					
Personnel Costs	862,600	1,014,100	1,024,300	901,800	914,300
Operating Expenses	113,100	115,500	115,400	109,100	109,000
TOTAL EXPENDITURES	975,700	1,129,600	1,139,700	1,010,900	1,023,300
EXPENDITURES BY FUND SOURCE					
General Fund	555,700	693,200	703,300	590,900	603,300
Restricted Funds	420,000	436,400	436,400	420,000	420,000
TOTAL EXPENDITURES	975,700	1,129,600	1,139,700	1,010,900	1,023,300
EXPENDITURES BY UNIT					
Executive Branch Ethics Commission	975,700	1,129,600	1,139,700	1,010,900	1,023,300
TOTAL EXPENDITURES	975,700	1,129,600	1,139,700	1,010,900	1,023,300

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

Policy

The Executive Budget includes additional General Fund in the amount of \$30,400 in fiscal year 2021 and \$33,200 in fiscal year 2022 to fund the cost increases of the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$3,200 in fiscal year 2021 and \$11,400 in fiscal year 2022 to fund the cost increases associated with providing a 1% increment each year.

**General Government
Secretary of State**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,252,500	2,311,100	2,338,700	2,418,700	2,461,600
Total General Fund	2,252,500	2,311,100	2,338,700	2,418,700	2,461,600
Restricted Funds					
Balance Forward	7,924,400	8,031,600	8,685,900	7,659,100	6,773,600
Current Receipts	3,915,900	3,830,800	3,979,800	3,795,700	3,929,200
Fund Transfers	-1,500,000	-460,200	-558,600	-2,000,000	-2,000,000
Total Restricted Funds	10,340,300	11,402,200	12,107,100	9,454,800	8,702,800
Federal Fund					
Current Receipts	221,400	221,400	221,400	221,400	221,400
Total Federal Fund	221,400	221,400	221,400	221,400	221,400
TOTAL SOURCE OF FUNDS	12,814,200	13,934,700	14,667,200	12,094,900	11,385,800
EXPENDITURES BY CLASS					
Personnel Costs	3,903,700	4,041,200	4,081,500	4,094,400	4,139,800
Operating Expenses	1,211,400	1,153,600	1,156,400	1,172,900	1,170,400
Capital Outlay	40,000	54,000	54,000	54,000	54,000
TOTAL EXPENDITURES	5,155,100	5,248,800	5,291,900	5,321,300	5,364,200
EXPENDITURES BY FUND SOURCE					
General Fund	2,252,500	2,311,100	2,338,700	2,418,700	2,461,600
Restricted Funds	2,681,200	2,716,300	2,731,800	2,681,200	2,681,200
Federal Fund	221,400	221,400	221,400	221,400	221,400
TOTAL EXPENDITURES	5,155,100	5,248,800	5,291,900	5,321,300	5,364,200
EXPENDITURES BY UNIT					
General Administration	3,017,200	3,075,800	3,103,400	3,183,400	3,226,300
General Operations	2,137,900	2,173,000	2,188,500	2,137,900	2,137,900
TOTAL EXPENDITURES	5,155,100	5,248,800	5,291,900	5,321,300	5,364,200

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

The Executive Budget includes additional General Fund in the amount of \$126,700 in fiscal year 2021 and \$140,500 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$11,000 in fiscal year 2021 and \$37,500 in fiscal year 2022 to fund cost increases associated with statutory salary adjustments.

**General Government
Board of Elections**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,231,100	5,676,300	5,819,400	6,245,600	3,379,200
Total General Fund	4,231,100	5,676,300	5,819,400	6,245,600	3,379,200
Restricted Funds					
Balance Forward	648,300	464,400	329,400	464,400	329,400
Current Receipts	62,100	111,000	98,400	111,000	98,400
Total Restricted Funds	710,400	575,400	427,800	575,400	427,800
Federal Fund					
Balance Forward	12,767,000	11,074,700	6,976,100	4,244,100	1,789,800
Current Receipts	176,800	40,000	40,000	40,000	40,000
Total Federal Fund	12,943,800	11,114,700	7,016,100	4,284,100	1,829,800
TOTAL SOURCE OF FUNDS	17,885,300	17,366,400	13,263,300	11,105,100	5,636,800
EXPENDITURES BY CLASS					
Personnel Costs	1,822,500	2,201,000	2,228,600	1,867,700	1,885,400
Operating Expenses	7,563,200	920,200	915,200	120,800	-880,300
Grants Loans Benefits	3,791,100	6,939,700	6,395,700	6,997,400	4,449,900
TOTAL EXPENDITURES	13,176,800	10,060,900	9,539,500	8,985,900	5,455,000
EXPENDITURES BY FUND SOURCE					
General Fund	4,231,100	5,676,300	5,819,400	6,245,600	3,379,200
Restricted Funds	246,000	246,000	246,000	246,000	246,000
Federal Fund	8,699,700	4,138,600	3,474,100	2,494,300	1,829,800
TOTAL EXPENDITURES	13,176,800	10,060,900	9,539,500	8,985,900	5,455,000
EXPENDITURES BY UNIT					
General Administration and Support	1,617,100	2,183,200	2,205,800	2,694,800	1,711,400
State Share of County Election Expenses	1,490,700	1,882,900	1,882,900	1,883,000	
State Share of Voter Registration Expenses	1,173,300	1,660,200	1,780,700	1,717,800	1,717,800
Election Fund	8,895,700	4,334,600	3,670,100	2,690,300	2,025,800
TOTAL EXPENDITURES	13,176,800	10,060,900	9,539,500	8,985,900	5,455,000

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 Executive Budget includes additional General Fund in the amount of \$41,000 in fiscal year 2021 and \$44,800 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$3,800 in fiscal year 2021 and \$13,500 in fiscal year 2022 to fund the cost increases associated with providing a 1% increment each year.

The Executive Budget 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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,529,400	1,622,000	1,642,000	1,597,700	1,618,500
Total General Fund	1,529,400	1,622,000	1,642,000	1,597,700	1,618,500
TOTAL SOURCE OF FUNDS	1,529,400	1,622,000	1,642,000	1,597,700	1,618,500
EXPENDITURES BY CLASS					
Personnel Costs	1,427,200	1,487,700	1,507,200	1,509,900	1,531,700
Operating Expenses	102,200	134,300	134,800	87,800	86,800
TOTAL EXPENDITURES	1,529,400	1,622,000	1,642,000	1,597,700	1,618,500
EXPENDITURES BY FUND SOURCE					
General Fund	1,529,400	1,622,000	1,642,000	1,597,700	1,618,500
TOTAL EXPENDITURES	1,529,400	1,622,000	1,642,000	1,597,700	1,618,500
EXPENDITURES BY UNIT					
Registry of Election Finance	1,529,400	1,622,000	1,642,000	1,597,700	1,618,500
TOTAL EXPENDITURES	1,529,400	1,622,000	1,642,000	1,597,700	1,618,500

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

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

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

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

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

Policy

The Executive Budget includes additional General Fund in the amount of \$58,300 in fiscal year 2021 and \$63,600 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$7,200 in fiscal year 2021 and \$20,700 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

General Government

Attorney General

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	12,239,600	15,522,700	15,528,500	12,774,300	12,946,000
Current Year Appropriation	135,000				
Total General Fund	12,374,600	15,522,700	15,528,500	12,774,300	12,946,000
Tobacco Fund					
Tobacco Settlement - Phase I				150,000	150,000
Total Tobacco Fund				150,000	150,000
Restricted Funds					
Balance Forward	9,174,500	6,181,200	3,092,200	6,181,200	3,048,700
Current Receipts	8,813,400	6,075,300	6,075,300	7,386,500	7,389,200
Non-Revenue Receipts	5,312,000	8,027,600	7,993,900	8,083,300	8,050,900
Fund Transfers				-500,000	-500,000
Total Restricted Funds	23,299,900	20,284,100	17,161,400	21,151,000	17,988,800
Federal Fund					
Balance Forward	-316,800				
Current Receipts	5,726,900	4,997,300	5,068,400	5,000,600	5,071,600
Total Federal Fund	5,410,100	4,997,300	5,068,400	5,000,600	5,071,600
TOTAL SOURCE OF FUNDS	41,084,600	40,804,100	37,758,300	39,075,900	36,156,400
EXPENDITURES BY CLASS					
Personnel Costs	22,580,500	25,152,300	25,511,600	24,152,400	24,351,400
Operating Expenses	3,461,800	4,301,600	3,800,000	3,646,800	3,577,000
Grants Loans Benefits	8,536,600	8,153,500	8,153,500	8,153,500	8,153,500
Capital Outlay	324,500	104,500	74,500	74,500	74,500
TOTAL EXPENDITURES	34,903,400	37,711,900	37,539,600	36,027,200	36,156,400
EXPENDITURES BY FUND SOURCE					
General Fund	12,374,600	15,522,700	15,528,500	12,774,300	12,946,000
Tobacco Fund				150,000	150,000
Restricted Funds	17,118,700	17,191,900	16,942,700	18,102,300	17,988,800
Federal Fund	5,410,100	4,997,300	5,068,400	5,000,600	5,071,600
TOTAL EXPENDITURES	34,903,400	37,711,900	37,539,600	36,027,200	36,156,400
EXPENDITURES BY UNIT					
Administrative Services	2,578,000	2,949,200	2,994,300	2,967,300	3,017,500
Criminal Services	9,219,600	10,537,800	10,627,600	9,557,800	9,716,200
Uninsured Employers Fund	7,401,500	7,482,600	7,490,700	7,492,800	7,502,200
Advocacy Services	7,793,900	8,326,400	7,914,400	8,022,600	8,091,300
Civil Services	7,910,400	8,415,900	8,512,600	7,986,700	7,829,200
TOTAL EXPENDITURES	34,903,400	37,711,900	37,539,600	36,027,200	36,156,400

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$135,000 in fiscal year 2020 to fund known liabilities.

The Executive Budget includes additional General Fund in the amount of \$449,600 in fiscal year 2021 and \$498,200 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$46,500 in fiscal year 2021 and \$155,900 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**General Government
Commonwealth's Attorneys**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	59,913,100	77,877,400	78,624,700	66,182,500	67,509,800
Total General Fund	59,913,100	77,877,400	78,624,700	66,182,500	67,509,800
Restricted Funds					
Balance Forward	3,299,300	3,301,402	1,618,202	3,301,400	1,618,200
Current Receipts	4,150,000	4,375,000	4,475,000	4,375,000	4,475,000
Non-Revenue Receipts	10,000	60,000	60,000	60,000	60,000
Total Restricted Funds	7,459,300	7,736,402	6,153,202	7,736,400	6,153,200
Federal Fund					
Balance Forward	-50,700	82	82	100	
Current Receipts	419,100	756,700	777,800	756,700	777,800
Total Federal Fund	368,400	756,782	777,882	756,800	777,800
TOTAL SOURCE OF FUNDS	67,740,800	86,370,584	85,555,784	74,675,700	74,440,800
EXPENDITURES BY CLASS					
Personnel Costs	58,800,700	77,216,600	78,108,300	66,347,500	67,744,400
Operating Expenses	5,620,600	7,155,800	7,055,100	6,137,500	6,111,500
Grants Loans Benefits	18,000	297,500	291,500	272,500	266,500
Capital Outlay		300,000	300,000	300,000	300,000
TOTAL EXPENDITURES	64,439,300	84,969,900	85,754,900	73,057,500	74,422,400
EXPENDITURES BY FUND SOURCE					
General Fund	59,913,100	77,852,400	78,599,700	66,182,500	67,509,800
Restricted Funds	4,157,900	6,118,200	6,134,800	6,118,200	6,134,800
Federal Fund	368,300	756,700	777,800	756,800	777,800
TOTAL EXPENDITURES	64,439,300	84,727,300	85,512,300	73,057,500	74,422,400
EXPENDITURES BY UNIT					
Commonwealth's Attorneys	64,439,300	84,727,300	85,512,300	73,057,500	74,422,400
TOTAL EXPENDITURES	64,439,300	84,727,300	85,512,300	73,057,500	74,422,400

Established by Section 99;100 of the Kentucky Constitution, the Commonwealth's Attorneys program is made up of 57 elected Commonwealth's Attorneys and their staffs, one for each judicial circuit. Currently 52 circuits have full-time Commonwealth's Attorneys, with the remaining circuits with part-time attorneys. Commonwealth's Attorneys are responsible for all felony prosecutions, including those prosecutions in which the penalty of death may be imposed upon the defendant. The prosecution of each felony requires a thorough investigation that involves extensive research and trial preparation by the prosecutor. Witness interviews, grand jury presentations, motions (including post-conviction motions), conferences, plea-bargaining, case studies, continuing legal education and participation on multi-disciplinary teams are a part of each prosecutor's responsibility in representing the Commonwealth and citizens of Kentucky as the state's attorney.

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

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

Policy

The Executive Budget includes additional General Fund in the amount of \$2,464,600 in fiscal year 2021 and \$3,019,300 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$332,100 in fiscal year 2021 and \$720,000 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

The Executive Budget includes additional General Fund in the amount of \$416,100 in fiscal year 2021 and \$719,700 in fiscal year 2022 to fund cost increases associated with statutory salary adjustments.

The Executive Budget includes additional General Fund in the amount of \$3,000,000 in fiscal year 2021 and \$3,000,000 in fiscal year 2022 to fund additional staff associated with increased case filings.

**General Government
County Attorneys**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	53,058,600	76,695,900	77,606,500	56,865,400	57,986,200
Total General Fund	53,058,600	76,695,900	77,606,500	56,865,400	57,986,200
Restricted Funds					
Balance Forward	907,200	884,498	706,098	884,500	706,100
Current Receipts	720,000	780,000	767,000	780,000	767,000
Total Restricted Funds	1,627,200	1,664,498	1,473,098	1,664,500	1,473,100
Federal Fund					
Balance Forward	174,500	50	50	100	
Current Receipts	829,300	1,025,100	1,032,600	1,025,100	1,032,600
Total Federal Fund	1,003,800	1,025,150	1,032,650	1,025,200	1,032,600
TOTAL SOURCE OF FUNDS	55,689,600	79,385,548	80,112,248	59,555,100	60,491,900
EXPENDITURES BY CLASS					
Personnel Costs	52,929,700	75,696,200	76,616,700	55,964,600	57,114,600
Operating Expenses	1,875,300	2,983,200	2,985,700	2,884,400	2,867,500
TOTAL EXPENDITURES	54,805,000	78,679,400	79,602,400	58,849,000	59,982,100
EXPENDITURES BY FUND SOURCE					
General Fund	53,058,600	76,695,900	77,606,500	56,865,400	57,986,200
Restricted Funds	742,700	958,400	963,300	958,400	963,300
Federal Fund	1,003,700	1,025,100	1,032,600	1,025,200	1,032,600
TOTAL EXPENDITURES	54,805,000	78,679,400	79,602,400	58,849,000	59,982,100
EXPENDITURES BY UNIT					
County Attorneys	54,805,000	78,679,400	79,602,400	58,849,000	59,982,100
TOTAL EXPENDITURES	54,805,000	78,679,400	79,602,400	58,849,000	59,982,100

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$2,232,100 in fiscal year 2021 and \$2,692,200 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$131,400 in fiscal year 2021 and \$280,300 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

The Executive Budget includes additional General Fund in the amount of \$544,900 in fiscal year 2021 and \$942,300 in fiscal year 2022 to fund cost increases associated with statutory salary adjustments.

The Executive Budget includes an additional \$7,000 per County Attorney Office for operating expenses in the amount of \$840,000 in fiscal year 2021 and \$840,000 in fiscal year 2022 from the General Fund.

	General Government				
	Treasury				
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,261,200	3,091,200	3,126,800	2,543,000	2,582,100
Reorganization Adjustment	151,800				
Total General Fund	2,413,000	3,091,200	3,126,800	2,543,000	2,582,100
Restricted Funds					
Balance Forward	275,580	231,640	259,940	231,640	259,940
Current Receipts	28,300	28,300	28,300	28,300	28,300
Non-Revenue Receipts	1,776,360	1,867,500	1,875,900	1,851,200	1,854,400
Total Restricted Funds	2,080,240	2,127,440	2,164,140	2,111,140	2,142,640
Federal Fund					
Current Receipts	1,270,300	1,270,300	1,270,300	1,257,400	1,256,500
Total Federal Fund	1,270,300	1,270,300	1,270,300	1,257,400	1,256,500
Road Fund					
Regular Appropriation	250,000	250,000	250,000	250,600	250,600
Total Road Fund	250,000	250,000	250,000	250,600	250,600
TOTAL SOURCE OF FUNDS	6,013,540	6,738,940	6,811,240	6,162,140	6,231,840
EXPENDITURES BY CLASS					
Personnel Costs	3,846,200	4,703,300	4,755,400	4,573,300	4,647,900
Operating Expenses	1,202,000	1,077,500	1,073,000	630,700	601,100
Grants Loans Benefits	665,400	659,300	655,700	659,300	655,700
Capital Outlay	68,300	38,900	38,900	38,900	38,900
TOTAL EXPENDITURES	5,781,900	6,479,000	6,523,000	5,902,200	5,943,600
EXPENDITURES BY FUND SOURCE					
General Fund	2,413,000	3,091,200	3,126,800	2,543,000	2,582,100
Restricted Funds	1,848,600	1,867,500	1,875,900	1,851,200	1,854,400
Federal Fund	1,270,300	1,270,300	1,270,300	1,257,400	1,256,500
Road Fund	250,000	250,000	250,000	250,600	250,600
TOTAL EXPENDITURES	5,781,900	6,479,000	6,523,000	5,902,200	5,943,600
EXPENDITURES BY UNIT					
General Administration and Support	1,581,000	2,067,200	2,089,500	1,660,200	1,690,700
Disbursements and Accounting	930,200	1,122,200	1,135,500	977,100	985,500
Abandoned Property Administration	1,848,600	1,867,500	1,875,900	1,851,200	1,854,400
Commonwealth Council on Developmental Disabilities	1,422,100	1,422,100	1,422,100	1,413,700	1,413,000
TOTAL EXPENDITURES	5,781,900	6,479,000	6,523,000	5,902,200	5,943,600

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 \$1,848,600 in fiscal year 2021 and \$1,848,400 in fiscal year 2022. 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 each fiscal year to support the central check writing system and other central administrative responsibilities of state government.

The Executive Budget includes additional General Fund in the amount of \$109,200 in fiscal year 2021 and \$124,800 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$10,400 in fiscal year 2021 and \$31,700 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

General Government

Agriculture

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	17,910,800	20,409,700	20,690,800	16,608,300	18,814,200
Continuing Approp-General Fund	7,900				
Total General Fund	17,918,700	20,409,700	20,690,800	16,608,300	18,814,200
Tobacco Fund					
Regular Appropriation		100,000	100,000		
Tobacco Settlement - Phase I	500,000	500,000	500,000	500,000	500,000
Total Tobacco Fund	500,000	600,000	600,000	500,000	500,000
Restricted Funds					
Balance Forward	15,752,900	15,290,104	13,411,404	15,290,200	10,177,900
Current Receipts	7,907,900	7,825,000	7,816,000	7,825,000	7,816,000
Non-Revenue Receipts	2,477,600	2,494,500	2,494,500	1,442,100	1,428,900
Total Restricted Funds	26,138,400	25,609,604	23,721,904	24,557,300	19,422,800
Federal Fund					
Current Receipts	8,689,400	8,689,400	8,689,400	8,689,400	8,689,400
Total Federal Fund	8,689,400	8,689,400	8,689,400	8,689,400	8,689,400
TOTAL SOURCE OF FUNDS	53,246,500	55,308,704	53,702,104	50,355,000	47,426,400
EXPENDITURES BY CLASS					
Personnel Costs	22,900,900	24,726,600	25,007,100	23,316,600	23,630,200
Operating Expenses	5,872,700	6,559,800	6,560,400	6,504,600	6,459,000
Grants Loans Benefits	9,144,900	9,807,200	9,807,200	9,552,200	9,552,200
Capital Outlay	37,800	803,700	803,700	803,700	803,700
TOTAL EXPENDITURES	37,956,300	41,897,300	42,178,400	40,177,100	40,445,100
EXPENDITURES BY FUND SOURCE					
General Fund	17,918,700	20,409,700	20,690,800	16,608,300	18,814,200
Tobacco Fund	500,000	600,000	600,000	500,000	500,000
Restricted Funds	10,848,200	12,198,200	12,198,200	14,379,400	12,441,500
Federal Fund	8,689,400	8,689,400	8,689,400	8,689,400	8,689,400
TOTAL EXPENDITURES	37,956,300	41,897,300	42,178,400	40,177,100	40,445,100
EXPENDITURES BY UNIT					
Strategic Planning and Administration	6,322,000	6,974,300	7,029,900	6,542,300	6,584,100
Motor Fuel Inspection and Testing	144,000	150,400	150,400	157,400	160,800
Consumer and Environmental Programs	16,831,900	18,543,800	18,648,000	18,006,900	18,096,800
State Veterinarian	4,153,700	4,359,200	4,402,900	4,122,800	4,166,200
Animal Control	42,300	128,000	128,000	128,000	128,000
Farmland Preservation	3,900	3,000	3,000	3,000	3,000
Agriculture Marketing and Product Promotion	10,457,400	11,738,600	11,816,200	11,216,700	11,306,200
Small Winery Support Fund	1,100				
TOTAL EXPENDITURES	37,956,300	41,897,300	42,178,400	40,177,100	40,445,100

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 Executive Budget includes additional General Fund in the amount of \$574,100 in fiscal year 2021 and \$630,100 in fiscal year 2022 to fund the cost increases of the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$60,000 in fiscal year 2021 and \$189,100 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**General Government
Auditor of Public Accounts**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,735,700	6,972,600	7,205,000	5,965,300	6,033,300
Total General Fund	5,735,700	6,972,600	7,205,000	5,965,300	6,033,300
Restricted Funds					
Balance Forward	1,523,300				
Current Receipts	10,439,900	13,372,600	13,431,400	11,963,200	11,963,200
Total Restricted Funds	11,963,200	13,372,600	13,431,400	11,963,200	11,963,200
TOTAL SOURCE OF FUNDS	17,698,900	20,345,200	20,636,400	17,928,500	17,996,500
EXPENDITURES BY CLASS					
Personnel Costs	16,327,400	18,942,800	19,233,500	16,619,400	16,786,724
Operating Expenses	1,371,500	1,402,400	1,402,900	1,309,100	1,209,776
TOTAL EXPENDITURES	17,698,900	20,345,200	20,636,400	17,928,500	17,996,500
EXPENDITURES BY FUND SOURCE					
General Fund	5,735,700	6,972,600	7,205,000	5,965,300	6,033,300
Restricted Funds	11,963,200	13,372,600	13,431,400	11,963,200	11,963,200
TOTAL EXPENDITURES	17,698,900	20,345,200	20,636,400	17,928,500	17,996,500
EXPENDITURES BY UNIT					
Auditor of Public Accounts	1,778,800	1,839,300	1,864,900	1,857,200	1,880,800
Financial Audit	13,809,700	15,641,100	15,862,200	13,868,800	13,805,500
Technology and Specialized Audits	2,110,400	2,864,800	2,909,300	2,202,500	2,310,200
TOTAL EXPENDITURES	17,698,900	20,345,200	20,636,400	17,928,500	17,996,500

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 Executive Budget includes additional General Fund in the amount of \$205,400 in fiscal year 2021 and \$224,900 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$19,100 in fiscal year 2021 and \$65,700 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

General Government

Personnel Board

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	583,800	537,900	294,300	537,900	284,200
Current Receipts	800,000	625,000	625,000	625,000	625,000
Total Restricted Funds	1,383,800	1,162,900	919,300	1,162,900	909,200
TOTAL SOURCE OF FUNDS	1,383,800	1,162,900	919,300	1,162,900	909,200
EXPENDITURES BY CLASS					
Personnel Costs	731,600	754,300	763,600	764,400	774,900
Operating Expenses	114,300	114,300	134,300	114,300	134,300
TOTAL EXPENDITURES	845,900	868,600	897,900	878,700	909,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	845,900	868,600	897,900	878,700	909,200
TOTAL EXPENDITURES	845,900	868,600	897,900	878,700	909,200
EXPENDITURES BY UNIT					
Personnel Board	845,900	868,600	897,900	878,700	909,200
TOTAL EXPENDITURES	845,900	868,600	897,900	878,700	909,200

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

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

Policy

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

**General Government
Kentucky Retirement Systems**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,086,200	1,086,200	1,086,200		
Surplus Expenditure Plan	60,094,500				
Total General Fund	61,180,700	1,086,200	1,086,200		
Restricted Funds					
Non-Revenue Receipts	47,702,500	50,120,700	50,528,500	49,058,300	49,496,600
Total Restricted Funds	47,702,500	50,120,700	50,528,500	49,058,300	49,496,600
TOTAL SOURCE OF FUNDS	108,883,200	51,206,900	51,614,700	49,058,300	49,496,600
EXPENDITURES BY CLASS					
Personnel Costs	38,792,100	41,683,800	42,091,600	40,621,000	41,059,300
Operating Expenses	8,910,400	8,436,900	8,436,900	8,437,300	8,437,300
Grants Loans Benefits	61,180,700	1,086,200	1,086,200		
TOTAL EXPENDITURES	108,883,200	51,206,900	51,614,700	49,058,300	49,496,600
EXPENDITURES BY FUND SOURCE					
General Fund	61,180,700	1,086,200	1,086,200		
Restricted Funds	47,702,500	50,120,700	50,528,500	49,058,300	49,496,600
TOTAL EXPENDITURES	108,883,200	51,206,900	51,614,700	49,058,300	49,496,600
EXPENDITURES BY UNIT					
Kentucky Retirement Systems	108,883,200	51,206,900	51,614,700	49,058,300	49,496,600
TOTAL EXPENDITURES	108,883,200	51,206,900	51,614,700	49,058,300	49,496,600

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.

General Government
Occupational & Professional Boards & Commissions

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	28,469,800	27,720,808	26,217,608	27,564,900	21,324,800
Current Receipts	24,611,700	25,824,300	24,823,600	25,980,200	24,979,500
Fund Transfers				-5,400,000	-5,400,000
Total Restricted Funds	53,081,500	53,545,108	51,041,208	48,145,100	40,904,300
TOTAL SOURCE OF FUNDS	53,081,500	53,545,108	51,041,208	48,145,100	40,904,300
EXPENDITURES BY CLASS					
Personnel Costs	20,977,200	22,749,500	22,980,800	22,127,500	22,408,000
Operating Expenses	3,817,700	4,204,000	4,214,700	4,165,800	4,172,200
Grants Loans Benefits	496,500	530,000	540,000	527,000	537,000
Capital Outlay	225,200				
TOTAL EXPENDITURES	25,516,600	27,483,500	27,735,500	26,820,300	27,117,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	25,516,600	27,483,400	27,731,500	26,820,300	27,117,200
TOTAL EXPENDITURES	25,516,600	27,483,400	27,731,500	26,820,300	27,117,200
EXPENDITURES BY UNIT					
Accountancy	655,500	668,400	674,100	674,900	681,400
Certification of Alcohol and Drug Counselors	180,200	180,200	180,200	180,200	180,200
Applied Behavior Analysis Licensing	39,600	39,600	39,600	39,600	39,600
Architects	446,300	470,600	465,000	475,800	470,700
Certification for Professional Art Therapists	11,200	11,200	11,200	11,200	11,200
Barbering	426,000	465,800	470,400	466,900	472,000
Chiropractic Examiners	377,900	377,900	377,900	377,900	377,900
Dentistry	1,017,500	1,034,900	1,042,600	943,000	951,600
Diabetes Educators	29,300	29,300	29,300	29,300	29,300
Licensure & Cert. for Dietitians & Nutritionists	93,900	93,900	93,900	93,900	93,900
Embalmers and Funeral Directors	488,600	497,900	502,600	498,800	504,100
Licensure for Prof. Engineers and Land Surveyors	1,594,500	1,784,100	1,795,200	1,775,900	1,794,800
Certification of Fee-Based Pastoral Counselors	3,600	3,600	3,600	3,600	3,600
Registration for Professional Geologists	109,000	109,000	109,000	109,000	109,000
Hairdressers and Cosmetologists	1,733,700	2,054,700	2,070,900	1,941,900	1,963,500
Specialists in Hearing Instruments	78,000	78,000	78,000	78,000	78,000
Interpreters for the Deaf and Hard of Hearing	38,200	38,200	38,200	38,200	38,200
Examiners & Registration of Landscape Architects	78,700	80,300	81,300	80,900	81,900
Licensure of Marriage and Family Therapists	133,600	133,600	133,600	133,600	133,600
Licensure for Massage Therapy	156,500	154,300	153,300	154,300	153,300
Medical Imaging and Radiation Therapy	372,200	442,300	478,500	444,300	477,300
Medical Licensure	3,426,800	3,530,600	3,548,900	3,559,100	3,580,300
Nursing	8,355,200	9,435,300	9,540,800	8,950,600	9,083,300

Licensure for Nursing Home Administrators	101,100	101,100	101,100	101,100	101,100
Licensure for Occupational Therapy	211,600	211,600	211,600	211,600	211,600
Ophthalmic Dispensers	71,400	71,400	71,400	71,400	71,400
Optometric Examiners	233,300	219,500	221,500	221,800	224,000
Pharmacy	2,465,300	2,533,700	2,562,100	2,579,800	2,611,600
Physical Therapy	652,700	668,900	675,700	677,100	685,100
Podiatry	46,500	46,500	46,500	46,500	46,500
Private Investigators	113,700	113,700	113,700	113,700	113,700
Licensed Professional Counselors	310,800	310,800	310,800	310,800	310,800
Prosthetics, Orthotics and Pedorthics	46,200	46,200	46,200	46,200	46,200
Examiners of Psychology	256,400	256,400	256,400	256,400	256,400
Veterinary Examiners	275,000	275,000	275,000	275,000	275,000
Respiratory Care	238,400	244,000	246,800	252,300	255,300
Social Work	425,300	448,000	451,700	372,800	376,900
Speech-Language Pathology and Audiology	222,900	222,900	222,900	222,900	222,900
TOTAL EXPENDITURES	25,516,600	27,483,400	27,731,500	26,820,300	27,117,200

The twenty-four 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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	286,400	428,100	431,700	300,900	305,100
Total General Fund	286,400	428,100	431,700	300,900	305,100
Restricted Funds					
Balance Forward	5,999,500	5,662,900	4,955,300	5,662,900	806,800
Current Receipts	6,927,000	6,965,000	6,965,000	6,965,000	6,965,000
Non-Revenue Receipts				-4,131,000	-1,062,000
Total Restricted Funds	12,926,500	12,627,900	11,920,300	8,496,900	6,709,800
TOTAL SOURCE OF FUNDS	13,212,900	13,056,000	12,352,000	8,797,800	7,014,900
EXPENDITURES BY CLASS					
Personnel Costs	932,200	1,076,500	1,087,900	960,800	976,100
Operating Expenses	2,147,600	2,564,000	1,338,000	2,570,000	1,343,200
Grants Loans Benefits	298,200	280,000	280,000	280,000	280,000
Debt Service	4,132,000	4,101,000	4,100,000	4,101,000	4,100,000
Capital Outlay	40,000	79,200	86,200	79,200	86,200
TOTAL EXPENDITURES	7,550,000	8,100,700	6,892,100	7,991,000	6,785,500
EXPENDITURES BY FUND SOURCE					
General Fund	286,400	428,100	431,700	300,900	305,100
Restricted Funds	7,263,600	7,672,600	6,460,400	7,690,100	6,480,400
TOTAL EXPENDITURES	7,550,000	8,100,700	6,892,100	7,991,000	6,785,500
EXPENDITURES BY UNIT					
General Operations	1,268,600	1,283,600	1,298,400	1,302,800	1,322,800
Locks and Dams Construction/ Maintenance	5,975,000	6,389,000	5,162,000	6,389,000	5,162,000
Locks and Dams Operations	306,400	428,100	431,700	299,200	300,700
TOTAL EXPENDITURES	7,550,000	8,100,700	6,892,100	7,991,000	6,785,500

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

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

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

The Kentucky River Authority has built new dams at Dam 9 at Valley View in Fayette County, Dam 3 in Owen and Henry Counties, and Dam 8 in Jessamine County. Dams 9 and 3 retain the water supply for Kentucky American Water Company's Lexington and Owen County water treatment plants. Dam 8 retains the water supply for Nicholasville and

Lancaster. Locks 1 through 4 are currently operational. Eighty-two uninterrupted miles of the Kentucky River are now navigable from Carrollton to Tyrone in Anderson County.

Policy

The Executive Budget includes additional General Fund in the amount of \$12,500 in fiscal year 2021 and \$14,200 in fiscal year 2022 to fund the cost increases of the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$1,700 in fiscal year 2021 and \$4,400 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

General Government
School Facilities Construction Commission

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	129,071,300	123,620,600	126,639,700	124,255,800	129,262,000
Total General Fund	129,071,300	123,620,600	126,639,700	124,255,800	129,262,000
Restricted Funds					
Balance Forward	4,711,300	8,811,400	8,811,400	8,811,400	8,811,400
Non-Revenue Receipts	4,100,100				
Fund Transfers					-8,800,000
Total Restricted Funds	8,811,400	8,811,400	8,811,400	8,811,400	11,400
TOTAL SOURCE OF FUNDS	137,882,700	132,432,000	135,451,100	133,067,200	129,273,400
EXPENDITURES BY CLASS					
Personnel Costs	360,100	456,600	461,000	377,700	384,100
Operating Expenses	38,800	47,700	47,500	45,000	44,800
Debt Service	128,672,400	123,116,300	126,131,200	123,833,100	128,833,100
TOTAL EXPENDITURES	129,071,300	123,620,600	126,639,700	124,255,800	129,262,000
EXPENDITURES BY FUND SOURCE					
General Fund	129,071,300	123,620,600	126,639,700	124,255,800	129,262,000
TOTAL EXPENDITURES	129,071,300	123,620,600	126,639,700	124,255,800	129,262,000
EXPENDITURES BY UNIT					
School Facilities Construction Commission	129,071,300	123,620,600	126,639,700	124,255,800	129,262,000
TOTAL EXPENDITURES	129,071,300	123,620,600	126,639,700	124,255,800	129,262,000

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 Executive Budget 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 Executive Budget includes new General Fund debt service in the amount of \$1,943,800 in fiscal year 2021 and \$8,099,100 in fiscal year 2022 to support \$100,000,000 in new offers of assistance for school districts. This level of bond authorization provides an additional \$42,000,000 in offers of assistance than that which was included in the 2018-2020 enacted budget for planning purposes and restores the Commission's flagship program to the level it has been for at least the last six biennial budgets.

The Executive Budget authorizes the School Facilities Construction Commission to make an additional \$100,000,000 in new offers of assistance during the 2020-2022 biennium in anticipation of debt service availability during the 2022-2024 biennium.

The Executive Budget includes additional General Fund in the amount of \$15,500 in fiscal year 2021 and \$17,900 in fiscal year 2022 to fund cost increases associated with the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$1,800 in fiscal year 2021 and \$4,900 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**General Government
Teachers' Retirement System**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	719,474,400	902,120,000	924,073,400	781,620,000	802,673,400
Surplus Expenditure Plan	70,000,000				
Total General Fund	789,474,400	902,120,000	924,073,400	781,620,000	802,673,400
Restricted Funds					
Balance Forward	2,527,027				
Non-Revenue Receipts	11,461,973	15,973,100	16,369,600	16,100,300	16,422,100
Total Restricted Funds	13,989,000	15,973,100	16,369,600	16,100,300	16,422,100
TOTAL SOURCE OF FUNDS	803,463,400	918,093,100	940,443,000	797,720,300	819,095,500
EXPENDITURES BY CLASS					
Personnel Costs	11,881,600	12,065,700	12,262,200	12,192,900	12,314,700
Operating Expenses	1,981,500	3,781,500	3,981,500	3,781,500	3,981,500
Grants Loans Benefits	728,896,000	850,460,000	891,057,500	729,960,000	769,657,500
Debt Service	60,578,400	51,660,000	33,015,900	51,660,000	33,015,900
Capital Outlay	125,900	125,900	125,900	125,900	125,900
TOTAL EXPENDITURES	803,463,400	918,093,100	940,443,000	797,720,300	819,095,500
EXPENDITURES BY FUND SOURCE					
General Fund	789,474,400	902,120,000	924,073,400	781,620,000	802,673,400
Restricted Funds	13,989,000	15,973,100	16,369,600	16,100,300	16,422,100
TOTAL EXPENDITURES	803,463,400	918,093,100	940,443,000	797,720,300	819,095,500
EXPENDITURES BY UNIT					
Teachers' Retirement System	803,463,400	918,093,100	940,443,000	797,720,300	819,095,500
TOTAL EXPENDITURES	803,463,400	918,093,100	940,443,000	797,720,300	819,095,500

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

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

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

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

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

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

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

Policy

The Executive Budget includes General Fund support in the amount of \$51,660,000 in fiscal year 2021 and \$33,015,900 in fiscal year 2022 for debt service on bonds previously issued.

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

The Executive Budget fulfilled the General Assembly's 2014 pledge to use lesser debt service in the amount of \$8,918,400 in fiscal year 2021 and \$27,562,500 in fiscal year 2022 to reduce pension liability.

The Executive Budget includes \$445,600 in fiscal year 2021 and \$14,799,000 in fiscal year 2022 in General Fund Support to fund the actuarially determined contribution amount requested by the Teachers' Retirement System.

The Executive Budget includes \$61,700,000 in fiscal year 2021 and \$68,400,000 in fiscal year 2022 to support single coverage health insurance for retirees under age 65.

The Executive Budget includes \$4,633,100 in fiscal year 2021 and \$9,226,200 in fiscal year 2022 in General Fund support for initial payments on the amortized cost of increased retirement allowances for those recipients retiring during the 2020-2022 biennium who are eligible to add accrued sick leave to their final year of service.

General Government

Judgments

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation				22,500,000	22,500,000
Current Year Appropriation	16,900,000				
Total General Fund	16,900,000			22,500,000	22,500,000
TOTAL SOURCE OF FUNDS	16,900,000			22,500,000	22,500,000
EXPENDITURES BY CLASS					
Operating Expenses	16,900,000			22,500,000	22,500,000
TOTAL EXPENDITURES	16,900,000			22,500,000	22,500,000
EXPENDITURES BY FUND SOURCE					
General Fund	16,900,000			22,500,000	22,500,000
TOTAL EXPENDITURES	16,900,000			22,500,000	22,500,000
EXPENDITURES BY UNIT					
Judgments	16,900,000			22,500,000	22,500,000
TOTAL EXPENDITURES	16,900,000			22,500,000	22,500,000

The Judgments budget unit is for the payment of judgments rendered against the Commonwealth by courts and orders of the State Personnel Board; for the payment of medical malpractice judgments against the University of Kentucky and the University of Louisville; and for the payment of judgments, audit adjustments, and excess billings to federal programs related to transfers from statewide internal service funds to the General Fund authorized by prior appropriations bills. Any required expenditure over the amounts appropriated is to be paid from the General Fund Surplus account or the Budget Reserve Trust Fund.

Policy

The Executive Budget includes additional General Fund in the amount of \$16,900,000 in fiscal year 2020 and \$22,500,000 in fiscal years 2021 and 2022 for known liabilities.

General Government
Appropriations Not Otherwise Classified

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	14,526,400	20,526,400	20,526,400	14,526,400	14,526,400
Current Year Appropriation	4,500,000				
Total General Fund	19,026,400	20,526,400	20,526,400	14,526,400	14,526,400
TOTAL SOURCE OF FUNDS	19,026,400	20,526,400	20,526,400	14,526,400	14,526,400
EXPENDITURES BY CLASS					
Personnel Costs	16,639,900	18,139,900	18,139,900	12,139,900	12,139,900
Operating Expenses	2,383,400	2,383,400	2,383,400	2,383,400	2,383,400
Grants Loans Benefits	3,100	3,100	3,100	3,100	3,100
TOTAL EXPENDITURES	19,026,400	20,526,400	20,526,400	14,526,400	14,526,400
EXPENDITURES BY FUND SOURCE					
General Fund	19,026,400	20,526,400	20,526,400	14,526,400	14,526,400
TOTAL EXPENDITURES	19,026,400	20,526,400	20,526,400	14,526,400	14,526,400
EXPENDITURES BY UNIT					
Attorney General Expense	450,000	450,000	450,000	450,000	450,000
Kentucky Claims Commission Award	200,000	200,000	200,000	200,000	200,000
Guardian Ad Litem	16,124,900	17,624,900	17,624,900	11,624,900	11,624,900
Prior Year Claims	100,000	100,000	100,000	100,000	100,000
Unredeemed Checks Refunded	1,252,400	1,252,400	1,252,400	1,252,400	1,252,400
Involuntary Commitments-ICF/MR	65,000	65,000	65,000	65,000	65,000
Frankfort In Lieu of Taxes	195,000	195,000	195,000	195,000	195,000
Frankfort Cemetery	3,100	3,100	3,100	3,100	3,100
Survivor Benefits	488,900	488,900	488,900	488,900	488,900
Med Malpractice Liability Ins Reimb	97,100	97,100	97,100	97,100	97,100
Blanket Employee Bonds	50,000	50,000	50,000	50,000	50,000
TOTAL EXPENDITURES	19,026,400	20,526,400	20,526,400	14,526,400	14,526,400

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

Policy

The Executive Budget includes additional General Fund in the amount of \$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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	34,268,300	40,200,800	41,463,100	34,382,900	34,411,300
Total General Fund	34,268,300	40,200,800	41,463,100	34,382,900	34,411,300
Restricted Funds					
Balance Forward	2,293,100			793,100	
Current Receipts		9,423,200	9,423,200	11,240,000	12,106,400
Total Restricted Funds	2,293,100	9,423,200	9,423,200	12,033,100	12,106,400
TOTAL SOURCE OF FUNDS	36,561,400	49,624,000	50,886,300	46,416,000	46,517,700
EXPENDITURES BY CLASS					
Personnel Costs	4,624,500	10,576,200	10,968,200	3,423,000	3,808,800
Operating Expenses	31,143,800	39,047,800	39,918,100	42,993,000	42,708,900
TOTAL EXPENDITURES	35,768,300	49,624,000	50,886,300	46,416,000	46,517,700
EXPENDITURES BY FUND SOURCE					
General Fund	34,268,300	40,200,800	41,463,100	34,382,900	34,411,300
Restricted Funds	1,500,000	9,423,200	9,423,200	12,033,100	12,106,400
TOTAL EXPENDITURES	35,768,300	49,624,000	50,886,300	46,416,000	46,517,700
EXPENDITURES BY UNIT					
KY Communications Network Authority	35,768,300	49,624,000	50,886,300	46,416,000	46,517,700
TOTAL EXPENDITURES	35,768,300	49,624,000	50,886,300	46,416,000	46,517,700

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

The Executive Budget includes additional General Fund in the amount of \$84,900 in fiscal year 2021 and \$92,600 in fiscal year 2022 to fund cost increases associated with the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$5,500 in fiscal year 2021 and \$25,100 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

Economic Development

Economic Development
Economic Development

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	25,606,300	51,875,000	51,972,000	29,244,500	32,842,800
Continuing Approp-General Fund	8,200,000				
Total General Fund	33,806,300	51,875,000	51,972,000	29,244,500	32,842,800
Restricted Funds					
Balance Forward	2,549,200	976,000	1,046,000	976,000	351,000
Current Receipts	2,743,600	3,094,600	3,127,800	3,020,000	3,020,000
Total Restricted Funds	5,292,800	4,070,600	4,173,800	3,996,000	3,371,000
Federal Fund					
Balance Forward	-127,900	124,400	122,400	124,400	122,400
Current Receipts	652,300	304,400	261,000	304,400	261,000
Total Federal Fund	524,400	428,800	383,400	428,800	383,400
TOTAL SOURCE OF FUNDS	39,623,500	56,374,400	56,529,200	33,669,300	36,597,200
EXPENDITURES BY CLASS					
Personnel Costs	13,523,200	16,729,700	16,859,300	12,347,700	12,479,900
Operating Expenses	2,561,800	4,864,500	4,821,200	3,939,800	3,869,600
Grants Loans Benefits	22,438,100	33,611,800	33,611,800	15,373,900	15,373,800
Debt Service				1,534,500	4,332,000
TOTAL EXPENDITURES	38,523,100	55,206,000	55,292,300	33,195,900	36,055,300
EXPENDITURES BY FUND SOURCE					
General Fund	33,806,300	51,875,000	51,972,000	29,244,500	32,842,800
Restricted Funds	4,316,800	3,024,600	3,057,800	3,645,000	2,950,000
Federal Fund	400,000	306,400	262,500	306,400	262,500
TOTAL EXPENDITURES	38,523,100	55,206,000	55,292,300	33,195,900	36,055,300
EXPENDITURES BY UNIT					
Economic Development	38,523,100	55,206,000	55,292,300	33,195,900	36,055,300
TOTAL EXPENDITURES	38,523,100	55,206,000	55,292,300	33,195,900	36,055,300

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

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

Policy

The Executive Budget includes General Fund of \$400,000 in each fiscal year for the Louisville Waterfront Development Corporation.

The Executive Budget includes General Fund of \$1,962,100 in fiscal year 2020-2021 and \$1,962,000 in fiscal year 2021-2022 for the Economic Development Venture Fund.

The Executive Budget includes additional General Fund in the amount of \$304,500 in fiscal year 2021 and \$332,200 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$36,700 in fiscal year 2021 and \$106,600 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

The Executive Budget includes General Fund debt service in the amount of \$1,534,500 in fiscal year 2020-2021 and \$4,332,000 in fiscal year 2021-2022 to support new bonds as set forth in Part II, Capital Projects Budget.

Department of Education

Department of Education
Department of Education

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,124,254,500	4,562,825,100	4,565,778,100	4,165,548,300	4,209,219,500
Continuing Approp-General Fund				67,800,000	8,500,000
Reorganization Adjustment	3,643,800				
Total General Fund	4,127,898,300	4,562,825,100	4,565,778,100	4,233,348,300	4,217,719,500
Restricted Funds					
Balance Forward	16,171,944				
Current Receipts	5,838,531	22,711,800	23,304,900	22,711,800	23,304,900
Non-Revenue Receipts	21,410,425	27,220,500	27,304,400	23,720,500	24,204,400
Fund Transfers				-200,000	
Total Restricted Funds	43,420,900	49,932,300	50,609,300	46,232,300	47,509,300
Federal Fund					
Balance Forward	171,000				
Current Receipts	968,859,300	971,728,200	971,836,400	971,728,200	971,836,400
Total Federal Fund	969,030,300	971,728,200	971,836,400	971,728,200	971,836,400
TOTAL SOURCE OF FUNDS	5,140,349,500	5,584,485,600	5,588,223,800	5,251,308,800	5,237,065,200
EXPENDITURES BY CLASS					
Personnel Costs	133,557,500	143,143,000	147,095,100	124,433,700	126,626,700
Operating Expenses	33,184,400	35,299,600	35,306,700	34,320,700	34,466,300
Grants Loans Benefits	4,905,807,600	5,406,043,000	5,405,822,000	5,083,052,400	5,073,570,200
Debt Service				1,002,000	2,402,000
TOTAL EXPENDITURES	5,072,549,500	5,584,485,600	5,588,223,800	5,242,808,800	5,237,065,200
EXPENDITURES BY FUND SOURCE					
General Fund	4,060,098,300	4,562,825,100	4,565,778,100	4,224,848,300	4,217,719,500
Restricted Funds	43,420,900	49,932,300	50,609,300	46,232,300	47,509,300
Federal Fund	969,030,300	971,728,200	971,836,400	971,728,200	971,836,400
TOTAL EXPENDITURES	5,072,549,500	5,584,485,600	5,588,223,800	5,242,808,800	5,237,065,200
EXPENDITURES BY UNIT					
Support Education Excellence in Kentucky (SEEK)	2,962,480,900	3,363,724,400	3,337,422,200	3,120,599,700	3,086,996,400
Operations and Support Services	474,184,900	492,301,300	495,543,100	475,797,400	478,671,900
Learning and Results Services	1,635,883,700	1,728,459,900	1,755,258,500	1,646,411,700	1,671,396,900
TOTAL EXPENDITURES	5,072,549,500	5,584,485,600	5,588,223,800	5,242,808,800	5,237,065,200

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)

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,047,480,900	3,363,724,400	3,337,422,200	3,069,799,700	3,086,996,400
Continuing Approp-General Fund				50,800,000	
Other	-34,200,000				
Total General Fund	3,013,280,900	3,363,724,400	3,337,422,200	3,120,599,700	3,086,996,400
TOTAL SOURCE OF FUNDS	3,013,280,900	3,363,724,400	3,337,422,200	3,120,599,700	3,086,996,400
EXPENDITURES BY CLASS					
Grants Loans Benefits	2,962,480,900	3,363,724,400	3,337,422,200	3,120,599,700	3,086,996,400
TOTAL EXPENDITURES	2,962,480,900	3,363,724,400	3,337,422,200	3,120,599,700	3,086,996,400
EXPENDITURES BY FUND SOURCE					
General Fund	2,962,480,900	3,363,724,400	3,337,422,200	3,120,599,700	3,086,996,400
TOTAL EXPENDITURES	2,962,480,900	3,363,724,400	3,337,422,200	3,120,599,700	3,086,996,400
EXPENDITURES BY UNIT					
Base Funding	2,007,071,700	2,181,393,500	2,157,690,800	2,011,556,500	1,987,926,300
Pupil Transportation	214,752,800	376,944,400	376,944,400	214,752,800	214,752,800
Equalized Facilities	130,114,600	163,579,600	156,886,600	163,579,600	156,886,600
Tier I Equalization	164,893,000	179,931,200	173,947,000	181,529,400	175,492,200
National Board Cert Salary Supplement	2,750,000	4,600,000	4,655,500	2,750,000	2,750,000
State-Run Voc Schools Reimbursement	22,881,900	24,555,700	25,057,900	22,881,900	22,881,900
Vocational Education Transportation	2,416,900	8,200,000	8,200,000	2,416,900	2,416,900
Local District Teachers' Retirement Match	417,600,000	424,520,000	434,040,000	435,865,900	444,591,700
Teacher Salary Increase				85,266,700	79,298,000
TOTAL EXPENDITURES	2,962,480,900	3,363,724,400	3,337,422,200	3,120,599,700	3,086,996,400

Policy

The Executive Budget provides funding to accommodate a projected average daily attendance of 587,693 in fiscal year 2020-2021 and 586,620 in fiscal year 2021-2022. The base SEEK per pupil guarantee amount is \$4,040 in each fiscal year. The projected total local school district assessed property valuation is \$358.7 billion in fiscal year 2020-2021 and \$369.1 billion in fiscal year 2021-2022. Projected numbers represent a consensus reached by the Department of Education and the Office of State Budget Director.

The Executive Budget provides funding of \$214,752,800 in each fiscal year for the pupil transportation program. The budget includes \$181,529,400 in fiscal year 2020-2021 and \$175,492,200 in fiscal year 2021-2022 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 during the 2020-2022 biennium).

The Executive Budget provides funding for the Facilities Support Program of Kentucky (FSPK) in the amounts of \$163,579,600 in fiscal year 2020-2021 and \$156,886,600 in fiscal year 2021-2022 to provide equalization funding for local district revenues from the equivalent nickel levy.

The Executive Budget includes \$22,881,900 in each fiscal year to reimburse state-operated vocational facilities for the costs of providing course offerings to students from local school districts. Funding for vocational education transportation is maintained at the fiscal year 2019-2020 level of \$2,416,900 in fiscal year 2020-2021 and fiscal year 2021-2022.

The Executive Budget includes \$435,865,900 in fiscal year 2020-2021 and \$444,591,700 in fiscal year 2021-2022 for the Teachers' Retirement employer match on behalf of local school districts.

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

The Executive Budget includes General Fund in the amount of \$85,266,700 in fiscal year 2021 and \$79,298,000 in fiscal year 2022 to fund cost increases associated with \$2,000 teacher salary increases.

The Executive Budget includes General Fund in the amount of \$38,976,300 in fiscal year 2021 and \$48,515,800 in fiscal year 2022 to fund the one-percent increase in the base SEEK per pupil guarantee.

Notwithstanding 2018 Ky. Acts ch. 169, Part I, C., (3), KRS 45.229 and KRS 157.310 to 157.440, in fiscal year 2019-2020, \$85,000,000 of unexpended SEEK shall not lapse. Of the \$85,000,000, \$17,200,000 shall be transferred to the Learning and Results Services appropriation unit in fiscal year 2019-2020 to pay for health insurance costs for school district employees due and owing to the Kentucky employees' health plan. Of the remaining \$67,800,000, \$17,000,000 shall be transferred to the Learning and Results Services appropriation unit in fiscal year 2019-2020 and continued into fiscal year 2020-2021 for textbooks for local school districts, and \$50,800,000 shall continue into fiscal year 2020-2021 in the SEEK appropriation unit to be used to offset the fiscal 2020-2021 costs of the \$2,000 teacher salary increase.

**Department of Education
Operations and Support Services**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	56,326,300	74,025,100	77,185,800	57,721,200	60,314,600
Reorganization Adjustment	1,279,000				
Total General Fund	57,605,300	74,025,100	77,185,800	57,721,200	60,314,600
Restricted Funds					
Balance Forward	3,686,900				
Current Receipts	2,530,100	5,230,200	5,268,200	5,230,200	5,268,200
Non-Revenue Receipts	1,184,500	2,883,300	2,883,300	2,883,300	2,883,300
Fund Transfers				-200,000	
Total Restricted Funds	7,401,500	8,113,500	8,151,500	7,913,500	8,151,500
Federal Fund					
Balance Forward	171,000				
Current Receipts	409,007,100	410,162,700	410,205,800	410,162,700	410,205,800
Total Federal Fund	409,178,100	410,162,700	410,205,800	410,162,700	410,205,800
TOTAL SOURCE OF FUNDS	474,184,900	492,301,300	495,543,100	475,797,400	478,671,900
EXPENDITURES BY CLASS					
Personnel Costs	22,620,900	23,595,200	23,835,700	19,648,300	20,809,900
Operating Expenses	22,745,000	23,180,000	23,186,900	23,180,000	23,186,900
Grants Loans Benefits	428,819,000	445,526,100	448,520,500	431,967,100	432,273,100
Debt Service				1,002,000	2,402,000
TOTAL EXPENDITURES	474,184,900	492,301,300	495,543,100	475,797,400	478,671,900
EXPENDITURES BY FUND SOURCE					
General Fund	57,605,300	74,025,100	77,185,800	57,721,200	60,314,600
Restricted Funds	7,401,500	8,113,500	8,151,500	7,913,500	8,151,500
Federal Fund	409,178,100	410,162,700	410,205,800	410,162,700	410,205,800
TOTAL EXPENDITURES	474,184,900	492,301,300	495,543,100	475,797,400	478,671,900
EXPENDITURES BY UNIT					
Commissioner's Office/Board of Education	2,734,000	3,090,500	3,119,300	2,734,000	2,734,000
Finance & Operations	431,157,900	433,793,500	436,949,000	432,770,400	435,644,900
Legal Services	1,428,100	1,517,200	1,530,900	1,428,100	1,428,100
Education Technology	38,864,900	53,900,100	53,943,900	38,864,900	38,864,900
TOTAL EXPENDITURES	474,184,900	492,301,300	495,543,100	475,797,400	478,671,900

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$293,100 in fiscal year 2021 and \$326,100 in fiscal year 2022 to fund cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$59,500 in fiscal year 2021 and \$198,400 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,629,100	2,985,600	3,014,400	2,629,100	2,629,100
Total General Fund	2,629,100	2,985,600	3,014,400	2,629,100	2,629,100
Restricted Funds					
Balance Forward	103,500				
Current Receipts	1,400	104,900	104,900	104,900	104,900
Total Restricted Funds	104,900	104,900	104,900	104,900	104,900
TOTAL SOURCE OF FUNDS	2,734,000	3,090,500	3,119,300	2,734,000	2,734,000
EXPENDITURES BY CLASS					
Personnel Costs	2,589,400	2,788,200	2,816,900	2,431,700	2,431,600
Operating Expenses	144,600	302,300	302,400	302,300	302,400
TOTAL EXPENDITURES	2,734,000	3,090,500	3,119,300	2,734,000	2,734,000
EXPENDITURES BY FUND SOURCE					
General Fund	2,629,100	2,985,600	3,014,400	2,629,100	2,629,100
Restricted Funds	104,900	104,900	104,900	104,900	104,900
TOTAL EXPENDITURES	2,734,000	3,090,500	3,119,300	2,734,000	2,734,000

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	14,683,200	15,622,200	18,696,600	14,799,100	17,392,500
Total General Fund	14,683,200	15,622,200	18,696,600	14,799,100	17,392,500
Restricted Funds					
Balance Forward	3,583,400				
Current Receipts	2,528,700	5,125,300	5,163,300	5,125,300	5,163,300
Non-Revenue Receipts	1,184,500	2,883,300	2,883,300	2,883,300	2,883,300
Fund Transfers				-200,000	
Total Restricted Funds	7,296,600	8,008,600	8,046,600	7,808,600	8,046,600
Federal Fund					
Balance Forward	171,000				
Current Receipts	409,007,100	410,162,700	410,205,800	410,162,700	410,205,800
Total Federal Fund	409,178,100	410,162,700	410,205,800	410,162,700	410,205,800
TOTAL SOURCE OF FUNDS	431,157,900	433,793,500	436,949,000	432,770,400	435,644,900
EXPENDITURES BY CLASS					
Personnel Costs	14,855,800	15,606,200	15,760,500	12,540,100	13,701,800
Operating Expenses	4,643,500	4,751,600	4,758,400	4,751,600	4,758,400
Grants Loans Benefits	411,658,600	413,435,700	416,430,100	414,476,700	414,782,700
Debt Service				1,002,000	2,402,000
TOTAL EXPENDITURES	431,157,900	433,793,500	436,949,000	432,770,400	435,644,900
EXPENDITURES BY FUND SOURCE					
General Fund	14,683,200	15,622,200	18,696,600	14,799,100	17,392,500
Restricted Funds	7,296,600	8,008,600	8,046,600	7,808,600	8,046,600
Federal Fund	409,178,100	410,162,700	410,205,800	410,162,700	410,205,800
TOTAL EXPENDITURES	431,157,900	433,793,500	436,949,000	432,770,400	435,644,900

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.

**Department of Education
Operations and Support Services**

Legal Services

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	783,300	1,517,200	1,530,900	1,428,100	1,428,100
Reorganization Adjustment	644,800				
Total General Fund	1,428,100	1,517,200	1,530,900	1,428,100	1,428,100
TOTAL SOURCE OF FUNDS	1,428,100	1,517,200	1,530,900	1,428,100	1,428,100
EXPENDITURES BY CLASS					
Personnel Costs	1,272,900	1,369,800	1,383,500	1,280,700	1,280,700
Operating Expenses	155,200	147,400	147,400	147,400	147,400
TOTAL EXPENDITURES	1,428,100	1,517,200	1,530,900	1,428,100	1,428,100
EXPENDITURES BY FUND SOURCE					
General Fund	1,428,100	1,517,200	1,530,900	1,428,100	1,428,100
TOTAL EXPENDITURES	1,428,100	1,517,200	1,530,900	1,428,100	1,428,100

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	38,230,700	53,900,100	53,943,900	38,864,900	38,864,900
Reorganization Adjustment	634,200				
Total General Fund	38,864,900	53,900,100	53,943,900	38,864,900	38,864,900
TOTAL SOURCE OF FUNDS	38,864,900	53,900,100	53,943,900	38,864,900	38,864,900
EXPENDITURES BY CLASS					
Personnel Costs	3,902,800	3,831,000	3,874,800	3,395,800	3,395,800
Operating Expenses	17,801,700	17,978,700	17,978,700	17,978,700	17,978,700
Grants Loans Benefits	17,160,400	32,090,400	32,090,400	17,490,400	17,490,400
TOTAL EXPENDITURES	38,864,900	53,900,100	53,943,900	38,864,900	38,864,900
EXPENDITURES BY FUND SOURCE					
General Fund	38,864,900	53,900,100	53,943,900	38,864,900	38,864,900
TOTAL EXPENDITURES	38,864,900	53,900,100	53,943,900	38,864,900	38,864,900

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

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

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

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

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

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

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

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

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

Department of Education
Learning and Results Services

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,020,447,300	1,125,075,600	1,151,170,100	1,038,027,400	1,061,908,500
Continuing Approp-General Fund				17,000,000	8,500,000
Reorganization Adjustment	2,364,800				
Other	34,200,000				
Total General Fund	1,057,012,100	1,125,075,600	1,151,170,100	1,055,027,400	1,070,408,500
Restricted Funds					
Balance Forward	12,485,044				
Current Receipts	3,308,431	17,481,600	18,036,700	17,481,600	18,036,700
Non-Revenue Receipts	20,225,925	24,337,200	24,421,100	20,837,200	21,321,100
Total Restricted Funds	36,019,400	41,818,800	42,457,800	38,318,800	39,357,800
Federal Fund					
Current Receipts	559,852,200	561,565,500	561,630,600	561,565,500	561,630,600
Total Federal Fund	559,852,200	561,565,500	561,630,600	561,565,500	561,630,600
TOTAL SOURCE OF FUNDS	1,652,883,700	1,728,459,900	1,755,258,500	1,654,911,700	1,671,396,900
EXPENDITURES BY CLASS					
Personnel Costs	110,936,600	119,547,800	123,259,400	104,785,400	105,816,800
Operating Expenses	10,439,400	12,119,600	12,119,800	11,140,700	11,279,400
Grants Loans Benefits	1,514,507,700	1,596,792,500	1,619,879,300	1,530,485,600	1,554,300,700
TOTAL EXPENDITURES	1,635,883,700	1,728,459,900	1,755,258,500	1,646,411,700	1,671,396,900
EXPENDITURES BY FUND SOURCE					
General Fund	1,040,012,100	1,125,075,600	1,151,170,100	1,046,527,400	1,070,408,500
Restricted Funds	36,019,400	41,818,800	42,457,800	38,318,800	39,357,800
Federal Fund	559,852,200	561,565,500	561,630,600	561,565,500	561,630,600
TOTAL EXPENDITURES	1,635,883,700	1,728,459,900	1,755,258,500	1,646,411,700	1,671,396,900
EXPENDITURES BY UNIT					
Continuous Improvement & Support	378,445,800	393,818,900	393,867,100	378,985,600	379,011,400
Special Education & Early Learning	301,223,700	316,159,500	316,195,000	307,070,800	307,100,400
Educator Licensure and Effectiveness	38,762,400	53,147,500	53,179,700	33,580,600	35,986,800
Standards, Assessment & Accountability	72,959,500	95,286,100	95,370,800	83,959,500	83,959,500
Career & Technical Education & Student Transition	82,480,100	98,857,700	100,672,800	90,498,400	92,164,600
Local District Health and Life Insurance	742,967,000	747,498,300	770,533,400	733,118,400	753,972,300
State Schools	19,045,200	23,691,900	25,439,700	19,198,400	19,201,900
TOTAL EXPENDITURES	1,635,883,700	1,728,459,900	1,755,258,500	1,646,411,700	1,671,396,900

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$588,200 in fiscal year 2021 and \$658,600 in fiscal year 2022 to fund cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$298,800 in fiscal year 2021 and \$769,500 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	63,044,600	77,877,900	77,900,300	63,044,600	63,044,600
Total General Fund	63,044,600	77,877,900	77,900,300	63,044,600	63,044,600
Restricted Funds					
Current Receipts	768,200	768,200	768,200	768,200	768,200
Total Restricted Funds	768,200	768,200	768,200	768,200	768,200
Federal Fund					
Current Receipts	314,633,000	315,172,800	315,198,600	315,172,800	315,198,600
Total Federal Fund	314,633,000	315,172,800	315,198,600	315,172,800	315,198,600
TOTAL SOURCE OF FUNDS	378,445,800	393,818,900	393,867,100	378,985,600	379,011,400
EXPENDITURES BY CLASS					
Personnel Costs	10,539,900	10,594,600	10,642,800	9,721,500	9,721,500
Operating Expenses	1,328,000	1,428,000	1,428,000	1,428,000	1,428,000
Grants Loans Benefits	366,577,900	381,796,300	381,796,300	367,836,100	367,861,900
TOTAL EXPENDITURES	378,445,800	393,818,900	393,867,100	378,985,600	379,011,400
EXPENDITURES BY FUND SOURCE					
General Fund	63,044,600	77,877,900	77,900,300	63,044,600	63,044,600
Restricted Funds	768,200	768,200	768,200	768,200	768,200
Federal Fund	314,633,000	315,172,800	315,198,600	315,172,800	315,198,600
TOTAL EXPENDITURES	378,445,800	393,818,900	393,867,100	378,985,600	379,011,400

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.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,814,300	18,246,000	18,272,000	2,179,100	4,179,100
Reorganization Adjustment	2,364,800				
Total General Fund	4,179,100	18,246,000	18,272,000	2,179,100	4,179,100
Restricted Funds					
Balance Forward	8,194,495				
Current Receipts	79,380	4,163,700	4,081,000	4,163,700	4,081,000
Non-Revenue Receipts	156,325	4,267,600	4,351,500	767,600	1,251,500
Total Restricted Funds	8,430,200	8,431,300	8,432,500	4,931,300	5,332,500
Federal Fund					
Current Receipts	26,153,100	26,470,200	26,475,200	26,470,200	26,475,200
Total Federal Fund	26,153,100	26,470,200	26,475,200	26,470,200	26,475,200
TOTAL SOURCE OF FUNDS	38,762,400	53,147,500	53,179,700	33,580,600	35,986,800
EXPENDITURES BY CLASS					
Personnel Costs	3,467,000	3,506,300	3,538,500	2,748,900	2,748,900
Operating Expenses	583,000	583,000	583,000	583,000	583,000
Grants Loans Benefits	34,712,400	49,058,200	49,058,200	30,248,700	32,654,900
TOTAL EXPENDITURES	38,762,400	53,147,500	53,179,700	33,580,600	35,986,800
EXPENDITURES BY FUND SOURCE					
General Fund	4,179,100	18,246,000	18,272,000	2,179,100	4,179,100
Restricted Funds	8,430,200	8,431,300	8,432,500	4,931,300	5,332,500
Federal Fund	26,153,100	26,470,200	26,475,200	26,470,200	26,475,200
TOTAL EXPENDITURES	38,762,400	53,147,500	53,179,700	33,580,600	35,986,800

The Office of Educator Licensure and Effectiveness was created in the Department of Education by Executive Order 2019-464 signed by Governor Matthew G. Bevin 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 also abolished the Office of the Education Professional Standards Board with the Education and Workforce Development Cabinet and transferred all records, files, equipment, personnel and funds to the newly created 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
Special Education & Early Learning**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	115,223,700	129,312,400	129,318,300	120,223,700	120,223,700
Total General Fund	115,223,700	129,312,400	129,318,300	120,223,700	120,223,700
Federal Fund					
Current Receipts	186,000,000	186,847,100	186,876,700	186,847,100	186,876,700
Total Federal Fund	186,000,000	186,847,100	186,876,700	186,847,100	186,876,700
TOTAL SOURCE OF FUNDS	301,223,700	316,159,500	316,195,000	307,070,800	307,100,400
EXPENDITURES BY CLASS					
Personnel Costs	3,387,700	3,430,800	3,466,300	2,577,100	2,577,100
Operating Expenses	375,100	375,100	375,100	375,100	375,100
Grants Loans Benefits	297,460,900	312,353,600	312,353,600	304,118,600	304,148,200
TOTAL EXPENDITURES	301,223,700	316,159,500	316,195,000	307,070,800	307,100,400
EXPENDITURES BY FUND SOURCE					
General Fund	115,223,700	129,312,400	129,318,300	120,223,700	120,223,700
Federal Fund	186,000,000	186,847,100	186,876,700	186,847,100	186,876,700
TOTAL EXPENDITURES	301,223,700	316,159,500	316,195,000	307,070,800	307,100,400

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

An additional \$5 million each year from the General Fund is included to support preschool programs in disadvantaged areas. This funding is intended to create more opportunities for children in the most need to obtain the benefits of preschool programs. Moreover, the Executive Budget includes provisions that would direct any excess funds from the SEEK formula and the actual lottery funds greater than estimated to the preschool programs administered by the Department of Education.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	57,893,400	80,220,000	80,304,700	60,393,400	60,393,400
Continuing Approp-General Fund				17,000,000	8,500,000
Other	17,000,000				
Total General Fund	74,893,400	80,220,000	80,304,700	77,393,400	68,893,400
Federal Fund					
Current Receipts	15,066,100	15,066,100	15,066,100	15,066,100	15,066,100
Total Federal Fund	15,066,100	15,066,100	15,066,100	15,066,100	15,066,100
TOTAL SOURCE OF FUNDS	89,959,500	95,286,100	95,370,800	92,459,500	83,959,500
EXPENDITURES BY CLASS					
Personnel Costs	28,746,800	29,045,700	29,079,400	28,754,100	28,754,100
Operating Expenses	564,000	564,000	564,000	564,000	564,000
Grants Loans Benefits	43,648,700	65,676,400	65,727,400	54,641,400	54,641,400
TOTAL EXPENDITURES	72,959,500	95,286,100	95,370,800	83,959,500	83,959,500
EXPENDITURES BY FUND SOURCE					
General Fund	57,893,400	80,220,000	80,304,700	68,893,400	68,893,400
Federal Fund	15,066,100	15,066,100	15,066,100	15,066,100	15,066,100
TOTAL EXPENDITURES	72,959,500	95,286,100	95,370,800	83,959,500	83,959,500

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

Funding for textbooks was eliminated in the last budget. The Governor's budget recommendation includes \$11,000,000 from the General Fund each year of the biennium to restore a large portion of the amounts included in past budgets.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	16,933,700	21,574,300	23,318,600	17,080,800	17,080,800
Total General Fund	16,933,700	21,574,300	23,318,600	17,080,800	17,080,800
Restricted Funds					
Balance Forward	1,068,800				
Current Receipts	1,042,700	2,117,600	2,121,100	2,117,600	2,121,100
Total Restricted Funds	2,111,500	2,117,600	2,121,100	2,117,600	2,121,100
TOTAL SOURCE OF FUNDS	19,045,200	23,691,900	25,439,700	19,198,400	19,201,900
EXPENDITURES BY CLASS					
Personnel Costs	17,715,400	20,781,900	22,529,500	17,282,300	17,282,100
Operating Expenses	1,329,800	2,910,000	2,910,200	1,916,100	1,919,800
TOTAL EXPENDITURES	19,045,200	23,691,900	25,439,700	19,198,400	19,201,900
EXPENDITURES BY FUND SOURCE					
General Fund	16,933,700	21,574,300	23,318,600	17,080,800	17,080,800
Restricted Funds	2,111,500	2,117,600	2,121,100	2,117,600	2,121,100
TOTAL EXPENDITURES	19,045,200	23,691,900	25,439,700	19,198,400	19,201,900

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 Executive Budget includes General Fund in the amount of \$147,100 in fiscal year 2021 and \$147,100 in fiscal year 2022 to fund cost increases associated with providing \$2,000 teacher salary increases.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	39,770,600	50,346,700	51,522,800	41,987,400	43,014,600
Total General Fund	39,770,600	50,346,700	51,522,800	41,987,400	43,014,600
Restricted Funds					
Balance Forward	3,221,749				
Current Receipts	1,418,151	10,432,100	11,066,400	10,432,100	11,066,400
Non-Revenue Receipts	20,069,600	20,069,600	20,069,600	20,069,600	20,069,600
Total Restricted Funds	24,709,500	30,501,700	31,136,000	30,501,700	31,136,000
Federal Fund					
Current Receipts	18,000,000	18,009,300	18,014,000	18,009,300	18,014,000
Total Federal Fund	18,000,000	18,009,300	18,014,000	18,009,300	18,014,000
TOTAL SOURCE OF FUNDS	82,480,100	98,857,700	100,672,800	90,498,400	92,164,600
EXPENDITURES BY CLASS					
Personnel Costs	47,079,800	52,188,500	54,002,900	43,701,500	44,733,100
Operating Expenses	6,259,500	6,259,500	6,259,500	6,274,500	6,409,500
Grants Loans Benefits	29,140,800	40,409,700	40,410,400	40,522,400	41,022,000
TOTAL EXPENDITURES	82,480,100	98,857,700	100,672,800	90,498,400	92,164,600
EXPENDITURES BY FUND SOURCE					
General Fund	39,770,600	50,346,700	51,522,800	41,987,400	43,014,600
Restricted Funds	24,709,500	30,501,700	31,136,000	30,501,700	31,136,000
Federal Fund	18,000,000	18,009,300	18,014,000	18,009,300	18,014,000
TOTAL EXPENDITURES	82,480,100	98,857,700	100,672,800	90,498,400	92,164,600

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 Executive Budget includes General Fund in the amount of \$919,600 in fiscal year 2021 and \$855,200 in fiscal year 2022 to fund cost increases associated with providing \$2,000 teacher salary increases.

The Executive Budget includes General Fund in the amount of \$110,000 in fiscal year 2021 and \$743,100 in fiscal year 2022 for operations funding for the new Estill County Area Technology Center.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	725,767,000	747,498,300	770,533,400	733,118,400	753,972,300
Other	17,200,000				
Total General Fund	742,967,000	747,498,300	770,533,400	733,118,400	753,972,300
TOTAL SOURCE OF FUNDS	742,967,000	747,498,300	770,533,400	733,118,400	753,972,300
EXPENDITURES BY CLASS					
Grants Loans Benefits	742,967,000	747,498,300	770,533,400	733,118,400	753,972,300
TOTAL EXPENDITURES	742,967,000	747,498,300	770,533,400	733,118,400	753,972,300
EXPENDITURES BY FUND SOURCE					
General Fund	742,967,000	747,498,300	770,533,400	733,118,400	753,972,300
TOTAL EXPENDITURES	742,967,000	747,498,300	770,533,400	733,118,400	753,972,300

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.

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 Executive Budget includes General Fund in the amount of \$731,727,400 in fiscal year 2021 and \$752,581,300 in fiscal year 2022 to provide health insurance benefits to qualified local district employees.

Education and Workforce Development

Education and Workforce Development

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	34,372,900	85,139,200	87,091,400	69,698,100	72,992,200
Continuing Approp-General Fund	4,283,800				
Reorganization Adjustment	34,335,400				
Total General Fund	72,992,100	85,139,200	87,091,400	69,698,100	72,992,200
Tobacco Fund					
Tobacco Settlement - Phase I		2,078,500	2,091,700	2,050,000	2,050,000
Continuing Approp-Tob Settlement	3,912,300				
Reorganization Adjustment	2,050,000				
Total Tobacco Fund	5,962,300	2,078,500	2,091,700	2,050,000	2,050,000
Restricted Funds					
Balance Forward	10,835,600	12,791,500	9,234,700	8,870,000	6,812,300
Current Receipts	21,604,600	20,767,300	20,686,600	35,843,600	35,808,900
Non-Revenue Receipts	6,611,900	29,440,300	29,441,000	-7,909,700	-7,909,000
Total Restricted Funds	39,052,100	62,999,100	59,362,300	36,803,900	34,712,200
Federal Fund					
Balance Forward	-2,751,800				
Current Receipts	534,843,700	513,825,400	514,261,600	513,855,400	514,255,600
Non-Revenue Receipts	-3,425,200				
Total Federal Fund	528,666,700	513,825,400	514,261,600	513,855,400	514,255,600
TOTAL SOURCE OF FUNDS	646,673,200	664,042,200	662,807,000	622,407,400	624,010,000
EXPENDITURES BY CLASS					
Personnel Costs	101,148,300	109,272,700	111,894,800	104,763,100	107,313,300
Operating Expenses	35,313,400	35,467,900	35,297,300	35,316,200	35,015,300
Grants Loans Benefits	501,284,400	501,593,800	500,897,900	475,414,700	474,773,500
Debt Service		8,416,000	8,416,000	44,000	87,000
Capital Outlay	57,100	57,100	57,100	57,100	57,100
TOTAL EXPENDITURES	637,803,200	654,807,500	656,563,100	615,595,100	617,246,200
EXPENDITURES BY FUND SOURCE					
General Fund	72,992,100	85,139,200	87,091,400	69,698,100	72,992,200
Tobacco Fund	5,962,300	2,078,500	2,091,700	2,050,000	2,050,000
Restricted Funds	30,182,100	53,764,400	53,118,400	29,991,600	27,948,400
Federal Fund	528,666,700	513,825,400	514,261,600	513,855,400	514,255,600
TOTAL EXPENDITURES	637,803,200	654,807,500	656,563,100	615,595,100	617,246,200
EXPENDITURES BY UNIT					
General Administration and Program Support	30,074,500	37,949,500	39,450,900	28,122,800	29,634,300
Commission on Proprietary Education	323,900	329,500	331,800	332,800	335,400
Deaf and Hard of Hearing	2,149,700	2,467,200	2,484,300	2,180,900	2,193,000
Kentucky Educational Television	16,560,900	17,272,300	17,454,000	17,144,200	17,383,400
Environmental Education Council	815,700	820,700	823,100	823,300	826,000
Libraries and Archives	19,748,300	20,573,400	19,940,200	18,522,000	17,886,600
Department of Workforce Investment	568,130,200	575,394,900	576,078,800	548,469,100	548,987,500
TOTAL EXPENDITURES	637,803,200	654,807,500	656,563,100	615,595,100	617,246,200

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
- Kentucky Commission on the Deaf and Hard of Hearing
- Environmental Education Council
- Department for Workforce Investment
- Kentucky Commission on Proprietary Education
- Kentucky Educational Television
- Department for Libraries and Archives

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,210,100	15,667,000	17,155,200	6,928,800	8,350,000
Total General Fund	5,210,100	15,667,000	17,155,200	6,928,800	8,350,000
Tobacco Fund					
Tobacco Settlement - Phase I		2,078,500	2,091,700	2,050,000	2,050,000
Continuing Approp-Tob Settlement	3,912,300				
Reorganization Adjustment	2,050,000				
Total Tobacco Fund	5,962,300	2,078,500	2,091,700	2,050,000	2,050,000
Restricted Funds					
Balance Forward	2,912,000	1,796,200	897,800	1,796,200	1,980,800
Current Receipts	387,500	414,500	414,400	437,500	483,400
Non-Revenue Receipts	6,336,900	7,740,300	7,741,000	7,740,300	7,741,000
Total Restricted Funds	9,636,400	9,951,000	9,053,200	9,974,000	10,205,200
Federal Fund					
Balance Forward	-81,800				
Current Receipts	11,143,700	11,150,800	11,150,800	11,150,800	11,150,800
Total Federal Fund	11,061,900	11,150,800	11,150,800	11,150,800	11,150,800
TOTAL SOURCE OF FUNDS	31,870,700	38,847,300	39,450,900	30,103,600	31,756,000
EXPENDITURES BY CLASS					
Personnel Costs	14,374,800	17,808,400	19,309,400	15,961,000	17,472,100
Operating Expenses	3,478,000	3,458,400	3,458,800	3,644,000	3,644,400
Grants Loans Benefits	12,221,700	8,443,700	8,443,700	8,517,800	8,517,800
Debt Service		8,239,000	8,239,000		
TOTAL EXPENDITURES	30,074,500	37,949,500	39,450,900	28,122,800	29,634,300
EXPENDITURES BY FUND SOURCE					
General Fund	5,210,100	15,667,000	17,155,200	6,928,800	8,350,000
Tobacco Fund	5,962,300	2,078,500	2,091,700	2,050,000	2,050,000
Restricted Funds	7,840,200	9,053,200	9,053,200	7,993,200	8,083,500
Federal Fund	11,061,900	11,150,800	11,150,800	11,150,800	11,150,800
TOTAL EXPENDITURES	30,074,500	37,949,500	39,450,900	28,122,800	29,634,300
EXPENDITURES BY UNIT					
Secretary	9,910,000	20,446,900	20,555,100	10,836,100	10,976,400
Governor's Scholars	1,758,700	1,934,600	1,934,600	1,758,700	1,758,700
Kentucky Center for Statistics	4,215,200	5,301,000	6,681,000	5,289,500	6,660,700
Early Childhood Advisory Council	14,190,600	10,267,000	10,280,200	10,238,500	10,238,500
TOTAL EXPENDITURES	30,074,500	37,949,500	39,450,900	28,122,800	29,634,300

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 Executive Budget includes additional General Fund in the amount of \$250,000 in each fiscal year to support Family Scholar House. Family Scholar House serves disadvantaged residential and nonresidential single moms and dads and their children. The mission of Family Scholar house is to end the cycle of poverty and transform our community by empowering families and youth to succeed in education and achieve life-long self-sufficiency.

The Executive Budget includes additional General Fund in the amount of \$1,200,000 in fiscal year 2021 and \$2,563,200 in fiscal year 2022. Federal Funding was provided to build the Statewide Longitudinal Database, those funds have expired and 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.

The Executive Budget includes additional General Fund in the amount of \$154,700 in fiscal year 2021 and \$170,200 in fiscal year 2022 to fund the cost increases of the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$16,200 in fiscal year 2021 and \$51,100 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

Education and Workforce Development

Proprietary Education

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	451,200	465,900	372,000	465,900	368,700
Current Receipts	338,600	235,600	237,900	235,600	237,900
Total Restricted Funds	789,800	701,500	609,900	701,500	606,600
TOTAL SOURCE OF FUNDS	789,800	701,500	609,900	701,500	606,600
EXPENDITURES BY CLASS					
Personnel Costs	243,800	264,400	266,700	267,100	269,700
Operating Expenses	80,100	65,100	65,100	65,700	65,700
TOTAL EXPENDITURES	323,900	329,500	331,800	332,800	335,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	323,900	329,500	331,800	332,800	335,400
TOTAL EXPENDITURES	323,900	329,500	331,800	332,800	335,400
EXPENDITURES BY UNIT					
Proprietary Education	323,900	329,500	331,800	332,800	335,400
TOTAL EXPENDITURES	323,900	329,500	331,800	332,800	335,400

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

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

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	970,000	1,287,500	1,304,600	1,001,200	1,013,300
Total General Fund	970,000	1,287,500	1,304,600	1,001,200	1,013,300
Restricted Funds					
Current Receipts	1,179,700	1,179,700	1,179,700	1,179,700	1,179,700
Total Restricted Funds	1,179,700	1,179,700	1,179,700	1,179,700	1,179,700
TOTAL SOURCE OF FUNDS	2,149,700	2,467,200	2,484,300	2,180,900	2,193,000
EXPENDITURES BY CLASS					
Personnel Costs	1,313,600	1,631,100	1,648,200	1,341,300	1,354,200
Operating Expenses	836,100	836,100	836,100	839,600	838,800
TOTAL EXPENDITURES	2,149,700	2,467,200	2,484,300	2,180,900	2,193,000
EXPENDITURES BY FUND SOURCE					
General Fund	970,000	1,287,500	1,304,600	1,001,200	1,013,300
Restricted Funds	1,179,700	1,179,700	1,179,700	1,179,700	1,179,700
TOTAL EXPENDITURES	2,149,700	2,467,200	2,484,300	2,180,900	2,193,000
EXPENDITURES BY UNIT					
Commission on the Deaf and Hard of Hearing	2,149,700	2,467,200	2,484,300	2,180,900	2,193,000
TOTAL EXPENDITURES	2,149,700	2,467,200	2,484,300	2,180,900	2,193,000

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$32,700 in fiscal year 2021 and \$35,700 in fiscal year 2022 to fund the cost increases of the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$3,000 in fiscal year 2021 and \$10,600 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**Education and Workforce Development
Kentucky Educational Television**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	15,036,100	15,747,500	15,929,200	15,619,400	15,858,600
Total General Fund	15,036,100	15,747,500	15,929,200	15,619,400	15,858,600
Restricted Funds					
Current Receipts	1,524,800	1,524,800	1,524,800	1,524,800	1,524,800
Total Restricted Funds	1,524,800	1,524,800	1,524,800	1,524,800	1,524,800
TOTAL SOURCE OF FUNDS	16,560,900	17,272,300	17,454,000	17,144,200	17,383,400
EXPENDITURES BY CLASS					
Personnel Costs	13,461,600	13,834,800	14,169,300	13,945,200	14,307,400
Operating Expenses	3,049,300	3,210,500	3,057,700	3,105,000	2,939,000
Debt Service		177,000	177,000	44,000	87,000
Capital Outlay	50,000	50,000	50,000	50,000	50,000
TOTAL EXPENDITURES	16,560,900	17,272,300	17,454,000	17,144,200	17,383,400
EXPENDITURES BY FUND SOURCE					
General Fund	15,036,100	15,747,500	15,929,200	15,619,400	15,858,600
Restricted Funds	1,524,800	1,524,800	1,524,800	1,524,800	1,524,800
TOTAL EXPENDITURES	16,560,900	17,272,300	17,454,000	17,144,200	17,383,400
EXPENDITURES BY UNIT					
General Administration and Support	3,571,500	3,856,300	3,898,200	3,651,300	3,692,100
Broadcasting and Education	11,141,200	11,537,500	11,663,500	11,555,300	11,695,400
Engineering	1,848,200	1,878,500	1,892,300	1,937,600	1,995,900
TOTAL EXPENDITURES	16,560,900	17,272,300	17,454,000	17,144,200	17,383,400

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

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

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

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

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

Policy

The Executive Budget provides General Fund in the amount of \$44,000 in fiscal year 2020-2021 and \$87,000 in fiscal year 2021-2022 for debt service on new bonds for the Public Safety Emergency Warning and Alerting capital project.

The Executive Budget includes additional General Fund in the amount of \$544,700 in fiscal year 2021 and \$594,200 in fiscal year 2022 to fund the cost increases of the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$57,800 in fiscal year 2021 and \$183,900 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

Education and Workforce Development

Environmental Education Council

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	284,600	193,900	103,200	193,900	100,600
Current Receipts	134,000	139,000	141,300	139,000	141,300
Non-Revenue Receipts	275,000	275,000	275,000	275,000	275,000
Total Restricted Funds	693,600	607,900	519,500	607,900	516,900
Federal Fund					
Balance Forward	-40,900				
Current Receipts	356,900	316,000	316,000	316,000	316,000
Total Federal Fund	316,000	316,000	316,000	316,000	316,000
TOTAL SOURCE OF FUNDS	1,009,600	923,900	835,500	923,900	832,900
EXPENDITURES BY CLASS					
Personnel Costs	408,400	413,400	415,800	416,000	418,700
Operating Expenses	44,800	44,800	44,800	44,800	44,800
Grants Loans Benefits	362,500	362,500	362,500	362,500	362,500
TOTAL EXPENDITURES	815,700	820,700	823,100	823,300	826,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	499,700	504,700	507,100	507,300	510,000
Federal Fund	316,000	316,000	316,000	316,000	316,000
TOTAL EXPENDITURES	815,700	820,700	823,100	823,300	826,000
EXPENDITURES BY UNIT					
Ky Environmental Education Council	815,700	820,700	823,100	823,300	826,000
TOTAL EXPENDITURES	815,700	820,700	823,100	823,300	826,000

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	13,156,700	15,298,000	15,364,900	11,723,600	13,279,700
Total General Fund	13,156,700	15,298,000	15,364,900	11,723,600	13,279,700
Restricted Funds					
Balance Forward	4,591,300	4,289,300	4,142,300	4,289,300	2,619,300
Current Receipts	2,938,200	2,538,500	2,446,600	2,538,500	2,446,600
Total Restricted Funds	7,529,500	6,827,800	6,588,900	6,827,800	5,065,900
Federal Fund					
Balance Forward	338,400				
Current Receipts	3,351,400	2,589,900	2,589,900	2,589,900	2,589,900
Non-Revenue Receipts	-338,400				
Total Federal Fund	3,351,400	2,589,900	2,589,900	2,589,900	2,589,900
TOTAL SOURCE OF FUNDS	24,037,600	24,715,700	24,543,700	21,141,300	20,935,500
EXPENDITURES BY CLASS					
Personnel Costs	5,084,800	5,231,500	5,298,100	5,289,000	5,353,500
Operating Expenses	4,266,200	4,260,800	4,261,000	4,151,900	4,152,000
Grants Loans Benefits	10,390,200	11,074,000	10,374,000	9,074,000	8,374,000
Capital Outlay	7,100	7,100	7,100	7,100	7,100
TOTAL EXPENDITURES	19,748,300	20,573,400	19,940,200	18,522,000	17,886,600
EXPENDITURES BY FUND SOURCE					
General Fund	13,156,700	15,298,000	15,364,900	11,723,600	13,279,700
Restricted Funds	3,240,200	2,685,500	1,985,400	4,208,500	2,017,000
Federal Fund	3,351,400	2,589,900	2,589,900	2,589,900	2,589,900
TOTAL EXPENDITURES	19,748,300	20,573,400	19,940,200	18,522,000	17,886,600
EXPENDITURES BY UNIT					
Libraries and Archives	11,417,100	10,696,900	10,063,700	10,645,500	10,010,100
Direct Local Aid	8,331,200	9,876,500	9,876,500	7,876,500	7,876,500
TOTAL EXPENDITURES	19,748,300	20,573,400	19,940,200	18,522,000	17,886,600

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

The Department is directed by three goals:

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

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

Education and Workforce Development

Libraries and Archives

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,327,100	6,468,400	6,535,300	4,894,000	6,450,100
Total General Fund	6,327,100	6,468,400	6,535,300	4,894,000	6,450,100
Restricted Funds					
Balance Forward	3,821,400	3,576,300	3,431,200	3,576,300	1,908,200
Current Receipts	1,493,500	1,493,500	1,493,500	1,493,500	1,493,500
Total Restricted Funds	5,314,900	5,069,800	4,924,700	5,069,800	3,401,700
Federal Fund					
Balance Forward	338,400				
Current Receipts	3,351,400	2,589,900	2,589,900	2,589,900	2,589,900
Non-Revenue Receipts	-338,400				
Total Federal Fund	3,351,400	2,589,900	2,589,900	2,589,900	2,589,900
TOTAL SOURCE OF FUNDS	14,993,400	14,128,100	14,049,900	12,553,700	12,441,700
EXPENDITURES BY CLASS					
Personnel Costs	5,084,800	5,231,500	5,298,100	5,289,000	5,353,500
Operating Expenses	4,266,200	4,260,800	4,261,000	4,151,900	4,152,000
Grants Loans Benefits	2,059,000	1,197,500	497,500	1,197,500	497,500
Capital Outlay	7,100	7,100	7,100	7,100	7,100
TOTAL EXPENDITURES	11,417,100	10,696,900	10,063,700	10,645,500	10,010,100
EXPENDITURES BY FUND SOURCE					
General Fund	6,327,100	6,468,400	6,535,300	4,894,000	6,450,100
Restricted Funds	1,738,600	1,638,600	938,500	3,161,600	970,100
Federal Fund	3,351,400	2,589,900	2,589,900	2,589,900	2,589,900
TOTAL EXPENDITURES	11,417,100	10,696,900	10,063,700	10,645,500	10,010,100
EXPENDITURES BY UNIT					
Administrative Services	2,436,700	2,454,200	2,462,100	2,364,000	2,370,400
Field Services	2,449,600	2,493,300	2,516,500	2,512,400	2,537,300
Library Services	1,392,500	1,409,400	1,417,200	1,413,200	1,421,900
Archives & Records Management	5,138,300	4,340,000	3,667,900	4,355,900	3,680,500
TOTAL EXPENDITURES	11,417,100	10,696,900	10,063,700	10,645,500	10,010,100

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$153,400 in fiscal year 2021 and \$168,200 in fiscal year 2022 to fund the cost increases of the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$16,000 in fiscal year 2021 and \$50,900 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

Education and Workforce Development

Direct Local Aid

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,829,600	8,829,600	8,829,600	6,829,600	6,829,600
Total General Fund	6,829,600	8,829,600	8,829,600	6,829,600	6,829,600
Restricted Funds					
Balance Forward	769,900	713,000	711,100	713,000	711,100
Current Receipts	1,444,700	1,045,000	953,100	1,045,000	953,100
Total Restricted Funds	2,214,600	1,758,000	1,664,200	1,758,000	1,664,200
TOTAL SOURCE OF FUNDS	9,044,200	10,587,600	10,493,800	8,587,600	8,493,800
EXPENDITURES BY CLASS					
Grants Loans Benefits	8,331,200	9,876,500	9,876,500	7,876,500	7,876,500
TOTAL EXPENDITURES	8,331,200	9,876,500	9,876,500	7,876,500	7,876,500
EXPENDITURES BY FUND SOURCE					
General Fund	6,829,600	8,829,600	8,829,600	6,829,600	6,829,600
Restricted Funds	1,501,600	1,046,900	1,046,900	1,046,900	1,046,900
TOTAL EXPENDITURES	8,331,200	9,876,500	9,876,500	7,876,500	7,876,500
EXPENDITURES BY UNIT					
Libraries Support	7,284,300	8,829,600	8,829,600	6,829,600	6,829,600
Public Records	1,046,900	1,046,900	1,046,900	1,046,900	1,046,900
TOTAL EXPENDITURES	8,331,200	9,876,500	9,876,500	7,876,500	7,876,500

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.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		37,139,200	37,337,500	34,425,100	34,490,600
Continuing Approp-General Fund	4,283,800				
Reorganization Adjustment	34,335,400				
Total General Fund	38,619,200	37,139,200	37,337,500	34,425,100	34,490,600
Restricted Funds					
Balance Forward	2,596,500	6,046,200	3,719,400	2,124,700	1,742,900
Current Receipts	15,101,800	14,735,200	14,741,900	29,788,500	29,795,200
Non-Revenue Receipts		21,425,000	21,425,000	-15,925,000	-15,925,000
Total Restricted Funds	17,698,300	42,206,400	39,886,300	15,988,200	15,613,100
Federal Fund					
Balance Forward	-2,967,500				
Current Receipts	519,991,700	499,768,700	500,204,900	499,798,700	500,198,900
Non-Revenue Receipts	-3,086,800				
Total Federal Fund	513,937,400	499,768,700	500,204,900	499,798,700	500,198,900
TOTAL SOURCE OF FUNDS	570,254,900	579,114,300	577,428,700	550,212,000	550,302,600
EXPENDITURES BY CLASS					
Personnel Costs	66,261,300	70,089,100	70,787,300	67,543,500	68,137,700
Operating Expenses	23,558,900	23,592,200	23,573,800	23,465,200	23,330,600
Grants Loans Benefits	478,310,000	481,713,600	481,717,700	457,460,400	457,519,200
TOTAL EXPENDITURES	568,130,200	575,394,900	576,078,800	548,469,100	548,987,500
EXPENDITURES BY FUND SOURCE					
General Fund	38,619,200	37,139,200	37,337,500	34,425,100	34,490,600
Restricted Funds	15,573,600	38,487,000	38,536,400	14,245,300	14,298,000
Federal Fund	513,937,400	499,768,700	500,204,900	499,798,700	500,198,900
TOTAL EXPENDITURES	568,130,200	575,394,900	576,078,800	548,469,100	548,987,500
EXPENDITURES BY UNIT					
Career Development	31,957,600	32,235,400	32,340,300	32,235,400	32,340,300
Vocational Rehabilitation	81,058,100	81,604,400	81,923,100	80,073,700	80,288,300
Office of Employer & Apprenticeship Services	1,878,200	2,148,900	2,155,800	1,889,100	1,893,700
Division of Adult Education	35,313,200	31,852,300	31,876,000	30,940,200	30,940,800
Unemployment Insurance	374,415,800	384,031,800	384,254,300	359,778,600	360,001,100
Workforce Innovation and Opportunity Act	43,507,300	43,522,100	43,529,300	43,552,100	43,523,300
TOTAL EXPENDITURES	568,130,200	575,394,900	576,078,800	548,469,100	548,987,500

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 during each fiscal year by the Office of Employment and Training for Wagner-Peyser and Unemployment Insurance Administration purposes.

The Executive Budget includes additional General Fund in the amount of \$133,200 in fiscal year 2021 and \$147,400 in fiscal year 2022 to fund the cost increases of the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$17,500 in fiscal year 2021 and \$57,600 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	1,777,700	1,582,500	1,308,100	1,582,500	1,308,100
Current Receipts	9,220,100	9,220,100	9,220,100	9,220,100	9,220,100
Total Restricted Funds	10,997,800	10,802,600	10,528,200	10,802,600	10,528,200
Federal Fund					
Balance Forward	20,600				
Current Receipts	22,521,700	22,740,900	22,810,100	22,740,900	22,810,100
Total Federal Fund	22,542,300	22,740,900	22,810,100	22,740,900	22,810,100
TOTAL SOURCE OF FUNDS	33,540,100	33,543,500	33,338,300	33,543,500	33,338,300
EXPENDITURES BY CLASS					
Personnel Costs	11,604,200	11,872,900	11,993,400	11,889,200	11,924,500
Operating Expenses	5,180,200	5,196,500	5,176,100	5,180,200	5,176,100
Grants Loans Benefits	15,173,200	15,166,000	15,170,800	15,166,000	15,239,700
TOTAL EXPENDITURES	31,957,600	32,235,400	32,340,300	32,235,400	32,340,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	9,415,300	9,494,500	9,530,200	9,494,500	9,530,200
Federal Fund	22,542,300	22,740,900	22,810,100	22,740,900	22,810,100
TOTAL EXPENDITURES	31,957,600	32,235,400	32,340,300	32,235,400	32,340,300

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		16,978,600	17,150,200	15,436,400	15,500,600
Reorganization Adjustment	15,349,800				
Total General Fund	15,349,800	16,978,600	17,150,200	15,436,400	15,500,600
Restricted Funds					
Balance Forward	649,500	489,000	419,700	489,000	408,200
Current Receipts	5,697,800	4,384,400	4,391,100	4,384,400	4,391,100
Non-Revenue Receipts		75,000	75,000	75,000	75,000
Total Restricted Funds	6,347,300	4,948,400	4,885,800	4,948,400	4,874,300
Federal Fund					
Balance Forward	-512,500				
Current Receipts	60,362,500	60,097,100	60,230,500	60,097,100	60,230,500
Total Federal Fund	59,850,000	60,097,100	60,230,500	60,097,100	60,230,500
TOTAL SOURCE OF FUNDS	81,547,100	82,024,100	82,266,500	80,481,900	80,605,400
EXPENDITURES BY CLASS					
Personnel Costs	28,366,400	30,280,400	30,598,500	28,828,600	29,173,100
Operating Expenses	6,728,700	6,720,700	6,722,700	6,635,000	6,504,500
Grants Loans Benefits	45,963,000	44,603,300	44,601,900	44,610,100	44,610,700
TOTAL EXPENDITURES	81,058,100	81,604,400	81,923,100	80,073,700	80,288,300
EXPENDITURES BY FUND SOURCE					
General Fund	15,349,800	16,978,600	17,150,200	15,436,400	15,500,600
Restricted Funds	5,858,300	4,528,700	4,542,400	4,540,200	4,557,200
Federal Fund	59,850,000	60,097,100	60,230,500	60,097,100	60,230,500
TOTAL EXPENDITURES	81,058,100	81,604,400	81,923,100	80,073,700	80,288,300
EXPENDITURES BY UNIT					
Office of Vocational Rehabilitation	67,725,000	67,326,900	67,556,200	66,582,300	66,696,400
Carl D Perkins Vocational Training Center	8,453,900	9,099,900	9,163,100	8,545,600	8,618,000
Division of Blind Services	3,914,200	4,205,100	4,228,200	3,961,800	3,983,500
Division of Kentucky Business Enterprise	965,000	972,500	975,600	984,000	990,400
TOTAL EXPENDITURES	81,058,100	81,604,400	81,923,100	80,073,700	80,288,300

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.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		840,900	843,900	581,100	581,800
Reorganization Adjustment	578,200				
Total General Fund	578,200	840,900	843,900	581,100	581,800
Federal Fund					
Balance Forward	-135,100				
Current Receipts	1,435,100	1,308,000	1,311,900	1,308,000	1,311,900
Total Federal Fund	1,300,000	1,308,000	1,311,900	1,308,000	1,311,900
TOTAL SOURCE OF FUNDS	1,878,200	2,148,900	2,155,800	1,889,100	1,893,700
EXPENDITURES BY CLASS					
Personnel Costs	807,300	1,052,800	1,059,800	818,000	822,700
Operating Expenses	253,800	278,800	278,800	253,800	253,800
Grants Loans Benefits	817,100	817,300	817,200	817,300	817,200
TOTAL EXPENDITURES	1,878,200	2,148,900	2,155,800	1,889,100	1,893,700
EXPENDITURES BY FUND SOURCE					
General Fund	578,200	840,900	843,900	581,100	581,800
Federal Fund	1,300,000	1,308,000	1,311,900	1,308,000	1,311,900
TOTAL EXPENDITURES	1,878,200	2,148,900	2,155,800	1,889,100	1,893,700

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.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		19,319,700	19,343,400	18,407,600	18,408,200
Continuing Approp-General Fund	4,283,800				
Reorganization Adjustment	18,407,400				
Total General Fund	22,691,200	19,319,700	19,343,400	18,407,600	18,408,200
Restricted Funds					
Balance Forward	169,300	53,200	26,600	53,200	26,600
Current Receipts	183,900	184,000	184,000	184,000	184,000
Total Restricted Funds	353,200	237,200	210,600	237,200	210,600
Federal Fund					
Balance Forward	-1,218,400				
Current Receipts	13,540,400	12,322,000	12,322,000	12,322,000	12,322,000
Total Federal Fund	12,322,000	12,322,000	12,322,000	12,322,000	12,322,000
TOTAL SOURCE OF FUNDS	35,366,400	31,878,900	31,876,000	30,966,800	30,940,800
EXPENDITURES BY CLASS					
Personnel Costs	2,254,000	3,170,700	3,194,300	2,265,400	2,282,100
Operating Expenses	2,813,800	2,813,800	2,813,800	2,813,800	2,813,800
Grants Loans Benefits	30,245,400	25,867,800	25,867,900	25,861,000	25,844,900
TOTAL EXPENDITURES	35,313,200	31,852,300	31,876,000	30,940,200	30,940,800
EXPENDITURES BY FUND SOURCE					
General Fund	22,691,200	19,319,700	19,343,400	18,407,600	18,408,200
Restricted Funds	300,000	210,600	210,600	210,600	210,600
Federal Fund	12,322,000	12,322,000	12,322,000	12,322,000	12,322,000
TOTAL EXPENDITURES	35,313,200	31,852,300	31,876,000	30,940,200	30,940,800

The Office Adult Education'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.

Today, 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.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward		3,921,500	1,965,000		
Current Receipts		946,700	946,700	16,000,000	16,000,000
Non-Revenue Receipts		21,350,000	21,350,000	-16,000,000	-16,000,000
Total Restricted Funds		26,218,200	24,261,700		
Federal Fund					
Balance Forward	214,700				
Current Receipts	377,287,900	359,778,600	360,001,100	359,778,600	360,001,100
Non-Revenue Receipts	-3,086,800				
Total Federal Fund	374,415,800	359,778,600	360,001,100	359,778,600	360,001,100
TOTAL SOURCE OF FUNDS	374,415,800	385,996,800	384,262,800	359,778,600	360,001,100
EXPENDITURES BY CLASS					
Personnel Costs	21,175,300	21,643,700	21,865,200	21,643,700	21,865,200
Operating Expenses	6,846,100	6,846,100	6,846,100	6,846,100	6,846,100
Grants Loans Benefits	346,394,400	355,542,000	355,543,000	331,288,800	331,289,800
TOTAL EXPENDITURES	374,415,800	384,031,800	384,254,300	359,778,600	360,001,100
EXPENDITURES BY FUND SOURCE					
Restricted Funds		24,253,200	24,253,200		
Federal Fund	374,415,800	359,778,600	360,001,100	359,778,600	360,001,100
TOTAL EXPENDITURES	374,415,800	384,031,800	384,254,300	359,778,600	360,001,100
EXPENDITURES BY UNIT					
Unemployment Insurance Administration	32,742,800	57,464,600	57,686,900	33,211,400	33,433,700
Unemployment Insurance Benefits	341,673,000	326,567,200	326,567,400	326,567,200	326,567,400
TOTAL EXPENDITURES	374,415,800	384,031,800	384,254,300	359,778,600	360,001,100

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Federal Fund					
Balance Forward	-1,336,800				
Current Receipts	44,844,100	43,522,100	43,529,300	43,552,100	43,523,300
Total Federal Fund	43,507,300	43,522,100	43,529,300	43,552,100	43,523,300
TOTAL SOURCE OF FUNDS	43,507,300	43,522,100	43,529,300	43,552,100	43,523,300
EXPENDITURES BY CLASS					
Personnel Costs	2,054,100	2,068,600	2,076,100	2,098,600	2,070,100
Operating Expenses	1,736,300	1,736,300	1,736,300	1,736,300	1,736,300
Grants Loans Benefits	39,716,900	39,717,200	39,716,900	39,717,200	39,716,900
TOTAL EXPENDITURES	43,507,300	43,522,100	43,529,300	43,552,100	43,523,300
EXPENDITURES BY FUND SOURCE					
Federal Fund	43,507,300	43,522,100	43,529,300	43,552,100	43,523,300
TOTAL EXPENDITURES	43,507,300	43,522,100	43,529,300	43,552,100	43,523,300

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	88,054,000	103,169,800	105,252,300	91,186,200	98,309,400
Current Year Appropriation	700,000				
Continuing Approp-General Fund	1,798,500			1,400,000	700,000
Reorganization Adjustment	2,049,300				
Total General Fund	92,601,800	103,169,800	105,252,300	92,586,200	99,009,400
Tobacco Fund					
Tobacco Settlement - Phase I	3,757,300	3,757,300	3,757,300	3,386,800	3,423,400
Continuing Approp-Tob Settlement	14,348,300				
Budget Reduction-Tobacco	-321,000				
Total Tobacco Fund	17,784,600	3,757,300	3,757,300	3,386,800	3,423,400
Restricted Funds					
Balance Forward	52,262,400	41,447,600	42,171,000	46,270,000	14,945,500
Current Receipts	27,361,700	29,864,600	29,801,900	27,557,400	27,188,600
Non-Revenue Receipts	74,750,400	76,620,700	83,338,800	72,531,200	80,443,700
Fund Transfers	-14,500,000			-56,500,000	-40,000,000
Total Restricted Funds	139,874,500	147,932,900	155,311,700	89,858,600	82,577,800
Federal Fund					
Balance Forward	-2,970,100				
Current Receipts	89,057,200	93,720,400	93,729,900	89,960,800	89,580,600
Non-Revenue Receipts	4,569,000	-2,330,200	-2,338,100	-2,312,300	-2,320,200
Total Federal Fund	90,656,100	91,390,200	91,391,800	87,648,500	87,260,400
Road Fund					
Regular Appropriation	320,900	320,900	320,900	320,900	320,900
Total Road Fund	320,900	320,900	320,900	320,900	320,900
TOTAL SOURCE OF FUNDS	341,237,900	346,571,100	356,034,000	273,801,000	272,591,900
EXPENDITURES BY CLASS					
Personnel Costs	160,921,800	177,211,000	179,763,800	152,981,400	154,912,500
Operating Expenses	38,737,900	44,279,300	44,188,400	22,683,700	20,890,600
Grants Loans Benefits	40,535,500	34,897,100	41,263,600	30,741,700	38,422,800
Debt Service				1,176,000	3,528,000
Capital Outlay	7,117,000	7,035,400	6,268,600	3,910,200	3,657,700
Construction	39,770,500	40,977,300	40,838,300	39,477,300	39,338,300
TOTAL EXPENDITURES	287,082,700	304,400,100	312,322,700	250,970,300	260,749,900
EXPENDITURES BY FUND SOURCE					
General Fund	84,716,600	103,169,800	105,252,300	84,701,000	91,824,200
Tobacco Fund	17,784,600	3,757,300	3,757,300	3,386,800	3,423,400
Restricted Funds	93,604,500	105,761,900	111,600,400	74,913,100	77,921,000
Federal Fund	90,656,100	91,390,200	91,391,800	87,648,500	87,260,400
Road Fund	320,900	320,900	320,900	320,900	320,900
TOTAL EXPENDITURES	287,082,700	304,400,100	312,322,700	250,970,300	260,749,900
EXPENDITURES BY UNIT					
Secretary	7,179,100	14,737,500	21,622,600	12,452,500	20,736,600
Environmental Protection	120,002,900	132,930,100	133,489,300	96,742,800	98,179,700
Natural Resources	130,928,200	123,969,800	124,302,000	114,045,900	114,140,500
Public Service Commission	11,768,300	13,294,100	13,487,700	11,954,700	12,081,000
Office of Administrative Services	11,469,200	13,440,200	13,595,700	11,029,400	11,113,000
Office of KY Nature Preserves	3,481,300	3,624,500	3,551,300	2,780,200	2,680,100
Office of Energy Policy	2,253,700	2,403,900	2,274,100	1,964,800	1,819,000
TOTAL EXPENDITURES	287,082,700	304,400,100	312,322,700	250,970,300	260,749,900

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,372,100	3,871,200	3,881,800	3,892,400	3,936,300
Reorganization Adjustment	369,600				
Total General Fund	3,741,700	3,871,200	3,881,800	3,892,400	3,936,300
Restricted Funds					
Balance Forward	1,077,900	482,000	52,800	482,000	
Current Receipts	65,800	65,800	65,800	65,800	65,800
Non-Revenue Receipts	1,211,100	8,673,400	15,952,900	6,670,600	15,392,800
Total Restricted Funds	2,354,800	9,221,200	16,071,500	7,218,400	15,458,600
Federal Fund					
Balance Forward	-87,100				
Current Receipts	1,681,600	1,711,400	1,735,600	1,353,000	1,353,000
Non-Revenue Receipts	-29,900	-13,500	-13,500	-11,300	-11,300
Total Federal Fund	1,564,600	1,697,900	1,722,100	1,341,700	1,341,700
TOTAL SOURCE OF FUNDS	7,661,100	14,790,300	21,675,400	12,452,500	20,736,600
EXPENDITURES BY CLASS					
Personnel Costs	6,252,200	6,857,800	6,952,800	6,170,500	6,256,800
Operating Expenses	916,900	1,080,900	1,077,000	983,200	887,000
Grants Loans Benefits		6,792,800	13,585,800	5,292,800	13,585,800
Capital Outlay	10,000	6,000	7,000	6,000	7,000
TOTAL EXPENDITURES	7,179,100	14,737,500	21,622,600	12,452,500	20,736,600
EXPENDITURES BY FUND SOURCE					
General Fund	3,741,700	3,871,200	3,881,800	3,892,400	3,936,300
Restricted Funds	1,872,800	9,168,400	16,018,700	7,218,400	15,458,600
Federal Fund	1,564,600	1,697,900	1,722,100	1,341,700	1,341,700
TOTAL EXPENDITURES	7,179,100	14,737,500	21,622,600	12,452,500	20,736,600
EXPENDITURES BY UNIT					
Administrative Hearings	1,289,600	1,384,800	1,402,100	1,197,400	1,227,100
Ofc of Sec - Leg & Interg Aff - Gen Coun	5,889,500	13,352,700	20,220,500	11,255,100	19,509,500
TOTAL EXPENDITURES	7,179,100	14,737,500	21,622,600	12,452,500	20,736,600

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

The Executive Budget includes additional General Fund in the amount of \$127,800 in fiscal year 2021 and \$139,400 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$14,200 in fiscal year 2021 and \$43,700 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

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 current proposal provides at least 25% of the funds to replace more than 150 school buses in areas that will lower NOx emissions in areas with non-attainment or maintenance areas for ozone or fine particulates. The proposal also would provide up to 20% of the funds to replace aging transit buses. Up to 5% of total available funds will be provided to the Cabinet for administrative costs.

**Energy and Environment
Office of Administrative Services**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		6,456,300	6,569,100	5,388,500	5,472,100
Reorganization Adjustment	5,169,700				
Total General Fund	5,169,700	6,456,300	6,569,100	5,388,500	5,472,100
Restricted Funds					
Balance Forward	1,109,200				
Current Receipts	1,700	1,700	1,700	1,700	1,700
Non-Revenue Receipts	3,907,200	5,630,800	5,644,400	4,358,200	4,358,200
Total Restricted Funds	5,018,100	5,632,500	5,646,100	4,359,900	4,359,900
Federal Fund					
Current Receipts	1,309,500	1,384,300	1,413,400	1,313,900	1,313,900
Non-Revenue Receipts	-28,100	-32,900	-32,900	-32,900	-32,900
Total Federal Fund	1,281,400	1,351,400	1,380,500	1,281,000	1,281,000
TOTAL SOURCE OF FUNDS	11,469,200	13,440,200	13,595,700	11,029,400	11,113,000
EXPENDITURES BY CLASS					
Personnel Costs	9,702,500	10,464,500	10,626,100	9,241,300	9,373,100
Operating Expenses	1,712,800	2,904,300	2,895,200	1,716,700	1,665,500
Capital Outlay	53,900	71,400	74,400	71,400	74,400
TOTAL EXPENDITURES	11,469,200	13,440,200	13,595,700	11,029,400	11,113,000
EXPENDITURES BY FUND SOURCE					
General Fund	5,169,700	6,456,300	6,569,100	5,388,500	5,472,100
Restricted Funds	5,018,100	5,632,500	5,646,100	4,359,900	4,359,900
Federal Fund	1,281,400	1,351,400	1,380,500	1,281,000	1,281,000
TOTAL EXPENDITURES	11,469,200	13,440,200	13,595,700	11,029,400	11,113,000
EXPENDITURES BY UNIT					
Office of Administrative Services	11,469,200	13,440,200	13,595,700	11,029,400	11,113,000
TOTAL EXPENDITURES	11,469,200	13,440,200	13,595,700	11,029,400	11,113,000

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$222,800 in fiscal year 2021 and \$243,100 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$22,400 in fiscal year 2021 and \$73,700 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**Energy and Environment
Environmental Protection**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	27,718,500	34,385,200	35,232,500	25,412,300	30,271,700
Current Year Appropriation	700,000				
Reorganization Adjustment	-3,120,400				
Other	203,400				
Total General Fund	25,501,500	34,385,200	35,232,500	25,412,300	30,271,700
Restricted Funds					
Balance Forward	34,490,300	29,898,600	35,956,400	34,199,000	7,721,700
Current Receipts	22,747,600	24,539,800	24,671,400	22,232,600	22,133,100
Non-Revenue Receipts	60,938,900	54,995,900	54,506,300	54,298,900	53,780,500
Fund Transfers	-14,500,000			-56,500,000	-40,000,000
Total Restricted Funds	103,676,800	109,434,300	115,134,100	54,230,500	43,635,300
Federal Fund					
Balance Forward	-138,500				
Current Receipts	19,756,400	26,284,700	26,165,800	26,039,400	25,912,100
Non-Revenue Receipts	5,084,800	-1,538,600	-1,549,100	-1,538,600	-1,549,100
Total Federal Fund	24,702,700	24,746,100	24,616,700	24,500,800	24,363,000
Road Fund					
Regular Appropriation	320,900	320,900	320,900	320,900	320,900
Total Road Fund	320,900	320,900	320,900	320,900	320,900
TOTAL SOURCE OF FUNDS	154,201,900	168,886,500	175,304,200	104,464,500	98,590,900
EXPENDITURES BY CLASS					
Personnel Costs	73,376,800	82,836,700	83,940,500	67,924,600	68,694,100
Operating Expenses	24,934,000	27,122,600	27,060,900	8,925,500	7,766,900
Grants Loans Benefits	16,971,700	18,806,200	18,886,300	16,678,100	16,418,000
Debt Service				1,176,000	3,528,000
Capital Outlay	4,670,400	4,114,600	3,551,600	1,988,600	1,722,700
Construction	50,000	50,000	50,000	50,000	50,000
TOTAL EXPENDITURES	120,002,900	132,930,100	133,489,300	96,742,800	98,179,700
EXPENDITURES BY FUND SOURCE					
General Fund	25,501,500	34,385,200	35,232,500	25,412,300	30,271,700
Restricted Funds	69,477,800	73,477,900	73,319,200	46,508,800	43,224,100
Federal Fund	24,702,700	24,746,100	24,616,700	24,500,800	24,363,000
Road Fund	320,900	320,900	320,900	320,900	320,900
TOTAL EXPENDITURES	120,002,900	132,930,100	133,489,300	96,742,800	98,179,700
EXPENDITURES BY UNIT					
Commissioner	1,121,500	1,148,200	1,159,600	1,152,500	1,163,700
Water	30,650,400	34,400,500	34,669,500	33,143,500	33,123,400
Waste Management	32,486,600	38,875,200	39,355,600	32,728,900	32,744,500
Air Quality	19,056,300	21,450,100	21,503,000	18,490,300	18,277,400
Environmental Program Support	3,657,300	3,900,400	3,972,000	3,664,900	3,691,700
Enforcement	2,483,100	2,607,000	2,631,800	2,429,800	2,445,200
Compliance Assistance	2,460,300	2,488,900	2,510,700	2,118,500	2,130,600
Petroleum Storage Tank	28,087,400	28,059,800	27,687,100	3,014,400	4,603,200
Environmental Assurance Fund					
TOTAL EXPENDITURES	120,002,900	132,930,100	133,489,300	96,742,800	98,179,700

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

Policy

The Executive Budget includes additional General Fund in the amount of \$1,372,400 in fiscal year 2021 and \$1,497,200 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$138,700 in fiscal year 2021 and \$454,100 in fiscal year 2022 to fund cost increases associated with

**Energy and Environment
Environmental Protection
Commissioner**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	619,000	916,700	928,100	921,000	932,200
Other	203,400				
Total General Fund	822,400	916,700	928,100	921,000	932,200
Restricted Funds					
Balance Forward	67,600				
Non-Revenue Receipts	231,500	231,500	231,500	231,500	231,500
Total Restricted Funds	299,100	231,500	231,500	231,500	231,500
TOTAL SOURCE OF FUNDS	1,121,500	1,148,200	1,159,600	1,152,500	1,163,700
EXPENDITURES BY CLASS					
Personnel Costs	1,053,800	1,072,500	1,084,300	1,093,300	1,108,900
Operating Expenses	67,700	75,700	75,300	59,200	54,800
TOTAL EXPENDITURES	1,121,500	1,148,200	1,159,600	1,152,500	1,163,700
EXPENDITURES BY FUND SOURCE					
General Fund	822,400	916,700	928,100	921,000	932,200
Restricted Funds	299,100	231,500	231,500	231,500	231,500
TOTAL EXPENDITURES	1,121,500	1,148,200	1,159,600	1,152,500	1,163,700

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	13,339,700	15,412,300	15,769,400	12,155,300	14,769,900
Total General Fund	13,339,700	15,412,300	15,769,400	12,155,300	14,769,900
Restricted Funds					
Balance Forward	3,686,100	2,661,700	1,356,500	4,115,100	809,900
Current Receipts	1,271,400	1,278,400	1,278,400	1,278,400	1,278,400
Non-Revenue Receipts	714,000	713,100	713,100	713,100	713,100
Total Restricted Funds	5,671,500	4,653,200	3,348,000	6,106,600	2,801,400
Federal Fund					
Balance Forward	3,826,000				
Current Receipts	12,361,600	16,232,700	16,093,300	16,232,700	16,093,300
Non-Revenue Receipts	-754,200	-862,100	-862,100	-862,100	-862,100
Total Federal Fund	15,433,400	15,370,600	15,231,200	15,370,600	15,231,200
Road Fund					
Regular Appropriation	320,900	320,900	320,900	320,900	320,900
Total Road Fund	320,900	320,900	320,900	320,900	320,900
TOTAL SOURCE OF FUNDS	34,765,500	35,757,000	34,669,500	33,953,400	33,123,400
EXPENDITURES BY CLASS					
Personnel Costs	25,662,500	27,806,100	28,104,200	27,191,500	27,438,800
Operating Expenses	3,133,500	3,342,400	3,329,300	2,554,000	2,402,100
Grants Loans Benefits	2,844,400	3,047,100	3,047,100	3,047,100	2,844,500
Debt Service				146,000	438,000
Capital Outlay	-990,000	204,900	188,900	204,900	
TOTAL EXPENDITURES	30,650,400	34,400,500	34,669,500	33,143,500	33,123,400
EXPENDITURES BY FUND SOURCE					
General Fund	13,339,700	15,412,300	15,769,400	12,155,300	14,769,900
Restricted Funds	1,556,400	3,296,700	3,348,000	5,296,700	2,801,400
Federal Fund	15,433,400	15,370,600	15,231,200	15,370,600	15,231,200
Road Fund	320,900	320,900	320,900	320,900	320,900
TOTAL EXPENDITURES	30,650,400	34,400,500	34,669,500	33,143,500	33,123,400

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 Executive Budget includes General Fund debt service in the amount of \$146,000 in fiscal year 2020-2021 and \$438,000 in fiscal year 2021-2022 to support new bonds as set forth in Part II, Capital Projects Budget.

**Energy and Environment
Environmental Protection
Waste Management**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,886,400	12,287,600	12,648,500	6,279,100	6,398,600
Current Year Appropriation	700,000				
Total General Fund	6,586,400	12,287,600	12,648,500	6,279,100	6,398,600
Restricted Funds					
Balance Forward	5,748,800	3,815,600	2,357,700	6,662,600	3,597,200
Current Receipts	4,168,000	4,048,800	4,049,600	4,048,800	4,049,600
Non-Revenue Receipts	20,011,600	15,201,200	15,254,700	15,201,200	15,254,700
Fund Transfers	-3,000,000			-1,500,000	-2,000,000
Total Restricted Funds	26,928,400	23,065,600	21,662,000	24,412,600	20,901,500
Federal Fund					
Balance Forward	1,751,100				
Current Receipts	4,398,000	6,374,200	6,390,500	6,128,900	6,136,800
Non-Revenue Receipts	-514,700	-494,500	-502,400	-494,500	-502,400
Total Federal Fund	5,634,400	5,879,700	5,888,100	5,634,400	5,634,400
TOTAL SOURCE OF FUNDS	39,149,200	41,232,900	40,198,600	36,326,100	32,934,500
EXPENDITURES BY CLASS					
Personnel Costs	16,319,500	20,324,800	20,722,500	16,341,400	16,341,400
Operating Expenses	2,207,600	2,707,900	2,687,800	2,128,300	2,128,400
Grants Loans Benefits	13,174,600	14,767,900	14,855,200	13,184,600	13,184,600
Capital Outlay	734,900	1,024,600	1,040,100	1,024,600	1,040,100
Construction	50,000	50,000	50,000	50,000	50,000
TOTAL EXPENDITURES	32,486,600	38,875,200	39,355,600	32,728,900	32,744,500
EXPENDITURES BY FUND SOURCE					
General Fund	6,586,400	12,287,600	12,648,500	6,279,100	6,398,600
Restricted Funds	20,265,800	20,707,900	20,819,000	20,815,400	20,711,500
Federal Fund	5,634,400	5,879,700	5,888,100	5,634,400	5,634,400
TOTAL EXPENDITURES	32,486,600	38,875,200	39,355,600	32,728,900	32,744,500

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 Executive Budget 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.

**Energy and Environment
Environmental Protection**

Air Quality

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	1,678,200	1,509,200	726,100	1,509,200	723,100
Current Receipts	16,643,400	18,547,900	18,653,600	16,240,700	16,115,300
Non-Revenue Receipts	89,900	103,200	105,800	-552,400	-578,500
Total Restricted Funds	18,411,500	20,160,300	19,485,500	17,197,500	16,259,900
Federal Fund					
Balance Forward	599,800				
Current Receipts	1,644,100	2,119,100	2,123,300	2,119,100	2,123,300
Non-Revenue Receipts	-89,900	-103,200	-105,800	-103,200	-105,800
Total Federal Fund	2,154,000	2,015,900	2,017,500	2,015,900	2,017,500
TOTAL SOURCE OF FUNDS	20,565,500	22,176,200	21,503,000	19,213,400	18,277,400
EXPENDITURES BY CLASS					
Personnel Costs	15,781,800	18,334,200	18,515,500	15,979,900	16,066,300
Operating Expenses	2,050,600	2,243,300	2,231,400	1,999,600	1,870,700
Grants Loans Benefits	303,200	349,500	349,500	-12,300	-66,200
Capital Outlay	920,700	523,100	406,600	523,100	406,600
TOTAL EXPENDITURES	19,056,300	21,450,100	21,503,000	18,490,300	18,277,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	16,902,300	19,434,200	19,485,500	16,474,400	16,259,900
Federal Fund	2,154,000	2,015,900	2,017,500	2,015,900	2,017,500
TOTAL EXPENDITURES	19,056,300	21,450,100	21,503,000	18,490,300	18,277,400

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,546,000	3,789,300	3,860,900	3,553,800	3,580,600
Reorganization Adjustment	-3,120,400				
Total General Fund	3,425,600	3,789,300	3,860,900	3,553,800	3,580,600
Restricted Funds					
Balance Forward	145,600				
Current Receipts	86,100	111,100	111,100	111,100	111,100
Total Restricted Funds	231,700	111,100	111,100	111,100	111,100
Federal Fund					
Balance Forward	-51,000				
Current Receipts	51,000				
Total Federal Fund					
TOTAL SOURCE OF FUNDS	3,657,300	3,900,400	3,972,000	3,664,900	3,691,700
EXPENDITURES BY CLASS					
Personnel Costs	2,580,600	2,686,700	2,712,900	2,783,000	2,803,100
Operating Expenses	966,400	1,069,300	1,067,900	873,500	887,400
Grants Loans Benefits	1,200	8,400	1,200	8,400	1,200
Capital Outlay	109,100	136,000	190,000		
TOTAL EXPENDITURES	3,657,300	3,900,400	3,972,000	3,664,900	3,691,700
EXPENDITURES BY FUND SOURCE					
General Fund	3,425,600	3,789,300	3,860,900	3,553,800	3,580,600
Restricted Funds	231,700	111,100	111,100	111,100	111,100
TOTAL EXPENDITURES	3,657,300	3,900,400	3,972,000	3,664,900	3,691,700

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,103,000	1,247,600	1,285,200	1,111,800	1,140,100
Total General Fund	1,103,000	1,247,600	1,285,200	1,111,800	1,140,100
Restricted Funds					
Balance Forward	282,400	170,200	78,700	170,200	78,700
Non-Revenue Receipts	850,100	850,100	850,100	808,700	808,600
Total Restricted Funds	1,132,500	1,020,300	928,800	978,900	887,300
Federal Fund					
Balance Forward	60,900				
Current Receipts	392,900	453,800	453,800	453,800	453,800
Non-Revenue Receipts	-36,000	-36,000	-36,000	-36,000	-36,000
Total Federal Fund	417,800	417,800	417,800	417,800	417,800
TOTAL SOURCE OF FUNDS	2,653,300	2,685,700	2,631,800	2,508,500	2,445,200
EXPENDITURES BY CLASS					
Personnel Costs	2,267,900	2,382,300	2,408,700	2,259,700	2,291,400
Operating Expenses	215,200	224,700	223,100	170,100	153,800
TOTAL EXPENDITURES	2,483,100	2,607,000	2,631,800	2,429,800	2,445,200
EXPENDITURES BY FUND SOURCE					
General Fund	1,103,000	1,247,600	1,285,200	1,111,800	1,140,100
Restricted Funds	962,300	941,600	928,800	900,200	887,300
Federal Fund	417,800	417,800	417,800	417,800	417,800
TOTAL EXPENDITURES	2,483,100	2,607,000	2,631,800	2,429,800	2,445,200

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	224,400	731,700	740,400	361,300	360,300
Total General Fund	224,400	731,700	740,400	361,300	360,300
Restricted Funds					
Balance Forward	629,400	98,600	43,300	98,600	43,300
Current Receipts	348,700	323,600	348,700	323,600	348,700
Non-Revenue Receipts	293,300	316,200	316,200	316,200	316,200
Total Restricted Funds	1,271,400	738,400	708,200	738,400	708,200
Federal Fund					
Balance Forward	-6,325,300				
Current Receipts	908,800	1,104,900	1,104,900	1,104,900	1,104,900
Non-Revenue Receipts	6,479,600	-42,800	-42,800	-42,800	-42,800
Total Federal Fund	1,063,100	1,062,100	1,062,100	1,062,100	1,062,100
TOTAL SOURCE OF FUNDS	2,558,900	2,532,200	2,510,700	2,161,800	2,130,600
EXPENDITURES BY CLASS					
Personnel Costs	1,748,300	1,769,700	1,793,200	1,476,800	1,491,400
Operating Expenses	220,700	242,900	241,200	208,400	212,300
Grants Loans Benefits	491,300	476,300	476,300	433,300	426,900
TOTAL EXPENDITURES	2,460,300	2,488,900	2,510,700	2,118,500	2,130,600
EXPENDITURES BY FUND SOURCE					
General Fund	224,400	731,700	740,400	361,300	360,300
Restricted Funds	1,172,800	695,100	708,200	695,100	708,200
Federal Fund	1,063,100	1,062,100	1,062,100	1,062,100	1,062,100
TOTAL EXPENDITURES	2,460,300	2,488,900	2,510,700	2,118,500	2,130,600

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation				1,030,000	3,090,000
Total General Fund				1,030,000	3,090,000
Restricted Funds					
Balance Forward	22,252,200	21,643,300	31,394,100	21,643,300	2,469,500
Current Receipts	230,000	230,000	230,000	230,000	230,000
Non-Revenue Receipts	38,748,500	37,580,600	37,034,900	37,580,600	37,034,900
Fund Transfers	-11,500,000			-55,000,000	-38,000,000
Total Restricted Funds	49,730,700	59,453,900	68,659,000	4,453,900	1,734,400
TOTAL SOURCE OF FUNDS	49,730,700	59,453,900	68,659,000	5,483,900	4,824,400
EXPENDITURES BY CLASS					
Personnel Costs	7,962,400	8,460,400	8,599,200	799,000	1,152,800
Operating Expenses	16,072,300	17,216,400	17,204,900	932,400	57,400
Grants Loans Benefits	157,000	157,000	157,000	17,000	27,000
Debt Service				1,030,000	3,090,000
Capital Outlay	3,895,700	2,226,000	1,726,000	236,000	276,000
TOTAL EXPENDITURES	28,087,400	28,059,800	27,687,100	3,014,400	4,603,200
EXPENDITURES BY FUND SOURCE					
General Fund				1,030,000	3,090,000
Restricted Funds	28,087,400	28,059,800	27,687,100	1,984,400	1,513,200
TOTAL EXPENDITURES	28,087,400	28,059,800	27,687,100	3,014,400	4,603,200

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.

Policy

The Executive Budget includes General Fund debt service in the amount of \$1,030,000 in fiscal year 2020-2021 and \$3,090,000 in fiscal year 2021-2022 to support new bonds as set forth in Part II, Capital Projects Budget.

Energy and Environment

Natural Resources

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	37,702,200	44,359,200	45,158,700	37,785,500	39,261,200
Total General Fund	37,702,200	44,359,200	45,158,700	37,785,500	39,261,200
Tobacco Fund					
Tobacco Settlement - Phase I	3,757,300	3,757,300	3,757,300	3,386,800	3,423,400
Continuing Approp-Tob Settlement	14,348,300				
Budget Reduction-Tobacco	-321,000				
Total Tobacco Fund	17,784,600	3,757,300	3,757,300	3,386,800	3,423,400
Restricted Funds					
Balance Forward	10,198,500	6,647,500	3,403,300	7,169,500	3,864,700
Current Receipts	3,331,600	4,129,700	3,935,400	4,129,700	3,860,400
Non-Revenue Receipts	7,570,000	6,395,400	6,361,800	6,288,100	6,125,500
Total Restricted Funds	21,100,100	17,172,600	13,700,500	17,587,300	13,850,600
Federal Fund					
Balance Forward	-2,434,800				
Current Receipts	64,220,300	62,639,500	62,753,200	59,690,800	59,484,400
Non-Revenue Receipts	-274,700	-555,500	-554,700	-539,800	-539,000
Total Federal Fund	61,510,800	62,084,000	62,198,500	59,151,000	58,945,400
TOTAL SOURCE OF FUNDS	138,097,700	127,373,100	124,815,000	117,910,600	115,480,600
EXPENDITURES BY CLASS					
Personnel Costs	57,796,000	61,656,500	62,631,700	56,215,400	56,908,800
Operating Expenses	8,998,900	10,599,800	10,553,600	9,115,700	8,741,100
Grants Loans Benefits	22,186,100	8,093,800	7,843,800	7,569,300	7,474,700
Capital Outlay	2,226,700	2,692,400	2,484,600	1,718,200	1,727,600
Construction	39,720,500	40,927,300	40,788,300	39,427,300	39,288,300
TOTAL EXPENDITURES	130,928,200	123,969,800	124,302,000	114,045,900	114,140,500
EXPENDITURES BY FUND SOURCE					
General Fund	37,702,200	44,359,200	45,158,700	37,785,500	39,261,200
Tobacco Fund	17,784,600	3,757,300	3,757,300	3,386,800	3,423,400
Restricted Funds	13,930,600	13,769,300	13,187,500	13,722,600	12,510,500
Federal Fund	61,510,800	62,084,000	62,198,500	59,151,000	58,945,400
TOTAL EXPENDITURES	130,928,200	123,969,800	124,302,000	114,045,900	114,140,500
EXPENDITURES BY UNIT					
Commissioner	1,308,500	1,382,000	1,399,000	1,214,400	1,223,900
Forestry	20,604,200	22,238,200	22,225,300	20,188,800	20,450,400
Conservation	19,918,800	6,161,900	6,189,200	5,519,400	5,570,300
Oil and Gas	4,583,100	5,231,700	5,171,700	3,121,700	3,043,600
Mine Permits	5,682,400	5,777,900	5,851,400	5,312,500	5,342,700
Mine Reclamation and Enforcement	15,097,100	16,321,200	16,598,100	14,695,500	14,694,700
Abandoned Mine Lands	15,960,400	18,046,500	17,628,500	15,851,900	15,264,100
Mine Safety	10,466,900	11,131,800	11,559,900	10,662,400	11,076,000
Reclamation Guaranty Fund	2,053,800	2,425,600	2,425,900	2,226,300	2,221,800
Abandoned Mine Land Reclamation Projects	35,196,900	35,196,900	35,196,900	35,196,900	35,196,900
Mine Safety Review Commission	56,100	56,100	56,100	56,100	56,100
TOTAL EXPENDITURES	130,928,200	123,969,800	124,302,000	114,045,900	114,140,500

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$1,269,200 in fiscal year 2021 and \$1,384,600 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$135,300 in fiscal year 2021 and \$437,700 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**Energy and Environment
Natural Resources
Commissioner**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	846,000	628,700	628,700	663,500	673,100
Other	-84,900				
Total General Fund	761,100	628,700	628,700	663,500	673,100
Restricted Funds					
Balance Forward	577,200	485,900	249,000	485,900	391,100
Non-Revenue Receipts	163,200	163,200	163,200	163,200	36,500
Total Restricted Funds	740,400	649,100	412,200	649,100	427,600
Federal Fund					
Current Receipts	295,400	355,700	360,600	295,400	295,400
Non-Revenue Receipts	-2,500	-2,500	-2,500	-2,500	-2,500
Total Federal Fund	292,900	353,200	358,100	292,900	292,900
TOTAL SOURCE OF FUNDS	1,794,400	1,631,000	1,399,000	1,605,500	1,393,600
EXPENDITURES BY CLASS					
Personnel Costs	1,193,100	1,270,600	1,288,300	1,117,200	1,130,500
Operating Expenses	115,400	111,400	110,700	97,200	93,400
TOTAL EXPENDITURES	1,308,500	1,382,000	1,399,000	1,214,400	1,223,900
EXPENDITURES BY FUND SOURCE					
General Fund	761,100	628,700	628,700	663,500	673,100
Restricted Funds	254,500	400,100	412,200	258,000	257,900
Federal Fund	292,900	353,200	358,100	292,900	292,900
TOTAL EXPENDITURES	1,308,500	1,382,000	1,399,000	1,214,400	1,223,900

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	14,253,200	16,518,800	16,502,100	13,773,700	15,006,600
Total General Fund	14,253,200	16,518,800	16,502,100	13,773,700	15,006,600
Restricted Funds					
Balance Forward	3,702,300	1,758,000	878,000	2,280,000	691,900
Current Receipts	1,493,400	1,391,700	1,391,600	1,391,700	1,316,600
Non-Revenue Receipts	-296,500	-296,500	-296,500	-296,500	-296,500
Total Restricted Funds	4,899,200	2,853,200	1,973,100	3,375,200	1,712,000
Federal Fund					
Balance Forward	59,300				
Current Receipts	3,799,000	3,870,700	3,876,600	3,858,300	3,858,300
Non-Revenue Receipts	-126,500	-126,500	-126,500	-126,500	-126,500
Total Federal Fund	3,731,800	3,744,200	3,750,100	3,731,800	3,731,800
TOTAL SOURCE OF FUNDS	22,884,200	23,116,200	22,225,300	20,880,700	20,450,400
EXPENDITURES BY CLASS					
Personnel Costs	14,890,800	15,835,100	16,048,600	15,073,400	15,231,500
Operating Expenses	3,080,800	3,376,100	3,366,900	3,125,100	3,136,400
Grants Loans Benefits	1,546,600	1,568,600	1,568,600	1,506,100	1,598,300
Capital Outlay	1,086,000	1,458,400	1,241,200	484,200	484,200
TOTAL EXPENDITURES	20,604,200	22,238,200	22,225,300	20,188,800	20,450,400
EXPENDITURES BY FUND SOURCE					
General Fund	14,253,200	16,518,800	16,502,100	13,773,700	15,006,600
Restricted Funds	2,619,200	1,975,200	1,973,100	2,683,300	1,712,000
Federal Fund	3,731,800	3,744,200	3,750,100	3,731,800	3,731,800
TOTAL EXPENDITURES	20,604,200	22,238,200	22,225,300	20,188,800	20,450,400

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	893,000	1,355,800	1,362,400	1,177,900	1,192,200
Other	235,400				
Total General Fund	1,128,400	1,355,800	1,362,400	1,177,900	1,192,200
Tobacco Fund					
Tobacco Settlement - Phase I	3,757,300	3,757,300	3,757,300	3,386,800	3,423,400
Continuing Approp-Tob Settlement	14,348,300				
Budget Reduction-Tobacco	-321,000				
Total Tobacco Fund	17,784,600	3,757,300	3,757,300	3,386,800	3,423,400
Restricted Funds					
Balance Forward	2,052,800	1,582,900	1,058,300	1,582,900	1,152,400
Current Receipts	700	700	700	700	700
Non-Revenue Receipts	312,200	313,000	313,000	313,000	313,000
Total Restricted Funds	2,365,700	1,896,600	1,372,000	1,896,600	1,466,100
Federal Fund					
Balance Forward	-24,700				
Current Receipts	259,900	223,500	223,500	223,500	223,500
Non-Revenue Receipts	-12,200	-13,000	-13,000	-13,000	-13,000
Total Federal Fund	223,000	210,500	210,500	210,500	210,500
TOTAL SOURCE OF FUNDS	21,501,700	7,220,200	6,702,200	6,671,800	6,292,200
EXPENDITURES BY CLASS					
Personnel Costs	1,513,300	1,747,800	1,776,200	1,498,400	1,514,700
Operating Expenses	152,400	186,300	185,200	167,000	165,800
Grants Loans Benefits	18,253,100	4,202,800	4,202,800	3,829,000	3,864,800
Capital Outlay		25,000	25,000	25,000	25,000
TOTAL EXPENDITURES	19,918,800	6,161,900	6,189,200	5,519,400	5,570,300
EXPENDITURES BY FUND SOURCE					
General Fund	1,128,400	1,355,800	1,362,400	1,177,900	1,192,200
Tobacco Fund	17,784,600	3,757,300	3,757,300	3,386,800	3,423,400
Restricted Funds	782,800	838,300	859,000	744,200	744,200
Federal Fund	223,000	210,500	210,500	210,500	210,500
TOTAL EXPENDITURES	19,918,800	6,161,900	6,189,200	5,519,400	5,570,300

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 Executive Budget provides Phase I Tobacco Settlement Funds in the amount of \$3,386,800 in fiscal year 2021 and \$3,423,400 in fiscal year 2022 for the state share of the Environmental Stewardship Program.

Energy and Environment

Natural Resources

Oil and Gas

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,244,100	4,744,700	4,895,100	2,634,700	2,767,000
Other	161,800				
Total General Fund	2,405,900	4,744,700	4,895,100	2,634,700	2,767,000
Restricted Funds					
Balance Forward	611,000	210,400		210,400	
Current Receipts	220,400	220,400	220,400	220,400	220,400
Non-Revenue Receipts	1,424,200	-75,800	-75,800	-75,800	-75,800
Total Restricted Funds	2,255,600	355,000	144,600	355,000	144,600
Federal Fund					
Current Receipts	140,000	140,000	140,000	140,000	140,000
Non-Revenue Receipts	-8,000	-8,000	-8,000	-8,000	-8,000
Total Federal Fund	132,000	132,000	132,000	132,000	132,000
TOTAL SOURCE OF FUNDS	4,793,500	5,231,700	5,171,700	3,121,700	3,043,600
EXPENDITURES BY CLASS					
Personnel Costs	2,739,600	3,307,200	3,283,800	2,720,800	2,682,000
Operating Expenses	283,500	319,500	317,900	295,900	291,600
Capital Outlay	60,000	105,000	70,000	105,000	70,000
Construction	1,500,000	1,500,000	1,500,000		
TOTAL EXPENDITURES	4,583,100	5,231,700	5,171,700	3,121,700	3,043,600
EXPENDITURES BY FUND SOURCE					
General Fund	2,405,900	4,744,700	4,895,100	2,634,700	2,767,000
Restricted Funds	2,045,200	355,000	144,600	355,000	144,600
Federal Fund	132,000	132,000	132,000	132,000	132,000
TOTAL EXPENDITURES	4,583,100	5,231,700	5,171,700	3,121,700	3,043,600

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,000,600	2,047,500	2,000,900	1,929,100	1,841,300
Total General Fund	2,000,600	2,047,500	2,000,900	1,929,100	1,841,300
Restricted Funds					
Balance Forward	961,600	757,300	416,500	757,300	485,000
Current Receipts	908,200	791,900	791,900	791,900	791,900
Non-Revenue Receipts	-480,000	-480,000	-480,000	-482,800	-482,800
Total Restricted Funds	1,389,800	1,069,200	728,400	1,066,400	794,100
Federal Fund					
Balance Forward	-297,500				
Current Receipts	3,119,100	3,131,000	3,175,400	2,852,500	2,863,500
Non-Revenue Receipts	227,700	-53,300	-53,300	-50,500	-50,500
Total Federal Fund	3,049,300	3,077,700	3,122,100	2,802,000	2,813,000
TOTAL SOURCE OF FUNDS	6,439,700	6,194,400	5,851,400	5,797,500	5,448,400
EXPENDITURES BY CLASS					
Personnel Costs	4,829,400	4,916,800	5,002,700	4,619,500	4,683,800
Operating Expenses	527,000	561,100	548,700	406,400	366,900
Grants Loans Benefits	300,000	300,000	300,000	286,600	292,000
Capital Outlay	26,000				
TOTAL EXPENDITURES	5,682,400	5,777,900	5,851,400	5,312,500	5,342,700
EXPENDITURES BY FUND SOURCE					
General Fund	2,000,600	2,047,500	2,000,900	1,929,100	1,841,300
Restricted Funds	632,500	652,700	728,400	581,400	688,400
Federal Fund	3,049,300	3,077,700	3,122,100	2,802,000	2,813,000
TOTAL EXPENDITURES	5,682,400	5,777,900	5,851,400	5,312,500	5,342,700

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,324,800	8,177,800	8,474,100	7,543,000	7,614,800
Total General Fund	7,324,800	8,177,800	8,474,100	7,543,000	7,614,800
Restricted Funds					
Balance Forward	656,800	369,400	167,500	369,400	167,500
Current Receipts	71,700	44,700	44,700	44,700	44,700
Non-Revenue Receipts	148,800	129,300	129,300	118,300	118,300
Total Restricted Funds	877,300	543,400	341,500	532,400	330,500
Federal Fund					
Balance Forward	-57,000				
Current Receipts	7,450,700	7,896,800	7,911,800	6,905,900	6,867,700
Non-Revenue Receipts	-129,300	-129,300	-129,300	-118,300	-118,300
Total Federal Fund	7,264,400	7,767,500	7,782,500	6,787,600	6,749,400
TOTAL SOURCE OF FUNDS	15,466,500	16,488,700	16,598,100	14,863,000	14,694,700
EXPENDITURES BY CLASS					
Personnel Costs	12,646,600	13,463,300	13,704,800	12,320,400	12,490,000
Operating Expenses	1,935,900	2,316,900	2,307,900	1,834,100	1,619,300
Grants Loans Benefits	160,000	110,000	110,000	110,000	110,000
Capital Outlay	354,600	431,000	475,400	431,000	475,400
TOTAL EXPENDITURES	15,097,100	16,321,200	16,598,100	14,695,500	14,694,700
EXPENDITURES BY FUND SOURCE					
General Fund	7,324,800	8,177,800	8,474,100	7,543,000	7,614,800
Restricted Funds	507,900	375,900	341,500	364,900	330,500
Federal Fund	7,264,400	7,767,500	7,782,500	6,787,600	6,749,400
TOTAL EXPENDITURES	15,097,100	16,321,200	16,598,100	14,695,500	14,694,700

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		695,700	645,300		
Total General Fund		695,700	645,300		
Restricted Funds					
Balance Forward	1,089,400	927,200	358,800	927,200	358,800
Current Receipts	372,500	1,429,000	1,234,800	1,429,000	1,234,800
Non-Revenue Receipts	4,857,100	4,650,900	4,628,700	4,650,900	4,628,700
Total Restricted Funds	6,319,000	7,007,100	6,222,300	7,007,100	6,222,300
Federal Fund					
Balance Forward	-620,700				
Current Receipts	11,389,900	10,903,100	10,961,500	9,404,200	9,242,400
Non-Revenue Receipts	-200,600	-200,600	-200,600	-200,600	-200,600
Total Federal Fund	10,568,600	10,702,500	10,760,900	9,203,600	9,041,800
TOTAL SOURCE OF FUNDS	16,887,600	18,405,300	17,628,500	16,210,700	15,264,100
EXPENDITURES BY CLASS					
Personnel Costs	9,507,700	10,276,600	10,254,000	8,582,200	8,473,600
Operating Expenses	1,202,700	1,327,100	1,320,700	901,700	789,500
Grants Loans Benefits	412,400	412,400	412,400	337,600	359,600
Capital Outlay	250,000	250,000	250,000	250,000	250,000
Construction	4,587,600	5,780,400	5,391,400	5,780,400	5,391,400
TOTAL EXPENDITURES	15,960,400	18,046,500	17,628,500	15,851,900	15,264,100
EXPENDITURES BY FUND SOURCE					
General Fund		695,700	645,300		
Restricted Funds	5,391,800	6,648,300	6,222,300	6,648,300	6,222,300
Federal Fund	10,568,600	10,702,500	10,760,900	9,203,600	9,041,800
TOTAL EXPENDITURES	15,960,400	18,046,500	17,628,500	15,851,900	15,264,100

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,933,800	10,134,100	10,594,000	10,007,500	10,110,100
Other	-161,700				
Total General Fund	9,772,100	10,134,100	10,594,000	10,007,500	10,110,100
Restricted Funds					
Balance Forward	489,400	556,400	275,200	556,400	618,000
Current Receipts	263,500	250,100	250,100	250,100	250,100
Non-Revenue Receipts	17,400	16,400	15,600	16,400	15,600
Total Restricted Funds	770,300	822,900	540,900	822,900	883,700
Federal Fund					
Current Receipts	498,300	466,400	440,600	466,400	440,600
Non-Revenue Receipts	-17,400	-16,400	-15,600	-16,400	-15,600
Total Federal Fund	480,900	450,000	425,000	450,000	425,000
TOTAL SOURCE OF FUNDS	11,023,300	11,407,000	11,559,900	11,280,400	11,418,800
EXPENDITURES BY CLASS					
Personnel Costs	8,804,700	9,387,500	9,821,100	9,008,600	9,429,500
Operating Expenses	1,212,100	1,321,300	1,315,800	1,230,800	1,223,500
Capital Outlay	450,100	423,000	423,000	423,000	423,000
TOTAL EXPENDITURES	10,466,900	11,131,800	11,559,900	10,662,400	11,076,000
EXPENDITURES BY FUND SOURCE					
General Fund	9,772,100	10,134,100	10,594,000	10,007,500	10,110,100
Restricted Funds	213,900	547,700	540,900	204,900	540,900
Federal Fund	480,900	450,000	425,000	450,000	425,000
TOTAL EXPENDITURES	10,466,900	11,131,800	11,559,900	10,662,400	11,076,000

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.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	58,000				
Current Receipts	1,200	1,200	1,200	1,200	1,200
Non-Revenue Receipts	1,423,600	1,974,900	1,964,300	1,881,400	1,868,500
Total Restricted Funds	1,482,800	1,976,100	1,965,500	1,882,600	1,869,700
Federal Fund					
Current Receipts	576,900	455,400	466,300	347,700	356,100
Non-Revenue Receipts	-5,900	-5,900	-5,900	-4,000	-4,000
Total Federal Fund	571,000	449,500	460,400	343,700	352,100
TOTAL SOURCE OF FUNDS	2,053,800	2,425,600	2,425,900	2,226,300	2,221,800
EXPENDITURES BY CLASS					
Personnel Costs	1,572,400	1,353,200	1,353,800	1,176,500	1,174,800
Operating Expenses	481,400	1,072,400	1,072,100	1,049,800	1,047,000
TOTAL EXPENDITURES	2,053,800	2,425,600	2,425,900	2,226,300	2,221,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	1,482,800	1,976,100	1,965,500	1,882,600	1,869,700
Federal Fund	571,000	449,500	460,400	343,700	352,100
TOTAL EXPENDITURES	2,053,800	2,425,600	2,425,900	2,226,300	2,221,800

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Federal Fund					
Balance Forward	-1,494,200				
Current Receipts	36,691,100	35,196,900	35,196,900	35,196,900	35,196,900
Total Federal Fund	35,196,900	35,196,900	35,196,900	35,196,900	35,196,900
TOTAL SOURCE OF FUNDS	35,196,900	35,196,900	35,196,900	35,196,900	35,196,900
EXPENDITURES BY CLASS					
Personnel Costs	50,000	50,000	50,000	50,000	50,000
Grants Loans Benefits	1,514,000	1,500,000	1,250,000	1,500,000	1,250,000
Construction	33,632,900	33,646,900	33,896,900	33,646,900	33,896,900
TOTAL EXPENDITURES	35,196,900	35,196,900	35,196,900	35,196,900	35,196,900
EXPENDITURES BY FUND SOURCE					
Federal Fund	35,196,900	35,196,900	35,196,900	35,196,900	35,196,900
TOTAL EXPENDITURES	35,196,900	35,196,900	35,196,900	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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	206,700	56,100	56,100	56,100	56,100
Other	-150,600				
Total General Fund	56,100	56,100	56,100	56,100	56,100
TOTAL SOURCE OF FUNDS	56,100	56,100	56,100	56,100	56,100
EXPENDITURES BY CLASS					
Personnel Costs	48,400	48,400	48,400	48,400	48,400
Operating Expenses	7,700	7,700	7,700	7,700	7,700
TOTAL EXPENDITURES	56,100	56,100	56,100	56,100	56,100
EXPENDITURES BY FUND SOURCE					
General Fund	56,100	56,100	56,100	56,100	56,100
TOTAL EXPENDITURES	56,100	56,100	56,100	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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,433,800	866,600	866,100	386,100	894,600
Reorganization Adjustment	-369,600				
Other	-203,400				
Total General Fund	860,800	866,600	866,100	386,100	894,600
Restricted Funds					
Balance Forward	2,057,500	1,836,300	1,217,300	1,836,300	1,039,100
Current Receipts	22,900				
Non-Revenue Receipts	435,900	234,700	184,700	234,700	184,700
Total Restricted Funds	2,516,300	2,071,000	1,402,000	2,071,000	1,223,800
Federal Fund					
Balance Forward	-39,700				
Current Receipts	783,900	718,300	721,800	581,500	577,100
Non-Revenue Receipts	-31,300	-34,700	-34,700	-34,700	-34,700
Total Federal Fund	712,900	683,600	687,100	546,800	542,400
TOTAL SOURCE OF FUNDS	4,090,000	3,621,200	2,955,200	3,003,900	2,660,800
EXPENDITURES BY CLASS					
Personnel Costs	1,190,600	1,331,700	1,357,000	908,700	920,200
Operating Expenses	190,800	194,600	194,200	178,500	175,900
Grants Loans Benefits	872,300	877,600	722,900	877,600	722,900
TOTAL EXPENDITURES	2,253,700	2,403,900	2,274,100	1,964,800	1,819,000
EXPENDITURES BY FUND SOURCE					
General Fund	860,800	866,600	866,100	386,100	894,600
Restricted Funds	680,000	853,700	720,900	1,031,900	382,000
Federal Fund	712,900	683,600	687,100	546,800	542,400
TOTAL EXPENDITURES	2,253,700	2,403,900	2,274,100	1,964,800	1,819,000
EXPENDITURES BY UNIT					
Office of Energy Policy	2,253,700	2,403,900	2,274,100	1,964,800	1,819,000
TOTAL EXPENDITURES	2,253,700	2,403,900	2,274,100	1,964,800	1,819,000

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$25,600 in fiscal year 2021 and \$27,900 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$3,300 in fiscal year 2021 and \$9,300 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,244,800	1,631,200	1,674,400	1,316,100	1,341,900
Total General Fund	1,244,800	1,631,200	1,674,400	1,316,100	1,341,900
Restricted Funds					
Balance Forward	2,806,800	1,887,600	939,700	1,887,600	1,468,900
Current Receipts	806,200	591,700	591,700	591,700	591,700
Non-Revenue Receipts	340,400	339,500	337,700	339,500	337,700
Total Restricted Funds	3,953,400	2,818,800	1,869,100	2,818,800	2,398,300
Federal Fund					
Balance Forward	-2,700				
Current Receipts	178,300	118,200	76,100	118,200	76,100
Non-Revenue Receipts	-4,900	-4,000	-2,200	-4,000	-2,200
Total Federal Fund	170,700	114,200	73,900	114,200	73,900
TOTAL SOURCE OF FUNDS	5,368,900	4,564,200	3,617,400	4,249,100	3,814,100
EXPENDITURES BY CLASS					
Personnel Costs	2,623,900	2,811,500	2,864,100	1,978,200	2,003,900
Operating Expenses	296,000	360,300	336,400	352,100	328,800
Grants Loans Benefits	505,400	326,700	224,800	323,900	221,400
Capital Outlay	56,000	126,000	126,000	126,000	126,000
TOTAL EXPENDITURES	3,481,300	3,624,500	3,551,300	2,780,200	2,680,100
EXPENDITURES BY FUND SOURCE					
General Fund	1,244,800	1,631,200	1,674,400	1,316,100	1,341,900
Restricted Funds	2,065,800	1,879,100	1,803,000	1,349,900	1,264,300
Federal Fund	170,700	114,200	73,900	114,200	73,900
TOTAL EXPENDITURES	3,481,300	3,624,500	3,551,300	2,780,200	2,680,100
EXPENDITURES BY UNIT					
Office of KY Nature Preserves	3,481,300	3,624,500	3,551,300	2,780,200	2,680,100
TOTAL EXPENDITURES	3,481,300	3,624,500	3,551,300	2,780,200	2,680,100

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$64,900 in fiscal year 2021 and \$70,800 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$7,300 in fiscal year 2021 and \$23,100 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**Energy and Environment
Public Service Commission**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	16,582,600	11,600,100	11,869,700	17,005,300	17,131,600
Continuing Approp-General Fund	1,798,500			1,400,000	700,000
Total General Fund	18,381,100	11,600,100	11,869,700	18,405,300	17,831,600
Restricted Funds					
Balance Forward	522,200	695,600	601,500	695,600	851,100
Current Receipts	385,900	535,900	535,900	535,900	535,900
Non-Revenue Receipts	346,900	351,000	351,000	341,200	264,300
Total Restricted Funds	1,255,000	1,582,500	1,488,400	1,572,700	1,651,300
Federal Fund					
Balance Forward	-267,300				
Current Receipts	1,127,200	864,000	864,000	864,000	864,000
Non-Revenue Receipts	-146,900	-151,000	-151,000	-151,000	-151,000
Total Federal Fund	713,000	713,000	713,000	713,000	713,000
TOTAL SOURCE OF FUNDS	20,349,100	13,895,600	14,071,100	20,691,000	20,195,900
EXPENDITURES BY CLASS					
Personnel Costs	9,979,800	11,252,300	11,391,600	10,542,700	10,755,600
Operating Expenses	1,688,500	2,016,800	2,071,100	1,412,000	1,325,400
Capital Outlay	100,000	25,000	25,000		
TOTAL EXPENDITURES	11,768,300	13,294,100	13,487,700	11,954,700	12,081,000
EXPENDITURES BY FUND SOURCE					
General Fund	10,495,900	11,600,100	11,869,700	10,520,100	10,646,400
Restricted Funds	559,400	981,000	905,000	721,600	721,600
Federal Fund	713,000	713,000	713,000	713,000	713,000
TOTAL EXPENDITURES	11,768,300	13,294,100	13,487,700	11,954,700	12,081,000
EXPENDITURES BY UNIT					
Public Service Commission	11,768,300	13,294,100	13,487,700	11,954,700	12,081,000
TOTAL EXPENDITURES	11,768,300	13,294,100	13,487,700	11,954,700	12,081,000

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 Executive Budget includes additional General Fund in the amount of \$363,900 in fiscal year 2021 and \$396,900 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$39,800 in fiscal year 2021 and \$122,400 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

The Executive Budget 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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	702,674,300	732,481,600	703,620,500	698,784,700	674,925,100
Special Appropriation	3,181,500				
Current Year Appropriation	2,800,000				
Total General Fund	708,655,800	732,481,600	703,620,500	698,784,700	674,925,100
Tobacco Fund					
Tobacco Settlement - Phase I	32,128,700	31,113,200	26,853,200	31,113,200	26,851,200
Total Tobacco Fund	32,128,700	31,113,200	26,853,200	31,113,200	26,851,200
Restricted Funds					
Balance Forward	40,603,100	34,981,300	27,236,500	34,855,400	23,395,300
Current Receipts	238,165,300	280,920,500	280,964,200	254,540,800	253,627,100
Non-Revenue Receipts	3,015,600	3,747,300	3,767,200	3,263,200	3,283,300
Fund Transfers	-2,800,000			-2,950,000	-250,000
Total Restricted Funds	278,984,000	319,649,100	311,967,900	289,709,400	280,055,700
Federal Fund					
Balance Forward	3,069				
Current Receipts	391,231	150,400	150,400	150,400	150,400
Total Federal Fund	394,300	150,400	150,400	150,400	150,400
Road Fund					
Regular Appropriation	3,887,400	3,892,400	3,894,700	4,061,900	4,122,200
Total Road Fund	3,887,400	3,892,400	3,894,700	4,061,900	4,122,200
TOTAL SOURCE OF FUNDS	1,024,050,200	1,087,286,700	1,046,486,700	1,023,819,600	986,104,600
EXPENDITURES BY CLASS					
Personnel Costs	272,415,100	326,418,000	330,218,300	290,956,500	303,203,700
Operating Expenses	150,657,000	181,284,800	181,576,000	162,852,400	161,993,500
Grants Loans Benefits	1,052,500	1,052,500	1,052,500	1,052,500	1,052,500
Debt Service	500,733,500	515,585,800	479,923,100	516,142,700	472,465,400
Capital Outlay	20,488,200	23,067,600	23,037,600	22,178,600	21,759,300
TOTAL EXPENDITURES	945,346,300	1,047,408,700	1,015,807,500	993,182,700	960,474,400
EXPENDITURES BY FUND SOURCE					
General Fund	666,841,000	721,766,600	693,688,400	693,469,700	664,993,000
Tobacco Fund	30,095,000	29,186,700	25,067,600	29,186,600	25,065,500
Restricted Funds	244,128,600	292,412,600	293,006,400	266,314,100	266,143,300
Federal Fund	394,300	150,400	150,400	150,400	150,400
Road Fund	3,887,400	3,892,400	3,894,700	4,061,900	4,122,200
TOTAL EXPENDITURES	945,346,300	1,047,408,700	1,015,807,500	993,182,700	960,474,400
EXPENDITURES BY UNIT					
General Administration	38,819,900	38,585,600	38,771,100	37,387,900	37,579,500
Controller	19,627,800	22,809,700	22,864,000	21,154,900	21,242,400
Office of Inspector General	1,379,800	1,531,600	1,539,500	1,522,100	1,538,300
Debt Service	500,733,500	515,585,800	470,850,000	515,585,700	470,415,400
Facilities and Support Services	52,448,100	63,504,300	70,532,400	61,660,200	63,408,200
County Costs	24,246,000	24,284,300	24,284,300	21,446,000	21,446,000
Commonwealth Office of Technology	130,606,300	168,159,100	171,026,400	149,235,500	148,760,900
Revenue	117,846,000	139,926,500	141,585,500	122,343,700	131,592,500
Property Valuation Administrators	59,638,900	73,021,800	74,354,300	62,846,700	64,491,200
TOTAL EXPENDITURES	945,346,300	1,047,408,700	1,015,807,500	993,182,700	960,474,400

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,889,800	9,446,000	9,569,000	8,082,900	8,204,400
Total General Fund	7,889,800	9,446,000	9,569,000	8,082,900	8,204,400
Restricted Funds					
Balance Forward	11,960,100	7,331,000	5,160,300	7,331,000	4,361,800
Current Receipts	26,197,500	26,197,500	26,197,500	26,197,500	26,197,500
Non-Revenue Receipts	-162,900	500,000	500,000	114,200	112,600
Fund Transfers				-250,000	-250,000
Total Restricted Funds	37,994,700	34,028,500	31,857,800	33,392,700	30,421,900
Road Fund					
Regular Appropriation	266,400	271,400	273,700	274,100	276,700
Total Road Fund	266,400	271,400	273,700	274,100	276,700
TOTAL SOURCE OF FUNDS	46,150,900	43,745,900	41,700,500	41,749,700	38,903,000
EXPENDITURES BY CLASS					
Personnel Costs	11,910,000	13,332,000	13,517,300	12,520,800	12,713,000
Operating Expenses	17,403,500	17,974,100	17,974,300	17,587,600	17,587,000
Capital Outlay	9,506,400	7,279,500	7,279,500	7,279,500	7,279,500
TOTAL EXPENDITURES	38,819,900	38,585,600	38,771,100	37,387,900	37,579,500
EXPENDITURES BY FUND SOURCE					
General Fund	7,889,800	9,446,000	9,569,000	8,082,900	8,204,400
Restricted Funds	30,663,700	28,868,200	28,928,400	29,030,900	29,098,400
Road Fund	266,400	271,400	273,700	274,100	276,700
TOTAL EXPENDITURES	38,819,900	38,585,600	38,771,100	37,387,900	37,579,500
EXPENDITURES BY UNIT					
Secretary	2,012,700	2,311,100	2,346,700	2,178,700	2,205,100
Gubernatorial Transition	220,000				
Office of General Counsel	2,551,500	2,779,800	2,813,300	2,677,800	2,718,700
Office of Administrative Services	2,963,300	3,185,100	3,223,800	3,237,700	3,281,000
Fleet Management	27,053,600	25,198,900	25,224,200	25,039,400	25,067,400
Postal Services	2,979,400	3,126,400	3,157,700	3,169,200	3,207,500
Policy and Audit	1,039,400	1,984,300	2,005,400	1,085,100	1,099,800
TOTAL EXPENDITURES	38,819,900	38,585,600	38,771,100	37,387,900	37,579,500

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

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

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

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

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

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

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

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

Policy

The Executive Budget includes additional General Fund in the amount of \$317,100 in fiscal year 2021 and \$353,200 in fiscal year 2022 to fund the cost increases associated with the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$26,300 in fiscal year 2021 and \$96,200 in fiscal year 2022 to fund the cost increases associated with providing a 1% increment each year.

Finance and Administration

Controller

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,422,500	7,250,900	7,235,100	6,790,900	6,877,600
Total General Fund	6,422,500	7,250,900	7,235,100	6,790,900	6,877,600
Restricted Funds					
Balance Forward	5,700,900	6,649,000	5,322,800	6,523,100	3,910,500
Current Receipts	11,511,900	10,985,300	10,985,300	10,988,700	11,001,200
Non-Revenue Receipts	2,515,600	3,247,300	3,267,200	2,762,700	2,781,200
Fund Transfers				-2,000,000	
Total Restricted Funds	19,728,400	20,881,600	19,575,300	18,274,500	17,692,900
TOTAL SOURCE OF FUNDS	26,150,900	28,132,500	26,810,400	25,065,400	24,570,500
EXPENDITURES BY CLASS					
Personnel Costs	10,750,100	12,361,200	12,496,400	11,751,200	11,917,300
Operating Expenses	8,877,700	10,448,500	10,367,600	9,403,700	9,325,100
TOTAL EXPENDITURES	19,627,800	22,809,700	22,864,000	21,154,900	21,242,400
EXPENDITURES BY FUND SOURCE					
General Fund	6,422,500	7,250,900	7,235,100	6,790,900	6,877,600
Restricted Funds	13,205,300	15,558,800	15,628,900	14,364,000	14,364,800
TOTAL EXPENDITURES	19,627,800	22,809,700	22,864,000	21,154,900	21,242,400
EXPENDITURES BY UNIT					
Controller	3,511,900	3,961,800	3,987,700	3,674,400	3,704,600
Local Government Services	829,500	1,021,900	954,100	939,200	876,000
Financial Management	4,364,000	4,780,000	4,809,000	4,775,100	4,814,700
Procurement Services	2,928,500	3,891,900	3,930,800	3,037,300	3,069,800
Customer Resource Center	5,344,100	6,052,300	6,060,700	5,901,300	5,917,800
State Risk and Insurance Services	2,649,800	3,101,800	3,121,700	2,827,600	2,859,500
TOTAL EXPENDITURES	19,627,800	22,809,700	22,864,000	21,154,900	21,242,400

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 Executive Budget includes additional General Fund in the amount of \$231,800 in fiscal year 2021 and \$264,000 in fiscal year 2022 to fund the cost increases associated with the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$17,000 in fiscal year 2021 and \$65,400 in fiscal year 2022 to fund the cost increases associated with providing a 1% increment each year.

**Finance and Administration
Office of Inspector General**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	802,700	1,077,800	1,420,600	848,000	863,900
Total General Fund	802,700	1,077,800	1,420,600	848,000	863,900
Restricted Funds					
Balance Forward	486,900	572,700	118,900	572,700	284,900
Non-Revenue Receipts	662,900			386,300	389,500
Total Restricted Funds	1,149,800	572,700	118,900	959,000	674,400
TOTAL SOURCE OF FUNDS	1,952,500	1,650,500	1,539,500	1,807,000	1,538,300
EXPENDITURES BY CLASS					
Personnel Costs	1,347,500	1,486,500	1,495,200	1,485,400	1,501,600
Operating Expenses	32,300	45,100	44,300	36,700	36,700
TOTAL EXPENDITURES	1,379,800	1,531,600	1,539,500	1,522,100	1,538,300
EXPENDITURES BY FUND SOURCE					
General Fund	802,700	1,077,800	1,420,600	848,000	863,900
Restricted Funds	577,100	453,800	118,900	674,100	674,400
TOTAL EXPENDITURES	1,379,800	1,531,600	1,539,500	1,522,100	1,538,300
EXPENDITURES BY UNIT					
Office of Inspector General	1,379,800	1,531,600	1,539,500	1,522,100	1,538,300
TOTAL EXPENDITURES	1,379,800	1,531,600	1,539,500	1,522,100	1,538,300

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 Executive Budget includes additional General Fund in the amount of \$42,500 in fiscal year 2021 and \$48,600 in fiscal year 2022 to fund the cost increases associated with the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$2,200 in fiscal year 2021 and \$11,000 in fiscal year 2022 to fund the cost increases associated with a 1% increment each year.

Finance and Administration

Debt Service

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	509,521,800	497,364,100	455,964,500	491,964,100	455,532,000
Special Appropriation	3,181,500				
Total General Fund	512,703,300	497,364,100	455,964,500	491,964,100	455,532,000
Tobacco Fund					
Tobacco Settlement - Phase I	31,878,700	30,863,200	26,603,200	30,863,200	26,601,200
Total Tobacco Fund	31,878,700	30,863,200	26,603,200	30,863,200	26,601,200
TOTAL SOURCE OF FUNDS	544,582,000	528,227,300	482,567,700	522,827,300	482,133,200
EXPENDITURES BY CLASS					
Debt Service	500,733,500	515,585,800	470,850,000	515,585,700	470,415,400
TOTAL EXPENDITURES	500,733,500	515,585,800	470,850,000	515,585,700	470,415,400
EXPENDITURES BY FUND SOURCE					
General Fund	470,888,500	486,649,100	446,032,400	486,649,100	445,599,900
Tobacco Fund	29,845,000	28,936,700	24,817,600	28,936,600	24,815,500
TOTAL EXPENDITURES	500,733,500	515,585,800	470,850,000	515,585,700	470,415,400
EXPENDITURES BY UNIT					
Debt Service	500,733,500	515,585,800	470,850,000	515,585,700	470,415,400
TOTAL EXPENDITURES	500,733,500	515,585,800	470,850,000	515,585,700	470,415,400

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 \$9,932,000 in fiscal year 2022. The amount of Tobacco Fund lapse is \$1,926,600 in fiscal year 2021 and \$1,785,700 in fiscal year 2022.

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.

Debt service for the debt authorized in Senate Bill 200 from the 2018 Regular Session of the General Assembly is included in the fiscal year 2022 General Fund appropriation.

**Finance and Administration
Facilities and Support Services**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,010,000	6,307,000	13,034,500	6,825,500	8,411,000
Total General Fund	6,010,000	6,307,000	13,034,500	6,825,500	8,411,000
Restricted Funds					
Balance Forward	7,702,000	4,443,700	4,764,700	4,443,700	2,967,800
Current Receipts	43,179,800	57,518,300	57,518,300	54,058,800	54,058,800
Fund Transfers				-700,000	
Total Restricted Funds	50,881,800	61,962,000	62,283,000	57,802,500	57,026,600
TOTAL SOURCE OF FUNDS	56,891,800	68,269,000	75,317,500	64,628,000	65,437,600
EXPENDITURES BY CLASS					
Personnel Costs	27,252,000	27,662,800	27,971,700	28,162,300	28,420,300
Operating Expenses	23,196,100	30,266,500	30,284,600	30,065,900	30,062,900
Debt Service			6,701,100	557,000	2,050,000
Capital Outlay	2,000,000	5,575,000	5,575,000	2,875,000	2,875,000
TOTAL EXPENDITURES	52,448,100	63,504,300	70,532,400	61,660,200	63,408,200
EXPENDITURES BY FUND SOURCE					
General Fund	6,010,000	6,307,000	13,034,500	6,825,500	8,411,000
Restricted Funds	46,438,100	57,197,300	57,497,900	54,834,700	54,997,200
TOTAL EXPENDITURES	52,448,100	63,504,300	70,532,400	61,660,200	63,408,200
EXPENDITURES BY UNIT					
Commissioner's Office	974,500	697,300	703,800	1,498,400	3,002,200
Facility Development and Efficiency	6,333,100	6,157,900	6,230,600	6,319,000	6,329,600
Real Property	1,799,900	2,086,600	2,113,000	1,867,800	1,896,700
Historic Properties	386,000	389,700	392,900	404,400	406,900
Building and Mechanical Services	41,773,700	52,902,100	59,809,800	50,286,600	50,475,500
State Surplus Property	850,000	998,000	1,008,400	1,010,000	1,021,700
Federal Surplus Property	330,900	272,700	273,900	274,000	275,600
TOTAL EXPENDITURES	52,448,100	63,504,300	70,532,400	61,660,200	63,408,200

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 Executive Budget includes General Fund in the amount of \$557,000 in fiscal year 2021 and \$2,050,000 in fiscal year 2022 for debt service on new bonds included in the capital budget.

The Executive Budget includes additional General Fund in the amount of \$233,600 in fiscal year 2021 and \$260,800 in fiscal year 2022 to fund the cost increases associated with the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$18,900 in fiscal year 2021 and 70,000 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

Finance and Administration

County Costs

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	19,743,500	22,581,800	22,581,800	19,743,500	19,743,500
Current Year Appropriation	2,800,000				
Total General Fund	22,543,500	22,581,800	22,581,800	19,743,500	19,743,500
Restricted Funds					
Current Receipts	1,702,500	1,702,500	1,702,500	1,702,500	1,702,500
Total Restricted Funds	1,702,500	1,702,500	1,702,500	1,702,500	1,702,500
TOTAL SOURCE OF FUNDS	24,246,000	24,284,300	24,284,300	21,446,000	21,446,000
EXPENDITURES BY CLASS					
Personnel Costs	4,034,100	4,184,100	4,184,100	4,034,100	4,034,100
Operating Expenses	19,159,400	19,047,700	19,047,700	16,359,400	16,359,400
Grants Loans Benefits	1,052,500	1,052,500	1,052,500	1,052,500	1,052,500
TOTAL EXPENDITURES	24,246,000	24,284,300	24,284,300	21,446,000	21,446,000
EXPENDITURES BY FUND SOURCE					
General Fund	22,543,500	22,581,800	22,581,800	19,743,500	19,743,500
Restricted Funds	1,702,500	1,702,500	1,702,500	1,702,500	1,702,500
TOTAL EXPENDITURES	24,246,000	24,284,300	24,284,300	21,446,000	21,446,000
EXPENDITURES BY UNIT					
Public Defender Program	4,001,200	4,151,200	4,151,200	4,001,200	4,001,200
Witnesses	90,000	90,000	90,000	90,000	90,000
DUI Service Fees	1,052,500	1,052,500	1,052,500	1,052,500	1,052,500
Sheriffs Fees'	14,635,800	14,524,100	14,524,100	11,835,800	11,835,800
County Clerks (Make Tax Bills)	304,000	304,000	304,000	304,000	304,000
Board Of Assessment Appeals	40,000	40,000	40,000	40,000	40,000
Fugitive From Justice	1,052,000	1,052,000	1,052,000	1,052,000	1,052,000
Jury Fund	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Sheriffs Expense Allowance	465,500	465,500	465,500	465,500	465,500
Premium On Sheriffs' Bonds	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	24,246,000	24,284,300	24,284,300	21,446,000	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 (\$.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 Executive Budget includes a wage of \$9 per hour for court security officers.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation			2,372,000		
Total General Fund			2,372,000		
Restricted Funds					
Balance Forward	10,962,700	13,933,900	10,556,100	13,933,900	10,556,100
Current Receipts	136,227,100	164,630,900	164,630,900	145,707,300	144,737,400
Fund Transfers	-2,800,000				
Total Restricted Funds	144,389,800	178,564,800	175,187,000	159,641,200	155,293,500
Federal Fund					
Balance Forward	4,269				
Current Receipts	146,131	150,400	150,400	150,400	150,400
Total Federal Fund	150,400	150,400	150,400	150,400	150,400
TOTAL SOURCE OF FUNDS	144,540,200	178,715,200	177,709,400	159,791,600	155,443,900
EXPENDITURES BY CLASS					
Personnel Costs	71,045,600	95,183,600	95,827,200	82,742,200	83,586,300
Operating Expenses	50,578,900	62,762,400	62,644,100	54,469,200	53,569,800
Debt Service			2,372,000		
Capital Outlay	8,981,800	10,213,100	10,183,100	12,024,100	11,604,800
TOTAL EXPENDITURES	130,606,300	168,159,100	171,026,400	149,235,500	148,760,900
EXPENDITURES BY FUND SOURCE					
General Fund			2,372,000		
Restricted Funds	130,455,900	168,008,700	168,504,000	149,085,100	148,610,500
Federal Fund	150,400	150,400	150,400	150,400	150,400
TOTAL EXPENDITURES	130,606,300	168,159,100	171,026,400	149,235,500	148,760,900
EXPENDITURES BY UNIT					
Commonwealth Office of Technology	6,404,000	7,063,900	9,441,100	6,463,800	6,481,300
Chief Information Security Officer	8,426,000	21,262,700	21,317,000	13,733,400	13,795,900
IT Services and Delivery	83,805,700	88,277,900	88,564,500	94,225,000	93,401,400
KY Business One-Stop	1,882,100	2,110,500	2,115,900	1,896,100	1,901,700
Project Management	3,467,400	17,310,000	17,324,800	3,505,000	3,521,400
Architect and Governance	26,621,100	32,134,100	32,263,100	29,412,200	29,659,200
TOTAL EXPENDITURES	130,606,300	168,159,100	171,026,400	149,235,500	148,760,900

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

COT consists of six units: Commissioner, Chief Information Security Officer, 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 Executive Budget includes additional funding of \$1,000,000 each year to support the Commonwealth Office of Technology's cyber security efforts and \$4,143,300 each year for the Kentucky Online Gateway, a secure online portal that members of the public can access to conduct business with state government.

Finance and Administration

Revenue

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	96,145,100	118,932,200	120,588,700	105,183,100	114,301,500
Total General Fund	96,145,100	118,932,200	120,588,700	105,183,100	114,301,500
Tobacco Fund					
Tobacco Settlement - Phase I	250,000	250,000	250,000	250,000	250,000
Total Tobacco Fund	250,000	250,000	250,000	250,000	250,000
Restricted Funds					
Balance Forward	3,242,100	1,502,600	765,300	1,502,600	765,800
Current Receipts	15,846,500	16,386,000	16,429,700	12,386,000	12,429,700
Total Restricted Funds	19,088,600	17,888,600	17,195,000	13,888,600	13,195,500
Federal Fund					
Balance Forward	-1,200				
Current Receipts	245,100				
Total Federal Fund	243,900				
Road Fund					
Regular Appropriation	3,621,000	3,621,000	3,621,000	3,787,800	3,845,500
Total Road Fund	3,621,000	3,621,000	3,621,000	3,787,800	3,845,500
TOTAL SOURCE OF FUNDS	119,348,600	140,691,800	141,654,700	123,109,500	131,592,500
EXPENDITURES BY CLASS					
Personnel Costs	86,724,900	99,810,100	100,996,200	87,413,800	96,539,900
Operating Expenses	31,121,100	40,116,400	40,589,300	34,929,900	35,052,600
TOTAL EXPENDITURES	117,846,000	139,926,500	141,585,500	122,343,700	131,592,500
EXPENDITURES BY FUND SOURCE					
General Fund	96,145,100	118,932,200	120,588,700	105,183,100	114,301,500
Tobacco Fund	250,000	250,000	250,000	250,000	250,000
Restricted Funds	17,586,000	17,123,300	17,125,800	13,122,800	13,195,500
Federal Fund	243,900				
Road Fund	3,621,000	3,621,000	3,621,000	3,787,800	3,845,500
TOTAL EXPENDITURES	117,846,000	139,926,500	141,585,500	122,343,700	131,592,500
EXPENDITURES BY UNIT					
Commissioner's Office	38,997,200	54,724,000	55,458,800	42,732,900	49,383,600
Property Valuation	7,214,800	10,796,600	10,829,600	7,845,700	7,931,100
Field Operations	15,695,200	15,850,300	16,017,200	15,347,100	15,581,700
Income Taxation	10,612,500	10,897,700	11,049,500	10,734,100	10,902,300
Sales and Excise Taxes	9,766,200	10,032,200	10,163,000	9,899,100	10,030,900
Processing and Enforcement	34,677,300	36,713,500	37,143,100	34,858,700	36,822,600
Office of Tax Policy & Regulation	882,800	912,200	924,300	926,100	940,300
TOTAL EXPENDITURES	117,846,000	139,926,500	141,585,500	122,343,700	131,592,500

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

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

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

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

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

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

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

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

Policy

The Executive Budget includes additional General Fund in the amount of \$2,672,100 in fiscal year 2021 and \$2,930,400 in fiscal year 2022 to fund the cost increases associated with the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$251,900 in fiscal year 2021 and \$858,200 in fiscal year 2022 to fund the cost increases associated with providing a 1% salary increment.

General Fund in the amount of \$1,500,000 in fiscal year 2021 and \$5,000,000 in fiscal year 2022 is included to support the cost of hiring additional staff to enhance the Department's revenue collection efforts. These efforts are expected to generate additional General Fund revenue of \$7,600,000 in fiscal year 2021 and \$23,200,000 in fiscal year 2022.

General Fund in the amount of \$1,427,800 in fiscal year 2021 and \$6,044,700 in fiscal year 2022 is included to support the implementation of the Department's new Integrated Tax System. Implementation of the new system in the 2020-2022 biennium is expected to generate an additional \$5,000,000 in General Fund revenue in fiscal year 2022.

**Finance and Administration
Property Valuation Administrators**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	56,138,900	69,521,800	70,854,300	59,346,700	60,991,200
Total General Fund	56,138,900	69,521,800	70,854,300	59,346,700	60,991,200
Restricted Funds					
Balance Forward	548,400	548,400	548,400	548,400	548,400
Current Receipts	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Total Restricted Funds	4,048,400	4,048,400	4,048,400	4,048,400	4,048,400
TOTAL SOURCE OF FUNDS	60,187,300	73,570,200	74,902,700	63,395,100	65,039,600
EXPENDITURES BY CLASS					
Personnel Costs	59,350,900	72,397,700	73,730,200	62,846,700	64,491,200
Operating Expenses	288,000	624,100	624,100		
TOTAL EXPENDITURES	59,638,900	73,021,800	74,354,300	62,846,700	64,491,200
EXPENDITURES BY FUND SOURCE					
General Fund	56,138,900	69,521,800	70,854,300	59,346,700	60,991,200
Restricted Funds	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
TOTAL EXPENDITURES	59,638,900	73,021,800	74,354,300	62,846,700	64,491,200
EXPENDITURES BY UNIT					
Property Valuation Administrators	59,638,900	73,021,800	74,354,300	62,846,700	64,491,200
TOTAL EXPENDITURES	59,638,900	73,021,800	74,354,300	62,846,700	64,491,200

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 Executive Budget includes additional General Fund in the amount of \$2,509,500 in fiscal year 2021 and \$3,048,000 in fiscal year 2022 to fund the cost increases associated with the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$157,400 in fiscal year 2021 and \$503,300 in fiscal year 2022 to fund the cost increases associated with providing a 1% salary increment.

The Executive Budget includes additional General Fund in the amount of \$594,100 in fiscal year 2021 and \$1,207,100 in fiscal year 2022 to fund the cost increases associated with statutory salary adjustments.

Health and Family Services

Health and Family Services

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,870,293,300	3,416,150,400	3,621,015,200	2,975,708,300	3,167,763,400
Reorganization Adjustment	-151,800				
Total General Fund	2,870,141,500	3,416,150,400	3,621,015,200	2,975,708,300	3,167,763,400
Tobacco Fund					
Tobacco Settlement - Phase I	29,222,900	29,222,900	29,222,900	23,997,100	24,275,000
Continuing Approp-Tob Settlement	14,467,200				
Budget Reduction-Tobacco	-2,436,700				
Total Tobacco Fund	41,253,400	29,222,900	29,222,900	23,997,100	24,275,000
Restricted Funds					
Balance Forward	91,546,900	117,573,600	47,597,200	117,573,600	45,602,000
Current Receipts	904,075,400	801,481,400	801,806,800	881,544,300	880,038,900
Non-Revenue Receipts	435,904,000	397,056,100	400,191,000	417,448,200	420,288,600
Total Restricted Funds	1,431,526,300	1,316,111,100	1,249,595,000	1,416,566,100	1,345,929,500
Federal Fund					
Balance Forward	-23,187,000	3,400	1,300	3,400	1,300
Current Receipts	10,581,215,500	10,731,070,600	11,139,623,600	10,636,912,500	10,764,987,000
Non-Revenue Receipts	-100				
Total Federal Fund	10,558,028,400	10,731,074,000	11,139,624,900	10,636,915,900	10,764,988,300
TOTAL SOURCE OF FUNDS	14,900,949,600	15,492,558,400	16,039,458,000	15,053,187,400	15,302,956,200
EXPENDITURES BY CLASS					
Personnel Costs	959,748,200	1,144,523,300	1,142,144,400	1,020,364,000	1,042,693,400
Operating Expenses	140,691,300	151,046,900	151,142,000	132,466,600	132,190,100
Grants Loans Benefits	13,671,429,100	14,136,307,100	14,702,739,300	13,842,247,300	14,097,033,300
Debt Service	11,256,200	11,257,600	23,417,100	11,752,700	12,993,200
Capital Outlay	247,800	1,825,000	133,300	753,500	133,300
TOTAL EXPENDITURES	14,783,372,600	15,444,959,900	16,019,576,100	15,007,584,100	15,285,043,300
EXPENDITURES BY FUND SOURCE					
General Fund	2,870,141,500	3,416,150,400	3,621,015,200	2,975,708,300	3,167,763,400
Tobacco Fund	41,253,400	29,222,900	29,222,900	23,997,100	24,275,000
Restricted Funds	1,313,952,700	1,268,513,900	1,229,713,100	1,370,964,100	1,328,016,600
Federal Fund	10,558,025,000	10,731,072,700	11,139,624,900	10,636,914,600	10,764,988,300
TOTAL EXPENDITURES	14,783,372,600	15,444,959,900	16,019,576,100	15,007,584,100	15,285,043,300
EXPENDITURES BY UNIT					
General Administration and Program Support	100,673,500	110,471,800	114,775,200	110,841,800	112,532,500
Aging and Independent Living	72,236,900	91,266,900	91,486,500	73,456,000	73,677,300
Income Support	110,404,100	121,314,500	121,808,900	111,547,400	112,496,300
Public Health	380,843,300	417,370,500	419,243,100	386,653,600	387,425,400
Behavioral Health, Developmental & Intellectual Disabilities	464,055,000	520,143,200	521,301,500	444,711,300	432,702,900
Family Resource Centers and Volunteer Services	18,389,700	19,879,700	19,904,900	18,456,000	18,480,700
Community Based Services	1,338,820,000	1,429,492,400	1,463,609,300	1,384,791,600	1,407,453,900
Medicaid Services	12,258,055,500	12,693,531,800	13,226,380,600	12,445,952,500	12,709,580,000
Office for Children with Special Health Care Needs	21,292,500	23,370,500	22,920,200	19,952,600	19,454,000
Office of Health Data and Analytics	18,602,100	18,118,600	18,145,900	11,221,300	11,240,300
TOTAL EXPENDITURES	14,783,372,600	15,444,959,900	16,019,576,100	15,007,584,100	15,285,043,300

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	36,168,400	9,663,200	13,222,800	11,951,200	12,981,300
Total General Fund	36,168,400	9,663,200	13,222,800	11,951,200	12,981,300
Restricted Funds					
Balance Forward	4,689,300	4,955,100	4,155,000	4,955,100	4,155,000
Current Receipts	8,312,900	8,267,000	8,266,900	6,349,000	6,265,700
Non-Revenue Receipts	10,500,500	42,732,900	43,070,700	42,732,900	43,070,700
Total Restricted Funds	23,502,700	55,955,000	55,492,600	54,037,000	53,491,400
Federal Fund					
Balance Forward	2,817,600				
Current Receipts	43,139,900	49,008,600	49,414,600	49,008,600	49,414,600
Total Federal Fund	45,957,500	49,008,600	49,414,600	49,008,600	49,414,600
TOTAL SOURCE OF FUNDS	105,628,600	114,626,800	118,130,000	114,996,800	115,887,300
EXPENDITURES BY CLASS					
Personnel Costs	74,212,600	78,637,700	79,474,800	78,684,200	79,901,300
Operating Expenses	26,460,900	31,834,100	31,978,400	31,899,600	31,958,200
Grants Loans Benefits				50,000	50,000
Debt Service			3,322,000	208,000	623,000
TOTAL EXPENDITURES	100,673,500	110,471,800	114,775,200	110,841,800	112,532,500
EXPENDITURES BY FUND SOURCE					
General Fund	36,168,400	9,663,200	13,222,800	11,951,200	12,981,300
Restricted Funds	18,547,600	51,800,000	52,137,800	49,882,000	50,136,600
Federal Fund	45,957,500	49,008,600	49,414,600	49,008,600	49,414,600
TOTAL EXPENDITURES	100,673,500	110,471,800	114,775,200	110,841,800	112,532,500
EXPENDITURES BY UNIT					
Administrative Support	71,065,200	77,758,400	81,625,300	78,726,600	79,882,100
Inspector General	29,608,300	32,713,400	33,149,900	32,115,200	32,650,400
TOTAL EXPENDITURES	100,673,500	110,471,800	114,775,200	110,841,800	112,532,500

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 three major functions:

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

Policy

The Executive Budget includes additional General Fund in the amount of \$1,542,600 in fiscal year 2021 and \$1,682,800 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$154,300 in fiscal year 2021 and \$508,900 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

The Executive Budget includes additional General Fund in the amount of \$50,000 in each fiscal year to support Special Olympics.

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

SOURCE OF FUNDS	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
General Fund					
Regular Appropriation	29,577,700	1,700,000	5,022,000	2,668,200	3,278,800
Total General Fund	29,577,700	1,700,000	5,022,000	2,668,200	3,278,800
Restricted Funds					
Balance Forward	149,900				
Current Receipts	2,806,600	2,751,500	2,751,500	2,751,500	2,751,500
Non-Revenue Receipts	10,400,500	42,632,900	42,970,700	42,632,900	42,970,700
Total Restricted Funds	13,357,000	45,384,400	45,722,200	45,384,400	45,722,200
Federal Fund					
Balance Forward	1,790,500				
Current Receipts	26,340,000	30,674,000	30,881,100	30,674,000	30,881,100
Total Federal Fund	28,130,500	30,674,000	30,881,100	30,674,000	30,881,100
TOTAL SOURCE OF FUNDS	71,065,200	77,758,400	81,625,300	78,726,600	79,882,100
EXPENDITURES BY CLASS					
Personnel Costs	48,886,300	50,453,700	50,998,200	50,992,600	51,672,400
Operating Expenses	22,178,900	27,304,700	27,305,100	27,476,000	27,536,700
Grants Loans Benefits				50,000	50,000
Debt Service			3,322,000	208,000	623,000
TOTAL EXPENDITURES	71,065,200	77,758,400	81,625,300	78,726,600	79,882,100
EXPENDITURES BY FUND SOURCE					
General Fund	29,577,700	1,700,000	5,022,000	2,668,200	3,278,800
Restricted Funds	13,357,000	45,384,400	45,722,200	45,384,400	45,722,200
Federal Fund	28,130,500	30,674,000	30,881,100	30,674,000	30,881,100
TOTAL EXPENDITURES	71,065,200	77,758,400	81,625,300	78,726,600	79,882,100

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,590,700	7,963,200	8,200,800	9,283,000	9,702,500
Total General Fund	6,590,700	7,963,200	8,200,800	9,283,000	9,702,500
Restricted Funds					
Balance Forward	4,539,400	4,955,100	4,155,000	4,955,100	4,155,000
Current Receipts	5,506,300	5,515,500	5,515,400	3,597,500	3,514,200
Non-Revenue Receipts	100,000	100,000	100,000	100,000	100,000
Total Restricted Funds	10,145,700	10,570,600	9,770,400	8,652,600	7,769,200
Federal Fund					
Balance Forward	1,027,100				
Current Receipts	16,799,900	18,334,600	18,533,500	18,334,600	18,533,500
Total Federal Fund	17,827,000	18,334,600	18,533,500	18,334,600	18,533,500
TOTAL SOURCE OF FUNDS	34,563,400	36,868,400	36,504,700	36,270,200	36,005,200
EXPENDITURES BY CLASS					
Personnel Costs	25,326,300	28,184,000	28,476,600	27,691,600	28,228,900
Operating Expenses	4,282,000	4,529,400	4,673,300	4,423,600	4,421,500
TOTAL EXPENDITURES	29,608,300	32,713,400	33,149,900	32,115,200	32,650,400
EXPENDITURES BY FUND SOURCE					
General Fund	6,590,700	7,963,200	8,200,800	9,283,000	9,702,500
Restricted Funds	5,190,600	6,415,600	6,415,600	4,497,600	4,414,400
Federal Fund	17,827,000	18,334,600	18,533,500	18,334,600	18,533,500
TOTAL EXPENDITURES	29,608,300	32,713,400	33,149,900	32,115,200	32,650,400

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,249,000	9,330,100	9,500,200	3,863,100	5,851,900
Total General Fund	5,249,000	9,330,100	9,500,200	3,863,100	5,851,900
Restricted Funds					
Balance Forward	3,739,200	978,800	188,800	978,800	188,800
Current Receipts	8,767,000	8,734,300	8,715,100	10,775,100	8,868,100
Non-Revenue Receipts	-50,000	-50,000	-50,000	-50,000	-50,000
Total Restricted Funds	12,456,200	9,663,100	8,853,900	11,703,900	9,006,900
Federal Fund					
Balance Forward	-16,300	3,400	1,300	3,400	1,300
Current Receipts	4,585,800	4,564,000	4,564,800	4,572,300	4,593,900
Total Federal Fund	4,569,500	4,567,400	4,566,100	4,575,700	4,595,200
TOTAL SOURCE OF FUNDS	22,274,700	23,560,600	22,920,200	20,142,700	19,454,000
EXPENDITURES BY CLASS					
Personnel Costs	13,223,300	16,985,100	17,154,700	16,035,300	16,285,200
Operating Expenses	2,266,300	2,400,400	2,400,700	2,279,500	2,279,500
Grants Loans Benefits	5,601,300	3,277,700	3,277,700	930,500	802,200
Capital Outlay	201,600	707,300	87,100	707,300	87,100
TOTAL EXPENDITURES	21,292,500	23,370,500	22,920,200	19,952,600	19,454,000
EXPENDITURES BY FUND SOURCE					
General Fund	5,249,000	9,330,100	9,500,200	3,863,100	5,851,900
Restricted Funds	11,477,400	9,474,300	8,853,900	11,515,100	9,006,900
Federal Fund	4,566,100	4,566,100	4,566,100	4,574,400	4,595,200
TOTAL EXPENDITURES	21,292,500	23,370,500	22,920,200	19,952,600	19,454,000
EXPENDITURES BY UNIT					
Children's Health Services	21,292,500	23,370,500	22,920,200	19,952,600	19,454,000
TOTAL EXPENDITURES	21,292,500	23,370,500	22,920,200	19,952,600	19,454,000

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,043,016,800	2,281,859,200	2,447,505,300	2,086,501,200	2,250,106,000
Total General Fund	2,043,016,800	2,281,859,200	2,447,505,300	2,086,501,200	2,250,106,000
Restricted Funds					
Balance Forward	45,985,900	88,275,200	23,304,800	88,275,200	23,294,100
Current Receipts	372,131,700	373,142,100	375,597,000	373,142,100	375,597,000
Non-Revenue Receipts	421,765,800	358,962,900	360,839,100	373,162,800	375,048,500
Total Restricted Funds	839,883,400	820,380,200	759,740,900	834,580,100	773,939,600
Federal Fund					
Balance Forward	-22,463,600				
Current Receipts	9,485,894,100	9,614,597,200	10,019,134,400	9,548,165,300	9,685,534,400
Total Federal Fund	9,463,430,500	9,614,597,200	10,019,134,400	9,548,165,300	9,685,534,400
TOTAL SOURCE OF FUNDS	12,346,330,700	12,716,836,600	13,226,380,600	12,469,246,600	12,709,580,000
EXPENDITURES BY CLASS					
Personnel Costs	184,858,000	279,208,300	265,800,600	183,107,300	178,770,100
Operating Expenses	8,748,900	9,052,700	9,052,700	8,839,100	8,818,800
Grants Loans Benefits	12,064,448,600	12,405,270,800	12,951,527,300	12,254,006,100	12,521,991,100
TOTAL EXPENDITURES	12,258,055,500	12,693,531,800	13,226,380,600	12,445,952,500	12,709,580,000
EXPENDITURES BY FUND SOURCE					
General Fund	2,043,016,800	2,281,859,200	2,447,505,300	2,086,501,200	2,250,106,000
Restricted Funds	751,608,200	797,075,400	759,740,900	811,286,000	773,939,600
Federal Fund	9,463,430,500	9,614,597,200	10,019,134,400	9,548,165,300	9,685,534,400
TOTAL EXPENDITURES	12,258,055,500	12,693,531,800	13,226,380,600	12,445,952,500	12,709,580,000
EXPENDITURES BY UNIT					
Medicaid Administration	234,107,900	342,021,200	330,754,000	235,906,600	236,189,600
Medicaid Benefits	12,023,947,600	12,351,510,600	12,895,626,600	12,210,045,900	12,473,390,400
TOTAL EXPENDITURES	12,258,055,500	12,693,531,800	13,226,380,600	12,445,952,500	12,709,580,000

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	59,367,300	88,545,000	87,129,100	59,406,600	59,448,300
Total General Fund	59,367,300	88,545,000	87,129,100	59,406,600	59,448,300
Restricted Funds					
Balance Forward	18,810,800	26,776,600	13,388,300	26,776,600	13,377,600
Current Receipts	27,900	27,900	27,900	27,900	27,900
Non-Revenue Receipts	18,204,300	4,982,900	4,982,900	-2,817,200	-2,807,700
Total Restricted Funds	37,043,000	31,787,400	18,399,100	23,987,300	10,597,800
Federal Fund					
Balance Forward	6,592,800				
Current Receipts	157,881,400	235,077,100	225,225,800	165,890,300	166,143,500
Total Federal Fund	164,474,200	235,077,100	225,225,800	165,890,300	166,143,500
TOTAL SOURCE OF FUNDS	260,884,500	355,409,500	330,754,000	249,284,200	236,189,600
EXPENDITURES BY CLASS					
Personnel Costs	184,858,000	279,208,300	265,800,600	183,107,300	178,770,100
Operating Expenses	8,748,900	9,052,700	9,052,700	8,839,100	8,818,800
Grants Loans Benefits	40,501,000	53,760,200	55,900,700	43,960,200	48,600,700
TOTAL EXPENDITURES	234,107,900	342,021,200	330,754,000	235,906,600	236,189,600
EXPENDITURES BY FUND SOURCE					
General Fund	59,367,300	88,545,000	87,129,100	59,406,600	59,448,300
Restricted Funds	10,266,400	18,399,100	18,399,100	10,609,700	10,597,800
Federal Fund	164,474,200	235,077,100	225,225,800	165,890,300	166,143,500
TOTAL EXPENDITURES	234,107,900	342,021,200	330,754,000	235,906,600	236,189,600
EXPENDITURES BY UNIT					
Medical Assistance Administration	231,007,900	338,912,100	327,640,600	234,174,400	234,700,800
KCHIP Administration	3,100,000	3,109,100	3,113,400	1,732,200	1,488,800
TOTAL EXPENDITURES	234,107,900	342,021,200	330,754,000	235,906,600	236,189,600

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$106,200 in fiscal year 2021 and \$119,700 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$9,200 in fiscal year 2021 and \$31,800 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

Health and Family Services

Medicaid Benefits

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,983,649,500	2,193,314,200	2,360,376,200	2,027,094,600	2,190,657,700
Total General Fund	1,983,649,500	2,193,314,200	2,360,376,200	2,027,094,600	2,190,657,700
Restricted Funds					
Balance Forward	27,175,100	61,498,600	9,916,500	61,498,600	9,916,500
Current Receipts	372,103,800	373,114,200	375,569,100	373,114,200	375,569,100
Non-Revenue Receipts	403,561,500	353,980,000	355,856,200	375,980,000	377,856,200
Total Restricted Funds	802,840,400	788,592,800	741,341,800	810,592,800	763,341,800
Federal Fund					
Balance Forward	-29,056,400				
Current Receipts	9,328,012,700	9,379,520,100	9,793,908,600	9,382,275,000	9,519,390,900
Total Federal Fund	9,298,956,300	9,379,520,100	9,793,908,600	9,382,275,000	9,519,390,900
TOTAL SOURCE OF FUNDS	12,085,446,200	12,361,427,100	12,895,626,600	12,219,962,400	12,473,390,400
EXPENDITURES BY CLASS					
Grants Loans Benefits	12,023,947,600	12,351,510,600	12,895,626,600	12,210,045,900	12,473,390,400
TOTAL EXPENDITURES	12,023,947,600	12,351,510,600	12,895,626,600	12,210,045,900	12,473,390,400
EXPENDITURES BY FUND SOURCE					
General Fund	1,983,649,500	2,193,314,200	2,360,376,200	2,027,094,600	2,190,657,700
Restricted Funds	741,341,800	778,676,300	741,341,800	800,676,300	763,341,800
Federal Fund	9,298,956,300	9,379,520,100	9,793,908,600	9,382,275,000	9,519,390,900
TOTAL EXPENDITURES	12,023,947,600	12,351,510,600	12,895,626,600	12,210,045,900	12,473,390,400
EXPENDITURES BY UNIT					
Medicaid Benefits	11,759,435,700	12,075,896,900	12,608,630,000	11,928,454,000	12,181,281,300
KCHIP Benefits	264,511,900	275,613,700	286,996,600	281,591,900	292,109,100
TOTAL EXPENDITURES	12,023,947,600	12,351,510,600	12,895,626,600	12,210,045,900	12,473,390,400

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 Executive Budget includes additional General Fund in the amount of \$3,513,400 in fiscal year 2021 and \$7,012,200 in fiscal year 2022 to support 100 additional slots in the Supports for Community Living Waiver program and 500 additional slots in the Michelle P. Waiver program over the 2020-2022 fiscal biennium.

The Executive Budget includes additional General Fund in the amount of \$1 million in each fiscal year to support Kentucky Children's Health Insurance Program (KCHIP) enrollment initiatives over the 2020-2022 fiscal biennium.

The Executive Budget assumes a federal medical assistance percentage (FMAP) of 71.99 percent for state fiscal year 2020-2021 and 72.05 percent for state fiscal year 2021-2022 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 and 80.44 percent in state fiscal year 2021-2022. The assumed FMAP for the Medicaid expansion eligibility group is 90 percent in each state fiscal year.

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	172,549,700	262,448,200	276,952,100	185,028,300	188,118,100
Reorganization Adjustment	-151,800				
Total General Fund	172,397,900	262,448,200	276,952,100	185,028,300	188,118,100
Tobacco Fund					
Tobacco Settlement - Phase I	1,500,800	1,500,800	1,500,800	1,416,000	1,495,200
Continuing Approp-Tob Settlement	735,000				
Total Tobacco Fund	2,235,800	1,500,800	1,500,800	1,416,000	1,495,200
Restricted Funds					
Balance Forward	6,767,800	5,343,000	5,343,000	5,343,000	3,343,000
Current Receipts	211,478,000	185,033,100	183,371,300	185,097,500	183,583,400
Non-Revenue Receipts	557,100	549,500	549,500	553,200	562,200
Total Restricted Funds	218,802,900	190,925,600	189,263,800	190,993,700	187,488,600
Federal Fund					
Balance Forward	-2,774,300				
Current Receipts	78,735,700	70,611,600	58,927,800	70,616,300	58,944,000
Total Federal Fund	75,961,400	70,611,600	58,927,800	70,616,300	58,944,000
TOTAL SOURCE OF FUNDS	469,398,000	525,486,200	526,644,500	448,054,300	436,045,900
EXPENDITURES BY CLASS					
Personnel Costs	94,142,400	96,022,200	99,391,500	88,875,500	89,606,900
Operating Expenses	13,427,200	14,400,900	14,350,500	12,911,800	12,595,600
Grants Loans Benefits	345,229,200	397,391,900	390,058,300	331,379,300	318,130,200
Debt Service	11,256,200	11,256,700	17,501,200	11,544,700	12,370,200
Capital Outlay		1,071,500			
TOTAL EXPENDITURES	464,055,000	520,143,200	521,301,500	444,711,300	432,702,900
EXPENDITURES BY FUND SOURCE					
General Fund	172,397,900	262,448,200	276,952,100	185,028,300	188,118,100
Tobacco Fund	2,235,800	1,500,800	1,500,800	1,416,000	1,495,200
Restricted Funds	213,459,900	185,582,600	183,920,800	187,650,700	184,145,600
Federal Fund	75,961,400	70,611,600	58,927,800	70,616,300	58,944,000
TOTAL EXPENDITURES	464,055,000	520,143,200	521,301,500	444,711,300	432,702,900
EXPENDITURES BY UNIT					
Community Behavioral Health	135,911,100	143,974,100	132,357,800	129,925,900	118,390,300
Community Developmental and Intellectual Disabilities	23,487,300	23,571,000	23,610,200	23,498,500	23,560,900
General Support	27,111,500	53,508,500	53,573,700	40,370,300	40,440,700
Residential	277,545,100	299,089,600	311,759,800	250,916,600	250,311,000
TOTAL EXPENDITURES	464,055,000	520,143,200	521,301,500	444,711,300	432,702,900

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$747,500 in fiscal year 2021 and \$815,500 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$81,300 in fiscal year 2021 and \$271,900 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	50,891,600	65,039,400	65,106,900	49,076,000	51,145,000
Total General Fund	50,891,600	65,039,400	65,106,900	49,076,000	51,145,000
Tobacco Fund					
Tobacco Settlement - Phase I	1,500,800	1,500,800	1,500,800	1,416,000	1,495,200
Continuing Approp-Tob Settlement	735,000				
Total Tobacco Fund	2,235,800	1,500,800	1,500,800	1,416,000	1,495,200
Restricted Funds					
Balance Forward	5,343,000	5,343,000	5,343,000	5,343,000	3,343,000
Current Receipts	8,665,000	8,672,600	8,672,600	8,672,600	8,672,600
Non-Revenue Receipts	1,357,100	1,349,500	1,349,500	1,349,500	1,349,500
Total Restricted Funds	15,365,100	15,365,100	15,365,100	15,365,100	13,365,100
Federal Fund					
Balance Forward	-1,012,400				
Current Receipts	73,774,000	67,411,800	55,728,000	67,411,800	55,728,000
Total Federal Fund	72,761,600	67,411,800	55,728,000	67,411,800	55,728,000
TOTAL SOURCE OF FUNDS	141,254,100	149,317,100	137,700,800	133,268,900	121,733,300
EXPENDITURES BY CLASS					
Personnel Costs	5,668,800	5,551,400	5,618,800	5,587,800	5,656,700
Operating Expenses	318,700	318,700	318,700	319,200	319,200
Grants Loans Benefits	129,923,600	138,104,000	126,420,300	124,018,900	112,414,400
TOTAL EXPENDITURES	135,911,100	143,974,100	132,357,800	129,925,900	118,390,300
EXPENDITURES BY FUND SOURCE					
General Fund	50,891,600	65,039,400	65,106,900	49,076,000	51,145,000
Tobacco Fund	2,235,800	1,500,800	1,500,800	1,416,000	1,495,200
Restricted Funds	10,022,100	10,022,100	10,022,100	12,022,100	10,022,100
Federal Fund	72,761,600	67,411,800	55,728,000	67,411,800	55,728,000
TOTAL EXPENDITURES	135,911,100	143,974,100	132,357,800	129,925,900	118,390,300
EXPENDITURES BY UNIT					
Community Alcohol and Drug Services	78,994,700	68,508,800	56,860,600	68,424,100	56,853,200
Community Mental Health Services	56,916,400	75,465,300	75,497,200	61,501,800	61,537,100
TOTAL EXPENDITURES	135,911,100	143,974,100	132,357,800	129,925,900	118,390,300

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 Executive Budget includes \$13,056,000 General Fund in each fiscal year to assist with funding the increases of the actuarially determined contribution for Community Mental Health Centers that are currently participating in the Kentucky Employees Retirement system.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	17,755,500	17,687,400	17,726,600	17,606,500	17,648,400
Reorganization Adjustment	-151,800				
Total General Fund	17,603,700	17,687,400	17,726,600	17,606,500	17,648,400
Restricted Funds					
Balance Forward	113,800				
Current Receipts	370,000	483,800	483,800	483,800	483,800
Non-Revenue Receipts	2,200,000	2,200,000	2,200,000	2,203,700	2,212,700
Total Restricted Funds	2,683,800	2,683,800	2,683,800	2,687,500	2,696,500
Federal Fund					
Balance Forward	-1,761,800				
Current Receipts	4,961,600	3,199,800	3,199,800	3,204,500	3,216,000
Total Federal Fund	3,199,800	3,199,800	3,199,800	3,204,500	3,216,000
TOTAL SOURCE OF FUNDS	23,487,300	23,571,000	23,610,200	23,498,500	23,560,900
EXPENDITURES BY CLASS					
Personnel Costs	2,859,100	2,944,300	2,983,400	2,994,000	3,039,200
Operating Expenses	550,100	550,100	550,100	550,100	550,100
Grants Loans Benefits	20,078,100	20,076,600	20,076,700	19,954,400	19,971,600
TOTAL EXPENDITURES	23,487,300	23,571,000	23,610,200	23,498,500	23,560,900
EXPENDITURES BY FUND SOURCE					
General Fund	17,603,700	17,687,400	17,726,600	17,606,500	17,648,400
Restricted Funds	2,683,800	2,683,800	2,683,800	2,687,500	2,696,500
Federal Fund	3,199,800	3,199,800	3,199,800	3,204,500	3,216,000
TOTAL EXPENDITURES	23,487,300	23,571,000	23,610,200	23,498,500	23,560,900

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	27,111,500	53,508,500	53,573,700	40,370,300	40,440,700
Total General Fund	27,111,500	53,508,500	53,573,700	40,370,300	40,440,700
TOTAL SOURCE OF FUNDS	27,111,500	53,508,500	53,573,700	40,370,300	40,440,700
EXPENDITURES BY CLASS					
Personnel Costs	5,088,100	5,235,300	5,300,500	5,291,100	5,361,500
Operating Expenses	264,200	264,200	264,200	264,200	264,200
Grants Loans Benefits	21,759,200	48,009,000	48,009,000	34,815,000	34,815,000
TOTAL EXPENDITURES	27,111,500	53,508,500	53,573,700	40,370,300	40,440,700
EXPENDITURES BY FUND SOURCE					
General Fund	27,111,500	53,508,500	53,573,700	40,370,300	40,440,700
TOTAL EXPENDITURES	27,111,500	53,508,500	53,573,700	40,370,300	40,440,700

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

Thirteen regional Community Mental Health Centers participate in the Kentucky retirement system pension plans. Rather than fund the additional costs of the large employer contribution increase from 49.47% to 83.43% effective for the 2018-2020 budget, the contribution rate was frozen at 49.47%. The Executive Budget includes additional General Fund in the amount of \$13,056,000 in each fiscal year so that the new frozen rate is 67.41% for the 2020-2022 budget.

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities

Residential

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	76,791,100	126,212,900	140,544,900	77,975,500	78,884,000
Total General Fund	76,791,100	126,212,900	140,544,900	77,975,500	78,884,000
Restricted Funds					
Balance Forward	1,311,000				
Current Receipts	202,443,000	175,876,700	174,214,900	175,941,100	174,427,000
Non-Revenue Receipts	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000
Total Restricted Funds	200,754,000	172,876,700	171,214,900	172,941,100	171,427,000
Federal Fund					
Balance Forward	-100				
Current Receipts	100				
Total Federal Fund					
TOTAL SOURCE OF FUNDS	277,545,100	299,089,600	311,759,800	250,916,600	250,311,000
EXPENDITURES BY CLASS					
Personnel Costs	80,526,400	82,291,200	85,488,800	75,002,600	75,549,500
Operating Expenses	12,294,200	13,267,900	13,217,500	11,778,300	11,462,100
Grants Loans Benefits	173,468,300	191,202,300	195,552,300	152,591,000	150,929,200
Debt Service	11,256,200	11,256,700	17,501,200	11,544,700	12,370,200
Capital Outlay		1,071,500			
TOTAL EXPENDITURES	277,545,100	299,089,600	311,759,800	250,916,600	250,311,000
EXPENDITURES BY FUND SOURCE					
General Fund	76,791,100	126,212,900	140,544,900	77,975,500	78,884,000
Restricted Funds	200,754,000	172,876,700	171,214,900	172,941,100	171,427,000
TOTAL EXPENDITURES	277,545,100	299,089,600	311,759,800	250,916,600	250,311,000

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.

Health and Family Services

Public Health

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	76,481,200	122,807,500	124,365,000	94,934,900	95,143,300
Total General Fund	76,481,200	122,807,500	124,365,000	94,934,900	95,143,300
Tobacco Fund					
Tobacco Settlement - Phase I	15,472,100	15,472,100	15,472,100	12,831,100	13,029,800
Continuing Approp-Tob Settlement	13,732,200				
Budget Reduction-Tobacco	-2,436,700				
Total Tobacco Fund	26,767,600	15,472,100	15,472,100	12,831,100	13,029,800
Restricted Funds					
Balance Forward	20,655,500	17,836,300	14,565,600	17,836,300	14,581,100
Current Receipts	88,675,200	87,675,200	87,075,200	87,675,200	87,075,200
Non-Revenue Receipts	-4,507,000	-3,507,000	-2,907,000	-3,507,000	-2,907,000
Total Restricted Funds	104,823,700	102,004,500	98,733,800	102,004,500	98,749,300
Federal Fund					
Balance Forward	-926,600				
Current Receipts	191,533,800	191,652,000	191,856,300	191,464,200	191,718,100
Non-Revenue Receipts	-100				
Total Federal Fund	190,607,100	191,652,000	191,856,300	191,464,200	191,718,100
TOTAL SOURCE OF FUNDS	398,679,600	431,936,100	430,427,200	401,234,700	398,640,500
EXPENDITURES BY CLASS					
Personnel Costs	69,684,800	72,499,600	73,031,800	72,613,300	73,213,000
Operating Expenses	13,211,800	13,718,700	13,718,900	13,579,900	13,566,000
Grants Loans Benefits	297,946,700	331,152,200	331,153,400	300,460,400	300,646,400
Debt Service			1,339,000		
TOTAL EXPENDITURES	380,843,300	417,370,500	419,243,100	386,653,600	387,425,400
EXPENDITURES BY FUND SOURCE					
General Fund	76,481,200	122,807,500	124,365,000	94,934,900	95,143,300
Tobacco Fund	26,767,600	15,472,100	15,472,100	12,831,100	13,029,800
Restricted Funds	86,987,400	87,438,900	87,549,700	87,423,400	87,534,200
Federal Fund	190,607,100	191,652,000	191,856,300	191,464,200	191,718,100
TOTAL EXPENDITURES	380,843,300	417,370,500	419,243,100	386,653,600	387,425,400
EXPENDITURES BY UNIT					
General Health Support	34,154,800	72,319,000	73,716,600	51,813,200	51,853,200
Women's Health	10,038,800	9,915,300	9,932,100	9,842,400	9,860,200
Prevention and Quality Improvement	28,677,200	23,366,400	23,411,900	22,952,500	23,088,500
Epidemiology and Health Planning	48,683,800	57,092,100	57,227,600	49,257,900	49,413,400
Maternal and Child Health	217,240,200	211,767,800	211,843,100	209,683,100	209,878,100
Laboratory Services	11,387,900	11,576,500	11,630,500	11,791,700	11,849,900
Public Health Protection and Safety	30,660,600	31,333,400	31,481,300	31,312,800	31,482,100
TOTAL EXPENDITURES	380,843,300	417,370,500	419,243,100	386,653,600	387,425,400

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 and its seven divisions carryout and enforce 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.

Policy

The Executive Budget includes additional General Fund in the amount of \$604,900 in fiscal year 2021 and \$663,600 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$60,900 in fiscal year 2021 and \$198,400 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	33,418,500	71,582,700	72,980,300	51,092,400	51,132,400
Total General Fund	33,418,500	71,582,700	72,980,300	51,092,400	51,132,400
Restricted Funds					
Balance Forward	127,100	84,800	42,400	84,800	57,900
Current Receipts	4,594,000	3,593,900	2,993,900	3,593,900	2,993,900
Non-Revenue Receipts	-3,900,000	-2,900,000	-2,300,000	-2,900,000	-2,300,000
Total Restricted Funds	821,100	778,700	736,300	778,700	751,800
Federal Fund					
Balance Forward	-600				
Non-Revenue Receipts	600				
Total Federal Fund					
TOTAL SOURCE OF FUNDS	34,239,600	72,361,400	73,716,600	51,871,100	51,884,200
EXPENDITURES BY CLASS					
Personnel Costs	7,639,000	8,607,900	8,666,300	8,671,300	8,733,300
Operating Expenses	157,700	580,900	580,900	262,600	240,400
Grants Loans Benefits	26,358,100	63,130,200	63,130,400	42,879,300	42,879,500
Debt Service			1,339,000		
TOTAL EXPENDITURES	34,154,800	72,319,000	73,716,600	51,813,200	51,853,200
EXPENDITURES BY FUND SOURCE					
General Fund	33,418,500	71,582,700	72,980,300	51,092,400	51,132,400
Restricted Funds	736,300	736,300	736,300	720,800	720,800
TOTAL EXPENDITURES	34,154,800	72,319,000	73,716,600	51,813,200	51,853,200

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

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

Sixty Local and District Health Departments participate in the Kentucky retirement system pension plans. Rather than fund the additional costs of the large employer contribution increase from 49.47% to 83.43% effective for the 2018-2020 budget, the contribution rate was frozen at 49.47%. The Executive Budget includes additional General Fund in the amount of \$16,541,200 in each fiscal year so that the new frozen rate is 67.41% for the 2020-2022 budget.

Health and Family Services

Public Health

Women's Health

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	467,600	482,600	488,600	489,700	496,700
Total General Fund	467,600	482,600	488,600	489,700	496,700
Tobacco Fund					
Tobacco Settlement - Phase I	80,000	80,000	80,000		
Continuing Approp-Tob Settlement	243,300				
Budget Reduction-General Fund	-80,000				
Total Tobacco Fund	243,300	80,000	80,000		
Restricted Funds					
Balance Forward	5,800	3,800	1,900	3,800	1,900
Current Receipts	500	600	600	600	600
Total Restricted Funds	6,300	4,400	2,500	4,400	2,500
Federal Fund					
Balance Forward	-107,300				
Current Receipts	9,432,700	9,350,200	9,361,000	9,350,200	9,361,000
Total Federal Fund	9,325,400	9,350,200	9,361,000	9,350,200	9,361,000
TOTAL SOURCE OF FUNDS	10,042,600	9,917,200	9,932,100	9,844,300	9,860,200
EXPENDITURES BY CLASS					
Personnel Costs	2,378,600	2,420,900	2,437,700	2,428,000	2,445,800
Operating Expenses	276,400	276,400	276,400	276,400	276,400
Grants Loans Benefits	7,383,800	7,218,000	7,218,000	7,138,000	7,138,000
TOTAL EXPENDITURES	10,038,800	9,915,300	9,932,100	9,842,400	9,860,200
EXPENDITURES BY FUND SOURCE					
General Fund	467,600	482,600	488,600	489,700	496,700
Tobacco Fund	243,300	80,000	80,000		
Restricted Funds	2,500	2,500	2,500	2,500	2,500
Federal Fund	9,325,400	9,350,200	9,361,000	9,350,200	9,361,000
TOTAL EXPENDITURES	10,038,800	9,915,300	9,932,100	9,842,400	9,860,200

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,950,000	10,011,700	10,039,600	10,042,800	10,073,700
Total General Fund	9,950,000	10,011,700	10,039,600	10,042,800	10,073,700
Tobacco Fund					
Tobacco Settlement - Phase I	4,392,100	4,392,100	4,392,100	3,947,100	4,034,600
Continuing Approp-Tob Settlement	5,688,500				
Budget Reduction-Tobacco	-276,700				
Total Tobacco Fund	9,803,900	4,392,100	4,392,100	3,947,100	4,034,600
Restricted Funds					
Balance Forward	774,500	516,400	258,200	516,400	258,200
Current Receipts	183,800	183,700	183,700	183,700	183,700
Non-Revenue Receipts	500,000	500,000	500,000	500,000	500,000
Total Restricted Funds	1,458,300	1,200,100	941,900	1,200,100	941,900
Federal Fund					
Balance Forward	-138,800				
Current Receipts	8,120,200	8,020,700	8,038,300	8,020,700	8,038,300
Total Federal Fund	7,981,400	8,020,700	8,038,300	8,020,700	8,038,300
TOTAL SOURCE OF FUNDS	29,193,600	23,624,600	23,411,900	23,210,700	23,088,500
EXPENDITURES BY CLASS					
Personnel Costs	4,215,100	4,317,900	4,363,300	4,398,900	4,461,200
Operating Expenses	833,200	833,200	833,200	833,200	833,200
Grants Loans Benefits	23,628,900	18,215,300	18,215,400	17,720,400	17,794,100
TOTAL EXPENDITURES	28,677,200	23,366,400	23,411,900	22,952,500	23,088,500
EXPENDITURES BY FUND SOURCE					
General Fund	9,950,000	10,011,700	10,039,600	10,042,800	10,073,700
Tobacco Fund	9,803,900	4,392,100	4,392,100	3,947,100	4,034,600
Restricted Funds	941,900	941,900	941,900	941,900	941,900
Federal Fund	7,981,400	8,020,700	8,038,300	8,020,700	8,038,300
TOTAL EXPENDITURES	28,677,200	23,366,400	23,411,900	22,952,500	23,088,500

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.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,179,000	10,975,100	10,995,100	3,248,500	3,272,200
Total General Fund	3,179,000	10,975,100	10,995,100	3,248,500	3,272,200
Restricted Funds					
Balance Forward	17,276,200	15,409,100	13,321,000	15,409,100	13,321,000
Current Receipts	19,758,500	19,758,700	19,758,700	19,758,700	19,758,700
Non-Revenue Receipts	-325,000	-325,000	-325,000	-325,000	-325,000
Total Restricted Funds	36,709,700	34,842,800	32,754,700	34,842,800	32,754,700
Federal Fund					
Balance Forward	-1,162,100				
Current Receipts	25,366,300	24,595,200	24,661,900	24,487,600	24,570,600
Total Federal Fund	24,204,200	24,595,200	24,661,900	24,487,600	24,570,600
TOTAL SOURCE OF FUNDS	64,092,900	70,413,100	68,411,700	62,578,900	60,597,500
EXPENDITURES BY CLASS					
Personnel Costs	29,691,800	30,356,900	30,492,000	30,272,700	30,427,800
Operating Expenses	4,213,700	4,213,700	4,213,700	4,213,700	4,213,700
Grants Loans Benefits	14,778,300	22,521,500	22,521,900	14,771,500	14,771,900
TOTAL EXPENDITURES	48,683,800	57,092,100	57,227,600	49,257,900	49,413,400
EXPENDITURES BY FUND SOURCE					
General Fund	3,179,000	10,975,100	10,995,100	3,248,500	3,272,200
Restricted Funds	21,300,600	21,521,800	21,570,600	21,521,800	21,570,600
Federal Fund	24,204,200	24,595,200	24,661,900	24,487,600	24,570,600
TOTAL EXPENDITURES	48,683,800	57,092,100	57,227,600	49,257,900	49,413,400

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	19,628,800	19,668,100	19,686,800	19,689,300	19,709,700
Total General Fund	19,628,800	19,668,100	19,686,800	19,689,300	19,709,700
Tobacco Fund					
Tobacco Settlement - Phase I	11,000,000	11,000,000	11,000,000	8,884,000	8,995,200
Continuing Approp-Tob Settlement	7,800,400				
Budget Reduction-Tobacco	-2,080,000				
Total Tobacco Fund	16,720,400	11,000,000	11,000,000	8,884,000	8,995,200
Restricted Funds					
Balance Forward	1,567,000	1,067,200	539,800	1,067,200	539,800
Current Receipts	48,336,000	48,335,900	48,335,900	48,335,900	48,335,900
Non-Revenue Receipts	218,000	218,000	218,000	218,000	218,000
Total Restricted Funds	50,121,000	49,621,100	49,093,700	49,621,100	49,093,700
Federal Fund					
Balance Forward	300,500				
Current Receipts	131,537,400	132,018,400	132,062,600	132,028,500	132,079,500
Non-Revenue Receipts	-700				
Total Federal Fund	131,837,200	132,018,400	132,062,600	132,028,500	132,079,500
TOTAL SOURCE OF FUNDS	218,307,400	212,307,600	211,843,100	210,222,900	209,878,100
EXPENDITURES BY CLASS					
Personnel Costs	8,766,500	9,015,900	9,091,100	9,047,200	9,130,900
Operating Expenses	697,400	697,400	697,400	697,400	697,400
Grants Loans Benefits	207,776,300	202,054,500	202,054,600	199,938,500	200,049,800
TOTAL EXPENDITURES	217,240,200	211,767,800	211,843,100	209,683,100	209,878,100
EXPENDITURES BY FUND SOURCE					
General Fund	19,628,800	19,668,100	19,686,800	19,689,300	19,709,700
Tobacco Fund	16,720,400	11,000,000	11,000,000	8,884,000	8,995,200
Restricted Funds	49,053,800	49,081,300	49,093,700	49,081,300	49,093,700
Federal Fund	131,837,200	132,018,400	132,062,600	132,028,500	132,079,500
TOTAL EXPENDITURES	217,240,200	211,767,800	211,843,100	209,683,100	209,878,100

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.

Health and Family Services

Public Health

Laboratory Services

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,326,500	5,464,400	5,503,400	5,679,600	5,722,800
Total General Fund	5,326,500	5,464,400	5,503,400	5,679,600	5,722,800
Restricted Funds					
Balance Forward	144,600	135,200	75,100	135,200	75,100
Current Receipts	6,824,600	6,824,600	6,824,600	6,824,600	6,824,600
Non-Revenue Receipts	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000
Total Restricted Funds	5,969,200	5,959,800	5,899,700	5,959,800	5,899,700
Federal Fund					
Balance Forward	-100				
Current Receipts	227,500	227,400	227,400	227,400	227,400
Total Federal Fund	227,400	227,400	227,400	227,400	227,400
TOTAL SOURCE OF FUNDS	11,523,100	11,651,600	11,630,500	11,866,800	11,849,900
EXPENDITURES BY CLASS					
Personnel Costs	5,805,200	5,917,700	5,971,500	5,971,500	6,021,400
Operating Expenses	5,577,700	5,653,800	5,654,000	5,815,200	5,823,500
Grants Loans Benefits	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	11,387,900	11,576,500	11,630,500	11,791,700	11,849,900
EXPENDITURES BY FUND SOURCE					
General Fund	5,326,500	5,464,400	5,503,400	5,679,600	5,722,800
Restricted Funds	5,834,000	5,884,700	5,899,700	5,884,700	5,899,700
Federal Fund	227,400	227,400	227,400	227,400	227,400
TOTAL EXPENDITURES	11,387,900	11,576,500	11,630,500	11,791,700	11,849,900

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,510,800	4,622,900	4,671,200	4,692,600	4,735,800
Total General Fund	4,510,800	4,622,900	4,671,200	4,692,600	4,735,800
Restricted Funds					
Balance Forward	760,300	619,800	327,200	619,800	327,200
Current Receipts	8,977,800	8,977,800	8,977,800	8,977,800	8,977,800
Total Restricted Funds	9,738,100	9,597,600	9,305,000	9,597,600	9,305,000
Federal Fund					
Balance Forward	181,800				
Current Receipts	16,849,700	17,440,100	17,505,100	17,349,800	17,441,300
Total Federal Fund	17,031,500	17,440,100	17,505,100	17,349,800	17,441,300
TOTAL SOURCE OF FUNDS	31,280,400	31,660,600	31,481,300	31,640,000	31,482,100
EXPENDITURES BY CLASS					
Personnel Costs	11,188,600	11,862,400	12,009,900	11,823,700	11,992,600
Operating Expenses	1,455,700	1,463,300	1,463,300	1,481,400	1,481,400
Grants Loans Benefits	18,016,300	18,007,700	18,008,100	18,007,700	18,008,100
TOTAL EXPENDITURES	30,660,600	31,333,400	31,481,300	31,312,800	31,482,100
EXPENDITURES BY FUND SOURCE					
General Fund	4,510,800	4,622,900	4,671,200	4,692,600	4,735,800
Restricted Funds	9,118,300	9,270,400	9,305,000	9,270,400	9,305,000
Federal Fund	17,031,500	17,440,100	17,505,100	17,349,800	17,441,300
TOTAL EXPENDITURES	30,660,600	31,333,400	31,481,300	31,312,800	31,482,100

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,336,400	12,809,900	12,827,300	11,400,700	11,420,800
Total General Fund	11,336,400	12,809,900	12,827,300	11,400,700	11,420,800
Federal Fund					
Balance Forward	253,000				
Current Receipts	6,800,300	7,069,800	7,077,600	7,055,300	7,059,900
Total Federal Fund	7,053,300	7,069,800	7,077,600	7,055,300	7,059,900
TOTAL SOURCE OF FUNDS	18,389,700	19,879,700	19,904,900	18,456,000	18,480,700
EXPENDITURES BY CLASS					
Personnel Costs	1,997,800	2,138,400	2,163,700	2,080,300	2,108,500
Operating Expenses	170,000	241,100	240,900	153,800	150,200
Grants Loans Benefits	16,221,900	17,500,200	17,500,300	16,221,900	16,222,000
TOTAL EXPENDITURES	18,389,700	19,879,700	19,904,900	18,456,000	18,480,700
EXPENDITURES BY FUND SOURCE					
General Fund	11,336,400	12,809,900	12,827,300	11,400,700	11,420,800
Federal Fund	7,053,300	7,069,800	7,077,600	7,055,300	7,059,900
TOTAL EXPENDITURES	18,389,700	19,879,700	19,904,900	18,456,000	18,480,700
EXPENDITURES BY UNIT					
Family Resource and Youth Services Center	11,383,900	12,569,500	12,583,100	11,446,300	11,463,200
Serve Kentucky	7,005,800	7,310,200	7,321,800	7,009,700	7,017,500
TOTAL EXPENDITURES	18,389,700	19,879,700	19,904,900	18,456,000	18,480,700

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

Policy

The Executive Budget includes additional General Fund in the amount of \$54,100 in fiscal year 2021 and \$59,000 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$5,700 in fiscal year 2021 and \$18,600 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,046,200	12,231,800	12,245,400	11,108,600	11,125,500
Total General Fund	11,046,200	12,231,800	12,245,400	11,108,600	11,125,500
Federal Fund					
Balance Forward	65,700				
Current Receipts	272,000	337,700	337,700	337,700	337,700
Total Federal Fund	337,700	337,700	337,700	337,700	337,700
TOTAL SOURCE OF FUNDS	11,383,900	12,569,500	12,583,100	11,446,300	11,463,200
EXPENDITURES BY CLASS					
Personnel Costs	1,130,900	1,160,100	1,173,800	1,209,500	1,229,900
Operating Expenses	37,000	62,300	62,100	20,800	17,200
Grants Loans Benefits	10,216,000	11,347,100	11,347,200	10,216,000	10,216,100
TOTAL EXPENDITURES	11,383,900	12,569,500	12,583,100	11,446,300	11,463,200
EXPENDITURES BY FUND SOURCE					
General Fund	11,046,200	12,231,800	12,245,400	11,108,600	11,125,500
Federal Fund	337,700	337,700	337,700	337,700	337,700
TOTAL EXPENDITURES	11,383,900	12,569,500	12,583,100	11,446,300	11,463,200

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 FY20 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.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	290,200	578,100	581,900	292,100	295,300
Total General Fund	290,200	578,100	581,900	292,100	295,300
Federal Fund					
Balance Forward	187,300				
Current Receipts	6,528,300	6,732,100	6,739,900	6,717,600	6,722,200
Total Federal Fund	6,715,600	6,732,100	6,739,900	6,717,600	6,722,200
TOTAL SOURCE OF FUNDS	7,005,800	7,310,200	7,321,800	7,009,700	7,017,500
EXPENDITURES BY CLASS					
Personnel Costs	866,900	978,300	989,900	870,800	878,600
Operating Expenses	133,000	178,800	178,800	133,000	133,000
Grants Loans Benefits	6,005,900	6,153,100	6,153,100	6,005,900	6,005,900
TOTAL EXPENDITURES	7,005,800	7,310,200	7,321,800	7,009,700	7,017,500
EXPENDITURES BY FUND SOURCE					
General Fund	290,200	578,100	581,900	292,100	295,300
Federal Fund	6,715,600	6,732,100	6,739,900	6,717,600	6,722,200
TOTAL EXPENDITURES	7,005,800	7,310,200	7,321,800	7,009,700	7,017,500

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,116,600	16,411,400	16,444,800	13,616,600	13,616,600
Total General Fund	7,116,600	16,411,400	16,444,800	13,616,600	13,616,600
Restricted Funds					
Balance Forward	6,353,500				
Current Receipts	11,071,400	10,929,900	10,929,900	10,938,400	10,962,600
Non-Revenue Receipts	126,000	126,000	126,000	126,000	126,000
Total Restricted Funds	17,550,900	11,055,900	11,055,900	11,064,400	11,088,600
Federal Fund					
Balance Forward	2,761,800				
Current Receipts	82,974,800	93,847,200	94,308,200	86,866,400	87,791,100
Total Federal Fund	85,736,600	93,847,200	94,308,200	86,866,400	87,791,100
TOTAL SOURCE OF FUNDS	110,404,100	121,314,500	121,808,900	111,547,400	112,496,300
EXPENDITURES BY CLASS					
Personnel Costs	45,780,200	50,874,500	51,367,200	46,686,700	47,634,100
Operating Expenses	7,532,700	11,857,100	11,857,300	8,493,000	8,493,000
Grants Loans Benefits	57,045,000	58,536,700	58,538,200	56,321,500	56,323,000
Capital Outlay	46,200	46,200	46,200	46,200	46,200
TOTAL EXPENDITURES	110,404,100	121,314,500	121,808,900	111,547,400	112,496,300
EXPENDITURES BY FUND SOURCE					
General Fund	7,116,600	16,411,400	16,444,800	13,616,600	13,616,600
Restricted Funds	17,550,900	11,055,900	11,055,900	11,064,400	11,088,600
Federal Fund	85,736,600	93,847,200	94,308,200	86,866,400	87,791,100
TOTAL EXPENDITURES	110,404,100	121,314,500	121,808,900	111,547,400	112,496,300
EXPENDITURES BY UNIT					
Disability Determinations	53,165,900	55,851,500	56,246,900	54,279,300	55,157,200
Child Support	57,238,200	65,463,000	65,562,000	57,268,100	57,339,100
TOTAL EXPENDITURES	110,404,100	121,314,500	121,808,900	111,547,400	112,496,300

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Non-Revenue Receipts	126,000	126,000	126,000	126,000	126,000
Total Restricted Funds	126,000	126,000	126,000	126,000	126,000
Federal Fund					
Balance Forward	-1,199,400				
Current Receipts	54,239,300	55,725,500	56,120,900	54,153,300	55,031,200
Total Federal Fund	53,039,900	55,725,500	56,120,900	54,153,300	55,031,200
TOTAL SOURCE OF FUNDS	53,165,900	55,851,500	56,246,900	54,279,300	55,157,200
EXPENDITURES BY CLASS					
Personnel Costs	34,347,400	37,055,500	37,449,700	35,217,900	36,094,600
Operating Expenses	3,977,000	3,958,500	3,958,500	4,223,900	4,223,900
Grants Loans Benefits	14,795,300	14,791,300	14,792,500	14,791,300	14,792,500
Capital Outlay	46,200	46,200	46,200	46,200	46,200
TOTAL EXPENDITURES	53,165,900	55,851,500	56,246,900	54,279,300	55,157,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	126,000	126,000	126,000	126,000	126,000
Federal Fund	53,039,900	55,725,500	56,120,900	54,153,300	55,031,200
TOTAL EXPENDITURES	53,165,900	55,851,500	56,246,900	54,279,300	55,157,200

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,116,600	16,411,400	16,444,800	13,616,600	13,616,600
Total General Fund	7,116,600	16,411,400	16,444,800	13,616,600	13,616,600
Restricted Funds					
Balance Forward	6,353,500				
Current Receipts	11,071,400	10,929,900	10,929,900	10,938,400	10,962,600
Total Restricted Funds	17,424,900	10,929,900	10,929,900	10,938,400	10,962,600
Federal Fund					
Balance Forward	3,961,200				
Current Receipts	28,735,500	38,121,700	38,187,300	32,713,100	32,759,900
Total Federal Fund	32,696,700	38,121,700	38,187,300	32,713,100	32,759,900
TOTAL SOURCE OF FUNDS	57,238,200	65,463,000	65,562,000	57,268,100	57,339,100
EXPENDITURES BY CLASS					
Personnel Costs	11,432,800	13,819,000	13,917,500	11,468,800	11,539,500
Operating Expenses	3,555,700	7,898,600	7,898,800	4,269,100	4,269,100
Grants Loans Benefits	42,249,700	43,745,400	43,745,700	41,530,200	41,530,500
TOTAL EXPENDITURES	57,238,200	65,463,000	65,562,000	57,268,100	57,339,100
EXPENDITURES BY FUND SOURCE					
General Fund	7,116,600	16,411,400	16,444,800	13,616,600	13,616,600
Restricted Funds	17,424,900	10,929,900	10,929,900	10,938,400	10,962,600
Federal Fund	32,696,700	38,121,700	38,187,300	32,713,100	32,759,900
TOTAL EXPENDITURES	57,238,200	65,463,000	65,562,000	57,268,100	57,339,100

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 Executive Budget includes additional General Fund in the amount of \$6,500,000 in each fiscal year 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. Without this funding, Child Support Enforcement will be at risk of losing \$13,000,000 in federal funds in each fiscal year.

**Health and Family Services
Community Based Services**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	473,960,500	624,232,900	643,370,700	522,105,200	544,003,700
Total General Fund	473,960,500	624,232,900	643,370,700	522,105,200	544,003,700
Tobacco Fund					
Tobacco Settlement - Phase I	12,250,000	12,250,000	12,250,000	9,750,000	9,750,000
Total Tobacco Fund	12,250,000	12,250,000	12,250,000	9,750,000	9,750,000
Restricted Funds					
Balance Forward	1,771,200				
Current Receipts	201,389,200	125,218,500	125,258,900	205,091,200	205,091,200
Non-Revenue Receipts	-921,000	-2,037,500	-1,716,600	-2,851,800	-2,851,800
Total Restricted Funds	202,239,400	123,181,000	123,542,300	202,239,400	202,239,400
Federal Fund					
Balance Forward	-906,800				
Current Receipts	651,276,900	669,828,500	684,446,300	650,697,000	651,460,800
Total Federal Fund	650,370,100	669,828,500	684,446,300	650,697,000	651,460,800
TOTAL SOURCE OF FUNDS	1,338,820,000	1,429,492,400	1,463,609,300	1,384,791,600	1,407,453,900
EXPENDITURES BY CLASS					
Personnel Costs	444,909,200	495,434,200	500,790,900	503,223,500	525,855,000
Operating Expenses	62,157,200	63,772,600	63,772,800	51,134,500	51,165,300
Grants Loans Benefits	831,753,600	870,285,600	897,791,600	830,433,600	830,433,600
Debt Service			1,254,000		
TOTAL EXPENDITURES	1,338,820,000	1,429,492,400	1,463,609,300	1,384,791,600	1,407,453,900
EXPENDITURES BY FUND SOURCE					
General Fund	473,960,500	624,232,900	643,370,700	522,105,200	544,003,700
Tobacco Fund	12,250,000	12,250,000	12,250,000	9,750,000	9,750,000
Restricted Funds	202,239,400	123,181,000	123,542,300	202,239,400	202,239,400
Federal Fund	650,370,100	669,828,500	684,446,300	650,697,000	651,460,800
TOTAL EXPENDITURES	1,338,820,000	1,429,492,400	1,463,609,300	1,384,791,600	1,407,453,900
EXPENDITURES BY UNIT					
Family Support	396,979,700	407,353,100	409,596,800	405,088,600	408,739,400
Energy	47,286,600	47,288,500	47,289,200	47,286,600	47,286,600
Child Care	159,770,100	160,379,500	160,422,300	159,770,100	159,770,100
Family and Community Services	734,783,600	814,471,300	846,301,000	772,646,300	791,657,800
TOTAL EXPENDITURES	1,338,820,000	1,429,492,400	1,463,609,300	1,384,791,600	1,407,453,900

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$11,770,300 in fiscal year 2021 and \$12,988,100 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$1,131,400 in fiscal year 2021 and \$3,774,200 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**Health and Family Services
Community Based Services**

Family Support

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	140,635,500	148,155,400	149,434,700	148,580,900	151,849,800
Total General Fund	140,635,500	148,155,400	149,434,700	148,580,900	151,849,800
Restricted Funds					
Balance Forward	466,700				
Current Receipts	-710,400	1,742,100	1,754,100	1,687,100	1,687,100
Non-Revenue Receipts	30,079,000	28,962,500	29,283,400	28,148,200	28,148,200
Total Restricted Funds	29,835,300	30,704,600	31,037,500	29,835,300	29,835,300
Federal Fund					
Balance Forward	62,183,000				
Current Receipts	164,325,900	228,493,100	229,124,600	226,672,400	227,054,300
Total Federal Fund	226,508,900	228,493,100	229,124,600	226,672,400	227,054,300
TOTAL SOURCE OF FUNDS	396,979,700	407,353,100	409,596,800	405,088,600	408,739,400
EXPENDITURES BY CLASS					
Personnel Costs	217,724,700	227,645,300	229,888,900	232,316,400	235,140,300
Operating Expenses	25,483,000	25,935,800	25,935,900	19,000,200	19,827,100
Grants Loans Benefits	153,772,000	153,772,000	153,772,000	153,772,000	153,772,000
TOTAL EXPENDITURES	396,979,700	407,353,100	409,596,800	405,088,600	408,739,400
EXPENDITURES BY FUND SOURCE					
General Fund	140,635,500	148,155,400	149,434,700	148,580,900	151,849,800
Restricted Funds	29,835,300	30,704,600	31,037,500	29,835,300	29,835,300
Federal Fund	226,508,900	228,493,100	229,124,600	226,672,400	227,054,300
TOTAL EXPENDITURES	396,979,700	407,353,100	409,596,800	405,088,600	408,739,400
EXPENDITURES BY UNIT					
Supplemental Nutrition Assistance Program	157,712,900	163,253,500	164,585,600	165,821,800	169,472,600
Medical Assistance	60,412,400	63,190,100	63,831,900	60,412,400	60,412,400
State Supplementation	19,231,100	19,760,800	19,770,000	19,231,100	19,231,100
TANF	159,623,300	161,148,700	161,409,300	159,623,300	159,623,300
TOTAL EXPENDITURES	396,979,700	407,353,100	409,596,800	405,088,600	408,739,400

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 Executive Budget includes additional General Fund in the amount of \$7,014,300 in fiscal year 2021 and \$24,549,900 in fiscal year 2022 for an additional 350 Social Workers in Child Protective Services resulting in reduction in caseload from the current of 18 cases per social worker to 15 cases per social worker.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		400	400		
Total General Fund		400	400		
Federal Fund					
Balance Forward	-114,600				
Current Receipts	47,401,200	47,288,100	47,288,800	47,286,600	47,286,600
Total Federal Fund	47,286,600	47,288,100	47,288,800	47,286,600	47,286,600
TOTAL SOURCE OF FUNDS	47,286,600	47,288,500	47,289,200	47,286,600	47,286,600
EXPENDITURES BY CLASS					
Personnel Costs	80,400	82,300	83,000	80,400	80,400
Operating Expenses	13,600	13,600	13,600	13,600	13,600
Grants Loans Benefits	47,192,600	47,192,600	47,192,600	47,192,600	47,192,600
TOTAL EXPENDITURES	47,286,600	47,288,500	47,289,200	47,286,600	47,286,600
EXPENDITURES BY FUND SOURCE					
General Fund		400	400		
Federal Fund	47,286,600	47,288,100	47,288,800	47,286,600	47,286,600
TOTAL EXPENDITURES	47,286,600	47,288,500	47,289,200	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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	26,390,000	26,509,900	26,509,900	26,390,000	26,390,000
Total General Fund	26,390,000	26,509,900	26,509,900	26,390,000	26,390,000
Tobacco Fund					
Tobacco Settlement - Phase I	9,750,000	9,750,000	9,750,000	9,750,000	9,750,000
Total Tobacco Fund	9,750,000	9,750,000	9,750,000	9,750,000	9,750,000
Restricted Funds					
Balance Forward	385,900				
Current Receipts	-312,800	73,100	73,100	73,100	73,100
Total Restricted Funds	73,100	73,100	73,100	73,100	73,100
Federal Fund					
Balance Forward	-99,600				
Current Receipts	123,656,600	124,046,500	124,089,300	123,557,000	123,557,000
Total Federal Fund	123,557,000	124,046,500	124,089,300	123,557,000	123,557,000
TOTAL SOURCE OF FUNDS	159,770,100	160,379,500	160,422,300	159,770,100	159,770,100
EXPENDITURES BY CLASS					
Personnel Costs	10,103,600	10,656,600	10,699,400	10,103,600	10,103,600
Operating Expenses	1,139,200	1,195,600	1,195,600	1,139,200	1,139,200
Grants Loans Benefits	148,527,300	148,527,300	148,527,300	148,527,300	148,527,300
TOTAL EXPENDITURES	159,770,100	160,379,500	160,422,300	159,770,100	159,770,100
EXPENDITURES BY FUND SOURCE					
General Fund	26,390,000	26,509,900	26,509,900	26,390,000	26,390,000
Tobacco Fund	9,750,000	9,750,000	9,750,000	9,750,000	9,750,000
Restricted Funds	73,100	73,100	73,100	73,100	73,100
Federal Fund	123,557,000	124,046,500	124,089,300	123,557,000	123,557,000
TOTAL EXPENDITURES	159,770,100	160,379,500	160,422,300	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 1/2) hours of pediatric abusive head trauma training completed once every five years.

Policy

The Executive Budget provides Phase I Tobacco Settlement Funds in the amount of \$9,750,000 in fiscal year 2021 and \$9,750,000 in fiscal year 2022 for the Kentucky ALL STARS program quality rating system which is a federal requirement - is fully funded by these funds which provide monetary incentives and rewards to childcare providers and are used as match for the federal funds received from the Child Care Development Grant.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	306,935,000	449,567,200	467,425,700	347,134,300	365,763,900
Total General Fund	306,935,000	449,567,200	467,425,700	347,134,300	365,763,900
Tobacco Fund					
Tobacco Settlement - Phase I	2,500,000	2,500,000	2,500,000		
Total Tobacco Fund	2,500,000	2,500,000	2,500,000		
Restricted Funds					
Balance Forward	918,600				
Current Receipts	202,412,400	123,403,300	123,431,700	203,331,000	203,331,000
Non-Revenue Receipts	-31,000,000	-31,000,000	-31,000,000	-31,000,000	-31,000,000
Total Restricted Funds	172,331,000	92,403,300	92,431,700	172,331,000	172,331,000
Federal Fund					
Balance Forward	-62,875,600				
Current Receipts	315,893,200	270,000,800	283,943,600	253,181,000	253,562,900
Total Federal Fund	253,017,600	270,000,800	283,943,600	253,181,000	253,562,900
TOTAL SOURCE OF FUNDS	734,783,600	814,471,300	846,301,000	772,646,300	791,657,800
EXPENDITURES BY CLASS					
Personnel Costs	217,000,500	257,050,000	260,119,600	260,723,100	280,530,700
Operating Expenses	35,521,400	36,627,600	36,627,700	30,981,500	30,185,400
Grants Loans Benefits	482,261,700	520,793,700	548,299,700	480,941,700	480,941,700
Debt Service			1,254,000		
TOTAL EXPENDITURES	734,783,600	814,471,300	846,301,000	772,646,300	791,657,800
EXPENDITURES BY FUND SOURCE					
General Fund	306,935,000	449,567,200	467,425,700	347,134,300	365,763,900
Tobacco Fund	2,500,000	2,500,000	2,500,000		
Restricted Funds	172,331,000	92,403,300	92,431,700	172,331,000	172,331,000
Federal Fund	253,017,600	270,000,800	283,943,600	253,181,000	253,562,900
TOTAL EXPENDITURES	734,783,600	814,471,300	846,301,000	772,646,300	791,657,800

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 Executive Budget includes additional General Fund in the amount of \$1,000,000 in each fiscal year to the Kentucky Coalition Against Domestic Violence for administering the batterer intervention services through contract with Department for Community Based Services as described in KRS 403.7505.

The Executive Budget includes additional General Fund in the amount of \$1,751,300 in each fiscal year to fund an employer contribution rate of 67.41% for pension for nonhazardous duty employees participating in the Kentucky Employees Retirement System. The Department for Community Based Services contracts with many local providers such as Domestic Violence Centers, Child Advocacy Centers and Rape Crisis Centers, whose employees participate in the Kentucky retirement system pension plans. Rather than fund the additional costs of the large employer contribution increase from 49.47% to 83.43% effective for the 2018-20 budget, the contribution rate was frozen at 49.47%.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	43,937,800	63,612,800	63,827,100	45,807,400	46,014,700
Total General Fund	43,937,800	63,612,800	63,827,100	45,807,400	46,014,700
Restricted Funds					
Balance Forward	1,205,300	185,200	40,000	185,200	40,000
Current Receipts	2,163,100	2,393,000	2,503,500	2,387,500	2,506,700
Non-Revenue Receipts	286,600	286,600	286,600	286,600	286,600
Total Restricted Funds	3,655,000	2,864,800	2,830,100	2,859,300	2,833,300
Federal Fund					
Balance Forward	-22,100				
Current Receipts	24,851,400	24,829,300	24,829,300	24,829,300	24,829,300
Total Federal Fund	24,829,300	24,829,300	24,829,300	24,829,300	24,829,300
TOTAL SOURCE OF FUNDS	72,422,100	91,306,900	91,486,500	73,496,000	73,677,300
EXPENDITURES BY CLASS					
Personnel Costs	17,557,000	36,355,600	36,574,200	19,484,000	19,726,400
Operating Expenses	1,501,900	2,024,100	2,024,600	1,532,800	1,520,900
Grants Loans Benefits	53,178,000	52,887,200	52,887,700	52,439,200	52,430,000
TOTAL EXPENDITURES	72,236,900	91,266,900	91,486,500	73,456,000	73,677,300
EXPENDITURES BY FUND SOURCE					
General Fund	43,937,800	63,612,800	63,827,100	45,807,400	46,014,700
Restricted Funds	3,469,800	2,824,800	2,830,100	2,819,300	2,833,300
Federal Fund	24,829,300	24,829,300	24,829,300	24,829,300	24,829,300
TOTAL EXPENDITURES	72,236,900	91,266,900	91,486,500	73,456,000	73,677,300
EXPENDITURES BY UNIT					
Aging and Independent Living	58,310,000	60,498,100	60,559,200	59,374,900	59,456,100
Guardianship	13,926,900	30,768,800	30,927,300	14,081,100	14,221,200
TOTAL EXPENDITURES	72,236,900	91,266,900	91,486,500	73,456,000	73,677,300

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$568,400 in fiscal year 2021 and \$620,000 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$49,500 in fiscal year 2021 and \$180,200 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	31,829,200	34,399,600	34,457,000	33,278,600	33,345,800
Total General Fund	31,829,200	34,399,600	34,457,000	33,278,600	33,345,800
Restricted Funds					
Balance Forward	1,062,000	185,200	40,000	185,200	40,000
Current Receipts	1,002,000	1,351,300	1,460,200	1,349,100	1,468,300
Total Restricted Funds	2,064,000	1,536,500	1,500,200	1,534,300	1,508,300
Federal Fund					
Balance Forward	-33,200				
Current Receipts	24,635,200	24,602,000	24,602,000	24,602,000	24,602,000
Total Federal Fund	24,602,000	24,602,000	24,602,000	24,602,000	24,602,000
TOTAL SOURCE OF FUNDS	58,495,200	60,538,100	60,559,200	59,414,900	59,456,100
EXPENDITURES BY CLASS					
Personnel Costs	5,100,200	7,181,300	7,241,900	6,557,700	6,654,000
Operating Expenses	375,200	507,000	507,000	400,800	388,400
Grants Loans Benefits	52,834,600	52,809,800	52,810,300	52,416,400	52,413,700
TOTAL EXPENDITURES	58,310,000	60,498,100	60,559,200	59,374,900	59,456,100
EXPENDITURES BY FUND SOURCE					
General Fund	31,829,200	34,399,600	34,457,000	33,278,600	33,345,800
Restricted Funds	1,878,800	1,496,500	1,500,200	1,494,300	1,508,300
Federal Fund	24,602,000	24,602,000	24,602,000	24,602,000	24,602,000
TOTAL EXPENDITURES	58,310,000	60,498,100	60,559,200	59,374,900	59,456,100

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	12,108,600	29,213,200	29,370,100	12,528,800	12,668,900
Total General Fund	12,108,600	29,213,200	29,370,100	12,528,800	12,668,900
Restricted Funds					
Balance Forward	143,300				
Current Receipts	1,161,100	1,041,700	1,043,300	1,038,400	1,038,400
Non-Revenue Receipts	286,600	286,600	286,600	286,600	286,600
Total Restricted Funds	1,591,000	1,328,300	1,329,900	1,325,000	1,325,000
Federal Fund					
Balance Forward	11,100				
Current Receipts	216,200	227,300	227,300	227,300	227,300
Total Federal Fund	227,300	227,300	227,300	227,300	227,300
TOTAL SOURCE OF FUNDS	13,926,900	30,768,800	30,927,300	14,081,100	14,221,200
EXPENDITURES BY CLASS					
Personnel Costs	12,456,800	29,174,300	29,332,300	12,926,300	13,072,400
Operating Expenses	1,126,700	1,517,100	1,517,600	1,132,000	1,132,500
Grants Loans Benefits	343,400	77,400	77,400	22,800	16,300
TOTAL EXPENDITURES	13,926,900	30,768,800	30,927,300	14,081,100	14,221,200
EXPENDITURES BY FUND SOURCE					
General Fund	12,108,600	29,213,200	29,370,100	12,528,800	12,668,900
Restricted Funds	1,591,000	1,328,300	1,329,900	1,325,000	1,325,000
Federal Fund	227,300	227,300	227,300	227,300	227,300
TOTAL EXPENDITURES	13,926,900	30,768,800	30,927,300	14,081,100	14,221,200

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	476,900	12,975,200	12,999,900	499,700	507,000
Total General Fund	476,900	12,975,200	12,999,900	499,700	507,000
Restricted Funds					
Balance Forward	379,200				
Current Receipts	86,900	88,300	89,000	88,300	89,000
Non-Revenue Receipts	8,146,000	-7,300	-7,300	6,995,500	7,003,400
Total Restricted Funds	8,612,100	81,000	81,700	7,083,800	7,092,400
Federal Fund					
Balance Forward	-1,909,700				
Current Receipts	11,422,800	5,062,400	5,064,300	3,637,800	3,640,900
Total Federal Fund	9,513,100	5,062,400	5,064,300	3,637,800	3,640,900
TOTAL SOURCE OF FUNDS	18,602,100	18,118,600	18,145,900	11,221,300	11,240,300
EXPENDITURES BY CLASS					
Personnel Costs	13,382,900	16,367,700	16,395,000	9,573,900	9,592,900
Operating Expenses	5,214,400	1,745,200	1,745,200	1,642,600	1,642,600
Grants Loans Benefits	4,800	4,800	4,800	4,800	4,800
Debt Service		900	900		
TOTAL EXPENDITURES	18,602,100	18,118,600	18,145,900	11,221,300	11,240,300
EXPENDITURES BY FUND SOURCE					
General Fund	476,900	12,975,200	12,999,900	499,700	507,000
Restricted Funds	8,612,100	81,000	81,700	7,083,800	7,092,400
Federal Fund	9,513,100	5,062,400	5,064,300	3,637,800	3,640,900
TOTAL EXPENDITURES	18,602,100	18,118,600	18,145,900	11,221,300	11,240,300
EXPENDITURES BY UNIT					
Division of Health Benefit Exchange	5,550,500	4,514,300	4,525,300	2,138,800	2,144,700
Division of Health Information	11,411,600	12,270,000	12,278,800	8,359,600	8,362,800
Division of Analytics	1,640,000	1,334,300	1,341,800	722,900	732,800
TOTAL EXPENDITURES	18,602,100	18,118,600	18,145,900	11,221,300	11,240,300

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$18,800 in fiscal year 2021 and \$21,900 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$1,600 in fiscal year 2021 and \$5,200 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		4,064,300	4,075,300	200	200
Total General Fund		4,064,300	4,075,300	200	200
Restricted Funds					
Balance Forward	106,600				
Non-Revenue Receipts	4,993,900			1,688,600	1,694,500
Total Restricted Funds	5,100,500			1,688,600	1,694,500
Federal Fund					
Current Receipts	450,000	450,000	450,000	450,000	450,000
Total Federal Fund	450,000	450,000	450,000	450,000	450,000
TOTAL SOURCE OF FUNDS	5,550,500	4,514,300	4,525,300	2,138,800	2,144,700
EXPENDITURES BY CLASS					
Personnel Costs	1,644,800	4,093,700	4,104,700	1,739,400	1,745,300
Operating Expenses	3,905,700	419,700	419,700	399,400	399,400
Debt Service		900	900		
TOTAL EXPENDITURES	5,550,500	4,514,300	4,525,300	2,138,800	2,144,700
EXPENDITURES BY FUND SOURCE					
General Fund		4,064,300	4,075,300	200	200
Restricted Funds	5,100,500			1,688,600	1,694,500
Federal Fund	450,000	450,000	450,000	450,000	450,000
TOTAL EXPENDITURES	5,550,500	4,514,300	4,525,300	2,138,800	2,144,700

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		7,800,000	7,808,800		
Total General Fund		7,800,000	7,808,800		
Restricted Funds					
Balance Forward	202,200				
Non-Revenue Receipts	3,159,400			5,314,200	5,316,200
Total Restricted Funds	3,361,600			5,314,200	5,316,200
Federal Fund					
Balance Forward	-1,909,600				
Current Receipts	9,959,600	4,470,000	4,470,000	3,045,400	3,046,600
Total Federal Fund	8,050,000	4,470,000	4,470,000	3,045,400	3,046,600
TOTAL SOURCE OF FUNDS	11,411,600	12,270,000	12,278,800	8,359,600	8,362,800
EXPENDITURES BY CLASS					
Personnel Costs	10,302,700	11,106,800	11,115,600	7,250,700	7,253,900
Operating Expenses	1,108,900	1,163,200	1,163,200	1,108,900	1,108,900
TOTAL EXPENDITURES	11,411,600	12,270,000	12,278,800	8,359,600	8,362,800
EXPENDITURES BY FUND SOURCE					
General Fund		7,800,000	7,808,800		
Restricted Funds	3,361,600			5,314,200	5,316,200
Federal Fund	8,050,000	4,470,000	4,470,000	3,045,400	3,046,600
TOTAL EXPENDITURES	11,411,600	12,270,000	12,278,800	8,359,600	8,362,800

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	476,900	1,110,900	1,115,800	499,500	506,800
Total General Fund	476,900	1,110,900	1,115,800	499,500	506,800
Restricted Funds					
Balance Forward	70,400				
Current Receipts	86,900	88,300	89,000	88,300	89,000
Non-Revenue Receipts	-7,300	-7,300	-7,300	-7,300	-7,300
Total Restricted Funds	150,000	81,000	81,700	81,000	81,700
Federal Fund					
Balance Forward	-100				
Current Receipts	1,013,200	142,400	144,300	142,400	144,300
Total Federal Fund	1,013,100	142,400	144,300	142,400	144,300
TOTAL SOURCE OF FUNDS	1,640,000	1,334,300	1,341,800	722,900	732,800
EXPENDITURES BY CLASS					
Personnel Costs	1,435,400	1,167,200	1,174,700	583,800	593,700
Operating Expenses	199,800	162,300	162,300	134,300	134,300
Grants Loans Benefits	4,800	4,800	4,800	4,800	4,800
TOTAL EXPENDITURES	1,640,000	1,334,300	1,341,800	722,900	732,800
EXPENDITURES BY FUND SOURCE					
General Fund	476,900	1,110,900	1,115,800	499,500	506,800
Restricted Funds	150,000	81,000	81,700	81,000	81,700
Federal Fund	1,013,100	142,400	144,300	142,400	144,300
TOTAL EXPENDITURES	1,640,000	1,334,300	1,341,800	722,900	732,800

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	921,059,400	1,145,597,800	1,166,396,400	971,029,800	994,021,600
Current Year Appropriation	17,216,900				
Continuing Approp-General Fund	2,700				
Total General Fund	938,279,000	1,145,597,800	1,166,396,400	971,029,800	994,021,600
Tobacco Fund					
Tobacco Settlement - Phase I	7,362,800	7,370,600	7,373,600	6,516,600	6,586,100
Continuing Approp-Tob Settlement	4,616,800				
Budget Reduction-Tobacco	-609,600				
Total Tobacco Fund	11,370,000	7,370,600	7,373,600	6,516,600	6,586,100
Restricted Funds					
Balance Forward	44,362,900	42,441,900	24,759,200	44,011,700	35,593,300
Current Receipts	54,931,800	56,545,600	56,941,200	56,704,800	57,100,400
Non-Revenue Receipts	110,364,600	116,082,700	117,494,900	118,565,200	122,627,100
Fund Transfers					-2,452,100
Total Restricted Funds	209,659,300	215,070,200	199,195,300	219,281,700	212,868,700
Federal Fund					
Balance Forward	-5,218,500	1,371,700	775,100	1,371,700	775,100
Current Receipts	65,466,000	71,007,300	71,052,200	70,335,200	70,387,300
Non-Revenue Receipts	863,200				
Total Federal Fund	61,110,700	72,379,000	71,827,300	71,706,900	71,162,400
Road Fund					
Regular Appropriation	106,762,100	117,285,700	120,101,400	113,520,700	116,885,400
Total Road Fund	106,762,100	117,285,700	120,101,400	113,520,700	116,885,400
TOTAL SOURCE OF FUNDS	1,327,181,100	1,557,703,300	1,564,894,000	1,382,055,700	1,401,524,200
EXPENDITURES BY CLASS					
Personnel Costs	705,110,600	876,118,600	891,439,700	752,314,600	765,689,400
Operating Expenses	148,819,800	180,940,900	181,675,200	157,577,800	157,003,500
Grants Loans Benefits	403,764,300	440,796,400	443,955,300	421,713,800	427,681,200
Debt Service	1,492,400	16,471,200	19,336,400	1,757,500	6,444,700
Capital Outlay	17,110,600	17,841,900	13,621,600	12,323,600	12,311,600
TOTAL EXPENDITURES	1,276,297,700	1,532,169,000	1,550,028,200	1,345,687,300	1,369,130,400
EXPENDITURES BY FUND SOURCE					
General Fund	932,779,000	1,145,597,800	1,166,396,400	971,029,800	994,021,600
Tobacco Fund	11,370,000	7,370,600	7,373,600	6,516,600	6,586,100
Restricted Funds	165,647,600	190,311,000	184,553,800	183,688,400	180,699,200
Federal Fund	59,739,000	71,603,900	71,603,000	70,931,800	70,938,100
Road Fund	106,762,100	117,285,700	120,101,400	113,520,700	116,885,400
TOTAL EXPENDITURES	1,276,297,700	1,532,169,000	1,550,028,200	1,345,687,300	1,369,130,400
EXPENDITURES BY UNIT					
Justice Administration	84,508,700	100,776,300	100,608,300	92,466,000	92,440,500
Criminal Justice Training	82,954,500	100,645,300	98,339,400	91,466,300	93,158,000
Juvenile Justice	119,297,100	136,628,800	137,844,400	125,423,600	127,252,700
State Police	272,274,700	359,915,600	371,009,400	291,997,000	303,172,900
Corrections	644,589,100	741,246,000	747,304,500	668,103,400	675,988,500
Public Advocacy	72,673,600	92,957,000	94,922,200	76,231,000	77,117,800
TOTAL EXPENDITURES	1,276,297,700	1,532,169,000	1,550,028,200	1,345,687,300	1,369,130,400

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	31,244,000	40,072,800	40,193,000	33,994,700	34,198,600
Reorganization Adjustment	521,700				
Total General Fund	31,765,700	40,072,800	40,193,000	33,994,700	34,198,600
Tobacco Fund					
Tobacco Settlement - Phase I	7,362,800	7,370,600	7,373,600	6,516,600	6,586,100
Continuing Approp-Tob Settlement	4,616,800				
Budget Reduction-Tobacco	-609,600				
Total Tobacco Fund	11,370,000	7,370,600	7,373,600	6,516,600	6,586,100
Restricted Funds					
Balance Forward	2,835,000	3,045,100	2,371,800	3,045,100	2,371,800
Current Receipts	6,857,400	5,888,700	5,888,700	5,888,700	5,888,700
Non-Revenue Receipts	1,140,300	968,100	971,800	268,100	271,800
Total Restricted Funds	10,832,700	9,901,900	9,232,300	9,201,900	8,532,300
Federal Fund					
Balance Forward	554,800				
Current Receipts	33,030,600	45,802,800	45,820,000	45,124,600	45,134,100
Total Federal Fund	33,585,400	45,802,800	45,820,000	45,124,600	45,134,100
TOTAL SOURCE OF FUNDS	87,553,800	103,148,100	102,618,900	94,837,800	94,451,100
EXPENDITURES BY CLASS					
Personnel Costs	17,252,000	24,112,200	24,339,600	17,897,200	18,124,100
Operating Expenses	1,472,200	3,381,100	3,297,800	2,144,700	2,139,000
Grants Loans Benefits	65,784,500	73,283,000	72,970,900	72,424,100	72,177,400
TOTAL EXPENDITURES	84,508,700	100,776,300	100,608,300	92,466,000	92,440,500
EXPENDITURES BY FUND SOURCE					
General Fund	31,765,700	40,072,800	40,193,000	33,994,700	34,198,600
Tobacco Fund	11,370,000	7,370,600	7,373,600	6,516,600	6,586,100
Restricted Funds	7,787,600	7,530,100	7,221,700	6,830,100	6,521,700
Federal Fund	33,585,400	45,802,800	45,820,000	45,124,600	45,134,100
TOTAL EXPENDITURES	84,508,700	100,776,300	100,608,300	92,466,000	92,440,500
EXPENDITURES BY UNIT					
Secretary	8,206,400	13,620,500	13,667,900	9,248,800	9,392,600
Office of Drug Control Policy	17,181,100	12,987,500	12,844,700	12,134,800	12,059,400
Medical Examiner Program	4,812,500	5,844,100	5,886,500	4,915,900	4,955,200
Parole Board	1,224,200	1,322,700	1,338,000	1,304,000	1,321,000
Grants	35,314,600	48,474,600	48,337,900	47,080,800	46,927,200
Criminal Justice Council		746,000	748,200		
Motorcycle Training Program	800,000	800,000	800,000	800,000	800,000
Access to Justice	639,800	639,800	639,800	639,800	639,800
Substance Abuse Initiatives	16,330,100	16,341,100	16,345,300	16,341,900	16,345,300
TOTAL EXPENDITURES	84,508,700	100,776,300	100,608,300	92,466,000	92,440,500

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 Executive Budget provides \$16,341,900 in fiscal year 2021 and \$16,345,300 in fiscal year 2022. These amounts will be 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 Department of Public Advocacy to fund social worker program, for the purpose of developing individualized alternative sentencing plans. Funding is provided to the Prosecutors Advisory Council to enhance the use of "rocket docket" prosecutions in controlled substances cases for the Commonwealth's Attorneys and County Attorneys. Funding is provided to the 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. Funding is provided to the 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 is provided to DBHDID to address neonatal abstinence syndrome by assisting with transitional care and wrap-around services. Funding is provided to Kentucky Agency for Substance Abuse Programs to supplement traditional programming for ASAP boards/counties. Funding is provide to the Kentucky State Police for the Angel Initiative, a pro-active approach offering an alternative escape to those battling addition.

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

The Executive Budget includes additional Phase I Tobacco Settlement Funds in the amount of \$6,516,600 in fiscal year 2021 and \$6,586,100 in fiscal year 2022 for the Office of Drug Control Policy to support opioid prevention, treatment, and recovery initiatives.

The Executive Budget includes additional General Fund in the amount of \$521,100 in fiscal year 2021 and \$574,600 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$59,200 in fiscal year 2021 and \$176,400 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**Justice and Public Safety
Criminal Justice Training**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	19,492,000	19,468,500	9,373,800	21,038,300	21,946,900
Current Receipts	496,200	220,000	210,000	384,000	374,000
Non-Revenue Receipts	83,884,600	90,210,600	91,521,900	91,870,900	95,826,700
Total Restricted Funds	103,872,800	109,899,100	101,105,700	113,293,200	118,147,600
Federal Fund					
Balance Forward	7,000				
Current Receipts	113,000	120,000	120,000	120,000	120,000
Total Federal Fund	120,000	120,000	120,000	120,000	120,000
TOTAL SOURCE OF FUNDS	103,992,800	110,019,100	101,225,700	113,413,200	118,267,600
EXPENDITURES BY CLASS					
Personnel Costs	32,400,800	39,385,300	39,639,900	36,198,600	37,098,700
Operating Expenses	6,645,700	7,441,700	7,666,200	6,142,500	6,142,500
Grants Loans Benefits	38,005,700	46,150,200	46,158,300	46,910,400	48,190,800
Debt Service		2,327,800	1,839,000	488,800	
Capital Outlay	5,902,300	5,340,300	3,036,000	1,726,000	1,726,000
TOTAL EXPENDITURES	82,954,500	100,645,300	98,339,400	91,466,300	93,158,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	82,834,500	100,525,300	98,219,400	91,346,300	93,038,000
Federal Fund	120,000	120,000	120,000	120,000	120,000
TOTAL EXPENDITURES	82,954,500	100,645,300	98,339,400	91,466,300	93,158,000
EXPENDITURES BY UNIT					
Kentucky Law Enforcement Program Fund	78,011,800	95,030,200	92,704,100	86,466,900	88,142,200
Peace Officer Professional Standards	835,700	1,003,800	1,011,900	864,600	873,700
Office of the State School Security Marshal	2,286,400	2,401,700	2,404,100	2,291,300	2,293,700
Special Training Programs	564,000	592,900	596,900	586,900	591,800
DOCJT Federal Grants	120,000	120,000	120,000	120,000	120,000
Professional Development & Wellness Prog. Fd	1,136,600	1,496,700	1,502,400	1,136,600	1,136,600
TOTAL EXPENDITURES	82,954,500	100,645,300	98,339,400	91,466,300	93,158,000

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 (KYPICIS), 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

Notwithstanding KRS 15.470, the Executive Budget includes Restricted Funds for a \$4,600 training incentive stipend and associated fringe benefit costs for state troopers, arson investigators, hazardous devices investigators, legislative security specialists, and Vehicle Enforcement officers within the Kentucky State Police; Horse Park mounted patrol officers; State Park rangers; Agriculture investigators, Charitable Gaming investigators; Alcoholic Beverage Control investigators; Insurance fraud investigators; and Attorney General investigators.

Notwithstanding KRS 15.470, the Executive Budget includes Restricted Funds for a \$4,600 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 \$56,370,300 in fiscal year 2021 and approximately 8,100 certified peace officers in the amount of \$58,297,800 in fiscal year 2022.

Notwithstanding any statute to the contrary, the Executive Budget includes language for employers of eligible local units of government shall receive an administrative expense reimbursement in an amount equal to 7.65 percent of the total annual supplement received greater than \$3,100 for each qualified local officer, not to exceed \$525,000 in each fiscal year.

The Executive Budget includes \$86,466,900 in fiscal year 2021 and \$88,142,200 in fiscal year 2022 for the Kentucky Law Enforcement Program Fund.

Justice and Public Safety

Juvenile Justice

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	105,397,200	112,602,100	113,732,200	100,670,800	103,932,900
Total General Fund	105,397,200	112,602,100	113,732,200	100,670,800	103,932,900
Restricted Funds					
Balance Forward	4,324,000	6,455,600	4,420,700	6,455,600	3,694,600
Current Receipts	1,055,500	1,615,500	1,615,500	1,615,500	1,615,500
Non-Revenue Receipts	11,103,500	11,103,500	11,103,500	11,103,500	11,103,500
Fund Transfers					-2,452,100
Total Restricted Funds	16,483,000	19,174,600	17,139,700	19,174,600	13,961,500
Federal Fund					
Balance Forward	-516,000				
Current Receipts	9,274,700	9,272,800	9,358,300	9,272,800	9,358,300
Non-Revenue Receipts	613,800				
Total Federal Fund	9,372,500	9,272,800	9,358,300	9,272,800	9,358,300
TOTAL SOURCE OF FUNDS	131,252,700	141,049,500	140,230,200	129,118,200	127,252,700
EXPENDITURES BY CLASS					
Personnel Costs	95,087,100	107,970,100	109,292,800	98,232,700	100,155,900
Operating Expenses	11,960,400	13,998,600	13,808,900	13,961,300	13,784,600
Grants Loans Benefits	11,769,900	14,180,400	14,263,000	12,749,900	12,832,500
Debt Service	479,700	479,700	479,700	479,700	479,700
TOTAL EXPENDITURES	119,297,100	136,628,800	137,844,400	125,423,600	127,252,700
EXPENDITURES BY FUND SOURCE					
General Fund	99,897,200	112,602,100	113,732,200	100,670,800	103,932,900
Restricted Funds	10,027,400	14,753,900	14,753,900	15,480,000	13,961,500
Federal Fund	9,372,500	9,272,800	9,358,300	9,272,800	9,358,300
TOTAL EXPENDITURES	119,297,100	136,628,800	137,844,400	125,423,600	127,252,700
EXPENDITURES BY UNIT					
Program Management	1,729,700	1,839,400	1,847,400	1,758,000	1,766,800
Program Operations	106,747,200	122,419,800	123,612,700	112,599,300	114,393,400
Support Services	10,820,200	12,369,600	12,384,300	11,066,300	11,092,500
TOTAL EXPENDITURES	119,297,100	136,628,800	137,844,400	125,423,600	127,252,700

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 Dev 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 Executive Budget includes additional General Fund in the amount of \$2,811,900 in fiscal year 2021 and \$3,093,900 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$334,400 in fiscal year 2021 and \$1,157,300 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

Justice and Public Safety

State Police

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	120,022,500	195,808,000	203,916,500	128,836,400	138,764,500
Total General Fund	120,022,500	195,808,000	203,916,500	128,836,400	138,764,500
Restricted Funds					
Balance Forward	9,826,700	9,573,900	8,592,900	9,573,900	6,292,300
Current Receipts	19,881,500	20,267,700	20,027,600	20,262,900	20,022,800
Non-Revenue Receipts	12,236,200	11,800,500	11,897,700	12,322,700	12,425,100
Total Restricted Funds	41,944,400	41,642,100	40,518,200	42,159,500	38,740,200
Federal Fund					
Balance Forward	-5,076,100	1,349,900	775,100	1,349,900	775,100
Current Receipts	19,545,600	13,197,900	13,281,300	13,197,900	13,281,300
Total Federal Fund	14,469,500	14,547,800	14,056,400	14,547,800	14,056,400
Road Fund					
Regular Appropriation	106,762,100	117,285,700	120,101,400	113,520,700	116,885,400
Total Road Fund	106,762,100	117,285,700	120,101,400	113,520,700	116,885,400
TOTAL SOURCE OF FUNDS	283,198,500	369,283,600	378,592,500	299,064,400	308,446,500
EXPENDITURES BY CLASS					
Personnel Costs	214,517,200	286,741,100	294,916,700	230,392,000	237,624,200
Operating Expenses	45,901,500	52,411,200	52,207,400	50,664,400	50,605,100
Grants Loans Benefits	385,000	385,000	385,000	385,000	385,000
Debt Service	1,012,700	9,910,700	13,264,700	308,000	4,323,000
Capital Outlay	10,458,300	10,467,600	10,235,600	10,247,600	10,235,600
TOTAL EXPENDITURES	272,274,700	359,915,600	371,009,400	291,997,000	303,172,900
EXPENDITURES BY FUND SOURCE					
General Fund	120,022,500	195,808,000	203,916,500	128,836,400	138,764,500
Restricted Funds	32,370,500	33,049,200	33,159,400	35,867,200	33,690,900
Federal Fund	13,119,600	13,772,700	13,832,100	13,772,700	13,832,100
Road Fund	106,762,100	117,285,700	120,101,400	113,520,700	116,885,400
TOTAL EXPENDITURES	272,274,700	359,915,600	371,009,400	291,997,000	303,172,900
EXPENDITURES BY UNIT					
Administration	37,359,300	48,291,500	49,125,300	39,369,500	40,057,200
Technical Services	48,730,000	64,824,300	68,667,300	53,697,300	58,567,300
Operations	172,397,200	228,351,700	234,493,900	180,743,300	186,062,700
Commercial Vehicle Enforcement	13,788,200	18,448,100	18,722,900	18,186,900	18,485,700
TOTAL EXPENDITURES	272,274,700	359,915,600	371,009,400	291,997,000	303,172,900

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 Executive Budget includes Restricted Funds for a \$4,600 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 Executive Budget includes General Fund debt service in the amount of \$308,000 in fiscal year 2021 and \$4,323,000 in fiscal year 2022 to support new bonds for capital projects.

The Executive Budget includes additional General Fund in the amount of \$4,149,600 in fiscal year 2021 and \$5,503,900 in fiscal year 2022 and additional Road Fund in the amount of \$3,568,000 in fiscal year 2021 and \$4,863,400 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$174,000 in fiscal year 2021 and \$569,000 in fiscal year 2022 and additional Road Fund in the amount of \$112,800 in fiscal year 2021 and \$369,200 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

The Executive Budget includes additional General Fund in the amount of \$2,665,200 in fiscal year 2021 and \$4,315,200 in fiscal year 2022 and additional Road Fund in the amount of \$2,665,200 in fiscal year 2021 and \$4,315,200 in fiscal year 2022 to fund cost increases associated with statutory salary adjustments.

The Executive Budget includes additional General Fund in the amount of \$3,000,000 each fiscal year for the Kentucky State Laboratory for Rapid DNA and laboratory retention.

Justice and Public Safety

Corrections

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	598,224,900	712,909,700	719,808,900	638,767,100	647,492,900
Current Year Appropriation	17,216,900				
Continuing Approp-General Fund	2,700				
Reorganization Adjustment	-521,700				
Total General Fund	614,922,800	712,909,700	719,808,900	638,767,100	647,492,900
Restricted Funds					
Balance Forward	5,309,800	1,323,400		1,323,400	
Current Receipts	22,136,900	24,049,400	24,695,100	24,049,400	24,695,100
Non-Revenue Receipts	2,000,000	2,000,000	2,000,000	3,000,000	3,000,000
Total Restricted Funds	29,446,700	27,372,800	26,695,100	28,372,800	27,695,100
Federal Fund					
Balance Forward	-152,600	21,800		21,800	
Current Receipts	1,468,000	941,700	800,500	941,700	800,500
Non-Revenue Receipts	249,400				
Total Federal Fund	1,564,800	963,500	800,500	963,500	800,500
TOTAL SOURCE OF FUNDS	645,934,300	741,246,000	747,304,500	668,103,400	675,988,500
EXPENDITURES BY CLASS					
Personnel Costs	280,978,000	333,741,600	336,981,400	300,987,600	303,149,700
Operating Expenses	75,043,600	94,921,300	96,043,700	77,042,100	76,753,000
Grants Loans Benefits	287,817,500	306,796,100	310,176,400	289,242,700	294,093,800
Debt Service		3,753,000	3,753,000	481,000	1,642,000
Capital Outlay	750,000	2,034,000	350,000	350,000	350,000
TOTAL EXPENDITURES	644,589,100	741,246,000	747,304,500	668,103,400	675,988,500
EXPENDITURES BY FUND SOURCE					
General Fund	614,922,800	712,909,700	719,808,900	638,767,100	647,492,900
Restricted Funds	28,123,300	27,372,800	26,695,100	28,372,800	27,695,100
Federal Fund	1,543,000	963,500	800,500	963,500	800,500
TOTAL EXPENDITURES	644,589,100	741,246,000	747,304,500	668,103,400	675,988,500
EXPENDITURES BY UNIT					
Corrections Management	14,644,800	16,726,800	16,916,800	15,257,300	15,434,300
Adult Correctional Institutions	352,989,400	428,444,700	431,976,300	378,821,300	383,693,800
Community Services and Local Facilities	260,298,600	274,962,300	277,299,200	257,371,200	260,206,800
Local Jail Support	16,656,300	21,112,200	21,112,200	16,653,600	16,653,600
TOTAL EXPENDITURES	644,589,100	741,246,000	747,304,500	668,103,400	675,988,500

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

The Executive Budget 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 - 2022 Felon and Community Beds Forecast

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Felons*	24,103	24,344	24,566
Other**	<u>2,410</u>	<u>2,410</u>	<u>2,410</u>
Total	26,513	26,754	26,976

* 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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,890,700	16,501,800	16,691,800	15,032,300	15,209,300
Reorganization Adjustment	-194,300				
Other	2,573,400				
Total General Fund	14,269,800	16,501,800	16,691,800	15,032,300	15,209,300
Restricted Funds					
Balance Forward	149,400				
Current Receipts	150,600	150,000	150,000	150,000	150,000
Total Restricted Funds	300,000	150,000	150,000	150,000	150,000
Federal Fund					
Balance Forward	96,800	21,800		21,800	
Current Receipts		53,200	75,000	53,200	75,000
Total Federal Fund	96,800	75,000	75,000	75,000	75,000
TOTAL SOURCE OF FUNDS	14,666,600	16,726,800	16,916,800	15,257,300	15,434,300
EXPENDITURES BY CLASS					
Personnel Costs	12,791,300	14,296,400	14,497,600	13,279,000	13,467,200
Operating Expenses	1,853,500	2,430,400	2,419,200	1,978,300	1,967,100
TOTAL EXPENDITURES	14,644,800	16,726,800	16,916,800	15,257,300	15,434,300
EXPENDITURES BY FUND SOURCE					
General Fund	14,269,800	16,501,800	16,691,800	15,032,300	15,209,300
Restricted Funds	300,000	150,000	150,000	150,000	150,000
Federal Fund	75,000	75,000	75,000	75,000	75,000
TOTAL EXPENDITURES	14,644,800	16,726,800	16,916,800	15,257,300	15,434,300
EXPENDITURES BY UNIT					
Commissioner	9,355,500	11,133,000	11,257,000	9,856,200	9,967,700
Corrections Training	2,108,000	2,295,000	2,321,100	2,137,100	2,162,600
Administrative Services	2,091,000	2,176,100	2,201,100	2,124,500	2,148,000
Division of Personnel	1,090,300	1,122,700	1,137,600	1,139,500	1,156,000
TOTAL EXPENDITURES	14,644,800	16,726,800	16,916,800	15,257,300	15,434,300

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$438,900 in fiscal year 2021 and \$481,400 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$50,500 in fiscal year 2021 and \$163,900 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

Justice and Public Safety
Adult Correctional Institutions

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	324,174,900	410,257,800	413,901,800	360,634,400	365,619,300
Current Year Appropriation	13,415,600				
Reorganization Adjustment	-327,400				
Other	-2,493,400				
Total General Fund	334,769,700	410,257,800	413,901,800	360,634,400	365,619,300
Restricted Funds					
Balance Forward	2,968,400	595,100		595,100	
Current Receipts	15,573,900	17,398,800	18,044,500	17,398,800	18,044,500
Total Restricted Funds	18,542,300	17,993,900	18,044,500	17,993,900	18,044,500
Federal Fund					
Balance Forward	-246,900				
Current Receipts	272,500	193,000	30,000	193,000	30,000
Non-Revenue Receipts	246,900				
Total Federal Fund	272,500	193,000	30,000	193,000	30,000
TOTAL SOURCE OF FUNDS	353,584,500	428,444,700	431,976,300	378,821,300	383,693,800
EXPENDITURES BY CLASS					
Personnel Costs	204,290,900	246,623,100	248,461,700	222,790,100	223,863,000
Operating Expenses	61,110,000	79,419,600	80,884,700	64,561,800	64,344,400
Grants Loans Benefits	86,838,500	97,799,000	98,526,900	90,638,400	93,494,400
Debt Service		3,753,000	3,753,000	481,000	1,642,000
Capital Outlay	750,000	850,000	350,000	350,000	350,000
TOTAL EXPENDITURES	352,989,400	428,444,700	431,976,300	378,821,300	383,693,800
EXPENDITURES BY FUND SOURCE					
General Fund	334,769,700	410,257,800	413,901,800	360,634,400	365,619,300
Restricted Funds	17,947,200	17,993,900	18,044,500	17,993,900	18,044,500
Federal Fund	272,500	193,000	30,000	193,000	30,000
TOTAL EXPENDITURES	352,989,400	428,444,700	431,976,300	378,821,300	383,693,800
EXPENDITURES BY UNIT					
Institutions Operations	4,875,500	4,809,800	4,462,800	4,889,100	4,563,900
Medical Services	66,914,100	68,949,600	70,969,100	68,936,000	70,956,200
Education	6,037,600	13,238,500	7,233,900	8,611,100	6,169,200
Correctional Industries	12,861,200	12,907,900	12,958,500	12,907,900	12,958,500
Correctional Facilities	233,116,400	297,640,700	305,372,500	253,154,900	257,600,800
Mental Health	9,481,400	9,553,900	9,635,200	9,609,900	9,696,700
Private Prisons	19,703,200	21,344,300	21,344,300	20,712,400	21,748,500
TOTAL EXPENDITURES	352,989,400	428,444,700	431,976,300	378,821,300	383,693,800

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 Luckett 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 Executive Budget includes General Fund debt service in the amount of \$481,000 in fiscal year 2021 and \$1,642,000 in fiscal year 2022 to support new bonds for capital projects.

The Executive Budget includes General Fund appropriations in the amount of \$3,277,200 in fiscal year 2020, \$6,031,100 in fiscal year 2021 and fiscal year 2022 for locality pay premium for North Region correctional officers to promote recruitment and retention to offset high vacancy rates in three prisons located in Oldham County and one prison in Shelby County.

The Executive Budget includes \$2,007,400 in fiscal year 2021 and \$4,014,900 in fiscal year 2022 for increased medical costs.

The Executive Budget includes General Fund appropriations in the amount of \$3,273,000 in fiscal year 2020, \$17,700,000 in fiscal year 2021 and \$18,210,000 for the Southeast State Correctional Complex.

The Executive Budget includes additional General Fund appropriations in the amount of \$6,865,400 in fiscal year 2020, \$8,213,400 in fiscal year 2021 and \$10,012,300 in fiscal year 2022 to maintain current levels of operation and to accommodate underfunded amounts from the 2018-2020 budget.

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

The Executive Budget includes additional General Fund in the amount of \$1,802,200 in fiscal year 2021 and \$1,984,600 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$631,100 in fiscal year 2021 and \$2,052,800 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

Justice and Public Safety
Community Services and Local Facilities

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	245,505,700	265,037,900	268,103,100	246,446,800	250,010,700
Current Year Appropriation	3,801,300				
Other	-80,000				
Total General Fund	249,227,000	265,037,900	268,103,100	246,446,800	250,010,700
Restricted Funds					
Balance Forward	2,192,000	728,300		728,300	
Current Receipts	6,412,400	6,500,600	6,500,600	6,500,600	6,500,600
Non-Revenue Receipts	2,000,000	2,000,000	2,000,000	3,000,000	3,000,000
Total Restricted Funds	10,604,400	9,228,900	8,500,600	10,228,900	9,500,600
Federal Fund					
Balance Forward	-2,500				
Current Receipts	1,195,500	695,500	695,500	695,500	695,500
Non-Revenue Receipts	2,500				
Total Federal Fund	1,195,500	695,500	695,500	695,500	695,500
TOTAL SOURCE OF FUNDS	261,026,900	274,962,300	277,299,200	257,371,200	260,206,800
EXPENDITURES BY CLASS					
Personnel Costs	63,854,100	72,780,400	73,980,400	64,876,800	65,777,800
Operating Expenses	11,811,800	12,803,000	12,471,500	10,233,700	10,173,200
Grants Loans Benefits	184,632,700	188,194,900	190,847,300	182,260,700	184,255,800
Capital Outlay		1,184,000			
TOTAL EXPENDITURES	260,298,600	274,962,300	277,299,200	257,371,200	260,206,800
EXPENDITURES BY FUND SOURCE					
General Fund	249,227,000	265,037,900	268,103,100	246,446,800	250,010,700
Restricted Funds	9,876,100	9,228,900	8,500,600	10,228,900	9,500,600
Federal Fund	1,195,500	695,500	695,500	695,500	695,500
TOTAL EXPENDITURES	260,298,600	274,962,300	277,299,200	257,371,200	260,206,800
EXPENDITURES BY UNIT					
Probation and Parole Program	62,737,000	69,382,200	68,823,500	63,747,500	64,407,700
Local Facilities Operations	1,291,600	1,464,100	1,334,500	1,326,100	1,341,700
Local Facilities - Jail Program	146,712,600	148,551,500	151,932,200	143,461,700	146,185,100
Community Corrections Commission	670,500	970,500	970,500	670,500	670,500
Halfway Houses	29,713,900	29,758,300	29,758,300	29,713,900	29,713,900
Substance Abuse Programs	14,063,500	15,311,100	14,689,500	13,668,000	13,037,200
Reentry Division	5,109,500	9,524,600	9,790,700	4,783,500	4,850,700
TOTAL EXPENDITURES	260,298,600	274,962,300	277,299,200	257,371,200	260,206,800

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
2022 Estimated	52,175

The Executive Budget includes additional General Fund in the amount of \$3,801,300 in fiscal year 2020 and \$2,273,800 in fiscal year 2022 for accommodating a higher inmate population forecast for costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

The Executive Budget includes additional General Fund in the amount of \$1,219,900 in fiscal year 2021 and \$1,341,600 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$246,800 in fiscal year 2021 and \$807,300 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

Justice and Public Safety

Local Jail Support

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	16,653,600	21,112,200	21,112,200	16,653,600	16,653,600
Continuing Approp-General Fund	2,700				
Total General Fund	16,656,300	21,112,200	21,112,200	16,653,600	16,653,600
TOTAL SOURCE OF FUNDS	16,656,300	21,112,200	21,112,200	16,653,600	16,653,600
EXPENDITURES BY CLASS					
Personnel Costs	41,700	41,700	41,700	41,700	41,700
Operating Expenses	268,300	268,300	268,300	268,300	268,300
Grants Loans Benefits	16,346,300	20,802,200	20,802,200	16,343,600	16,343,600
TOTAL EXPENDITURES	16,656,300	21,112,200	21,112,200	16,653,600	16,653,600
EXPENDITURES BY FUND SOURCE					
General Fund	16,656,300	21,112,200	21,112,200	16,653,600	16,653,600
TOTAL EXPENDITURES	16,656,300	21,112,200	21,112,200	16,653,600	16,653,600
EXPENDITURES BY UNIT					
Local Jail Allotment	10,068,800	14,527,400	14,527,400	10,068,800	10,068,800
Restricted Medical	792,800	792,800	792,800	792,800	792,800
Jailers' Allowance	310,000	310,000	310,000	310,000	310,000
Catastrophic Medical	854,500	851,800	851,800	851,800	851,800
Local Corrections Assistance Fund	4,630,200	4,630,200	4,630,200	4,630,200	4,630,200
TOTAL EXPENDITURES	16,656,300	21,112,200	21,112,200	16,653,600	16,653,600

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 Executive Budget 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 each year of the biennium is allocated to the Local Corrections Assistance Fund.

Justice and Public Safety

Public Advocacy

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	66,170,800	84,205,200	88,745,800	68,760,800	69,632,700
Total General Fund	66,170,800	84,205,200	88,745,800	68,760,800	69,632,700
Restricted Funds					
Balance Forward	2,575,400	2,575,400		2,575,400	1,287,700
Current Receipts	4,504,300	4,504,300	4,504,300	4,504,300	4,504,300
Total Restricted Funds	7,079,700	7,079,700	4,504,300	7,079,700	5,792,000
Federal Fund					
Balance Forward	-35,600				
Current Receipts	2,034,100	1,672,100	1,672,100	1,678,200	1,693,100
Total Federal Fund	1,998,500	1,672,100	1,672,100	1,678,200	1,693,100
TOTAL SOURCE OF FUNDS	75,249,000	92,957,000	94,922,200	77,518,700	77,117,800
EXPENDITURES BY CLASS					
Personnel Costs	64,875,500	84,168,300	86,269,300	68,606,500	69,536,800
Operating Expenses	7,796,400	8,787,000	8,651,200	7,622,800	7,579,300
Grants Loans Benefits	1,700	1,700	1,700	1,700	1,700
TOTAL EXPENDITURES	72,673,600	92,957,000	94,922,200	76,231,000	77,117,800
EXPENDITURES BY FUND SOURCE					
General Fund	66,170,800	84,205,200	88,745,800	68,760,800	69,632,700
Restricted Funds	4,504,300	7,079,700	4,504,300	5,792,000	5,792,000
Federal Fund	1,998,500	1,672,100	1,672,100	1,678,200	1,693,100
TOTAL EXPENDITURES	72,673,600	92,957,000	94,922,200	76,231,000	77,117,800
EXPENDITURES BY UNIT					
Office of the Public Advocate	1,908,900	1,964,900	1,987,000	1,985,900	2,010,700
Defense Services	66,008,000	86,153,000	88,088,000	69,746,400	70,574,000
Law Operations	2,185,800	2,277,000	2,257,700	2,287,700	2,291,300
Protection and Advocacy	2,570,900	2,562,100	2,589,500	2,211,000	2,241,800
TOTAL EXPENDITURES	72,673,600	92,957,000	94,922,200	76,231,000	77,117,800

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

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

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

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

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

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

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

Policy

The Executive Budget includes additional General Fund in the amount of \$2,294,100 in fiscal year 2021 and \$2,517,300 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$216,700 in fiscal year 2021 and \$737,000 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

Labor

	Labor				
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,008,200	2,728,000	2,728,000	2,235,400	2,264,900
Reorganization Adjustment	-3,280,200				
Total General Fund	2,728,000	2,728,000	2,728,000	2,235,400	2,264,900
Restricted Funds					
Balance Forward	24,269,500				
Current Receipts	89,481,300	102,262,500	103,069,500	102,035,300	102,881,900
Non-Revenue Receipts	85,748,600	94,311,600	95,110,500	94,074,200	94,912,000
Total Restricted Funds	199,499,400	196,574,100	198,180,000	196,109,500	197,793,900
Federal Fund					
Current Receipts	3,487,000	3,487,000	3,487,000	4,348,800	4,348,800
Total Federal Fund	3,487,000	3,487,000	3,487,000	4,348,800	4,348,800
TOTAL SOURCE OF FUNDS	205,714,400	202,789,100	204,395,000	202,693,700	204,407,600
EXPENDITURES BY CLASS					
Personnel Costs	134,995,300	142,931,700	144,573,300	143,242,100	144,963,700
Operating Expenses	16,109,300	5,399,400	5,363,700	4,993,600	4,985,900
Grants Loans Benefits	54,358,000	54,358,000	54,358,000	54,358,000	54,358,000
Capital Outlay	251,800	100,000	100,000	100,000	100,000
TOTAL EXPENDITURES	205,714,400	202,789,100	204,395,000	202,693,700	204,407,600
EXPENDITURES BY FUND SOURCE					
General Fund	2,728,000	2,728,000	2,728,000	2,235,400	2,264,900
Restricted Funds	199,499,400	196,574,100	198,180,000	196,109,500	197,793,900
Federal Fund	3,487,000	3,487,000	3,487,000	4,348,800	4,348,800
TOTAL EXPENDITURES	205,714,400	202,789,100	204,395,000	202,693,700	204,407,600
EXPENDITURES BY UNIT					
Secretary	11,206,500	12,441,700	12,669,200	12,203,800	12,471,200
Workplace Standards	14,349,700	14,376,700	14,573,200	14,528,800	14,759,400
Workers' Claims	72,456,800	71,109,900	71,445,600	71,287,000	71,615,300
Occupational Safety and Health Review Commission	697,500	710,300	717,800	718,100	726,400
Workers' Compensation Funding Commission	107,002,800	104,149,400	104,988,100	103,954,900	104,834,200
Workers' Compensation Nominating Committee	1,100	1,100	1,100	1,100	1,100
TOTAL EXPENDITURES	205,714,400	202,789,100	204,395,000	202,693,700	204,407,600

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			
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,573,600	598,800	598,800		
Reorganization Adjustment	-2,702,000				
Other	-272,800				
Total General Fund	598,800	598,800	598,800		
Restricted Funds					
Balance Forward	1,179,300				
Current Receipts	100,000	100,000	100,000	100,000	100,000
Non-Revenue Receipts	9,188,600	11,603,100	11,830,600	11,964,000	12,231,400
Total Restricted Funds	10,467,900	11,703,100	11,930,600	12,064,000	12,331,400
Federal Fund					
Current Receipts	139,800	139,800	139,800	139,800	139,800
Total Federal Fund	139,800	139,800	139,800	139,800	139,800
TOTAL SOURCE OF FUNDS	11,206,500	12,441,700	12,669,200	12,203,800	12,471,200
EXPENDITURES BY CLASS					
Personnel Costs	9,878,900	10,968,300	11,195,800	11,096,900	11,364,300
Operating Expenses	1,175,800	1,473,400	1,473,400	1,106,900	1,106,900
Capital Outlay	151,800				
TOTAL EXPENDITURES	11,206,500	12,441,700	12,669,200	12,203,800	12,471,200
EXPENDITURES BY FUND SOURCE					
General Fund	598,800	598,800	598,800		
Restricted Funds	10,467,900	11,703,100	11,930,600	12,064,000	12,331,400
Federal Fund	139,800	139,800	139,800	139,800	139,800
TOTAL EXPENDITURES	11,206,500	12,441,700	12,669,200	12,203,800	12,471,200
EXPENDITURES BY UNIT					
Office of Administrative Services	7,695,200	8,529,800	8,681,300	8,229,400	8,369,400
Secretary	3,511,300	3,911,900	3,987,900	3,974,400	4,101,800
TOTAL EXPENDITURES	11,206,500	12,441,700	12,669,200	12,203,800	12,471,200

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.

Labor
Workplace Standards

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,434,600	2,129,200	2,129,200	2,235,400	2,264,900
Reorganization Adjustment	-578,200				
Other	272,800				
Total General Fund	2,129,200	2,129,200	2,129,200	2,235,400	2,264,900
Restricted Funds					
Balance Forward	488,400				
Non-Revenue Receipts	8,384,900	8,900,300	9,096,800	8,084,400	8,285,500
Total Restricted Funds	8,873,300	8,900,300	9,096,800	8,084,400	8,285,500
Federal Fund					
Current Receipts	3,347,200	3,347,200	3,347,200	4,209,000	4,209,000
Total Federal Fund	3,347,200	3,347,200	3,347,200	4,209,000	4,209,000
TOTAL SOURCE OF FUNDS	14,349,700	14,376,700	14,573,200	14,528,800	14,759,400
EXPENDITURES BY CLASS					
Personnel Costs	12,592,300	12,552,300	12,784,500	12,721,100	12,959,400
Operating Expenses	1,507,400	1,574,400	1,538,700	1,557,700	1,550,000
Grants Loans Benefits	250,000	250,000	250,000	250,000	250,000
TOTAL EXPENDITURES	14,349,700	14,376,700	14,573,200	14,528,800	14,759,400
EXPENDITURES BY FUND SOURCE					
General Fund	2,129,200	2,129,200	2,129,200	2,235,400	2,264,900
Restricted Funds	8,873,300	8,900,300	9,096,800	8,084,400	8,285,500
Federal Fund	3,347,200	3,347,200	3,347,200	4,209,000	4,209,000
TOTAL EXPENDITURES	14,349,700	14,376,700	14,573,200	14,528,800	14,759,400
EXPENDITURES BY UNIT					
Wages & Hours	2,129,200	2,129,200	2,129,200	2,235,400	2,264,900
Occupational Safety and Health	11,275,200	11,348,500	11,557,100	11,406,000	11,596,600
Commissioner's Office	945,300	899,000	886,900	887,400	897,900
TOTAL EXPENDITURES	14,349,700	14,376,700	14,573,200	14,528,800	14,759,400

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 Executive Budget includes additional General Fund in the amount of \$79,200 in fiscal year 2021 and \$91,500 in fiscal year 2022 to fund retirement cost increases.

The Executive Budget includes additional General Fund in the amount of \$6,200 in fiscal year 2021 and \$22,100 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**Labor
Workers' Claims**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	6,574,000				
Current Receipts	455,600	455,600	455,600	455,600	455,600
Non-Revenue Receipts	65,427,200	70,654,300	70,990,000	70,831,400	71,159,700
Total Restricted Funds	72,456,800	71,109,900	71,445,600	71,287,000	71,615,300
TOTAL SOURCE OF FUNDS	72,456,800	71,109,900	71,445,600	71,287,000	71,615,300
EXPENDITURES BY CLASS					
Personnel Costs	15,156,500	14,858,800	15,194,500	15,058,500	15,386,800
Operating Expenses	3,092,300	2,043,100	2,043,100	2,020,500	2,020,500
Grants Loans Benefits	54,108,000	54,108,000	54,108,000	54,108,000	54,108,000
Capital Outlay	100,000	100,000	100,000	100,000	100,000
TOTAL EXPENDITURES	72,456,800	71,109,900	71,445,600	71,287,000	71,615,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	72,456,800	71,109,900	71,445,600	71,287,000	71,615,300
TOTAL EXPENDITURES	72,456,800	71,109,900	71,445,600	71,287,000	71,615,300
EXPENDITURES BY UNIT					
Workers' Claims	72,456,800	71,109,900	71,445,600	71,287,000	71,615,300
TOTAL EXPENDITURES	72,456,800	71,109,900	71,445,600	71,287,000	71,615,300

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	16,400				
Non-Revenue Receipts	681,100	710,300	717,800	718,100	726,400
Total Restricted Funds	697,500	710,300	717,800	718,100	726,400
TOTAL SOURCE OF FUNDS	697,500	710,300	717,800	718,100	726,400
EXPENDITURES BY CLASS					
Personnel Costs	648,800	663,400	670,900	671,200	679,500
Operating Expenses	48,700	46,900	46,900	46,900	46,900
TOTAL EXPENDITURES	697,500	710,300	717,800	718,100	726,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	697,500	710,300	717,800	718,100	726,400
TOTAL EXPENDITURES	697,500	710,300	717,800	718,100	726,400
EXPENDITURES BY UNIT					
Occupational Safety and Health Review Commission	697,500	710,300	717,800	718,100	726,400
TOTAL EXPENDITURES	697,500	710,300	717,800	718,100	726,400

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				
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	16,011,400				
Current Receipts	88,925,700	101,706,900	102,513,900	101,479,700	102,326,300
Non-Revenue Receipts	2,065,700	2,442,500	2,474,200	2,475,200	2,507,900
Total Restricted Funds	107,002,800	104,149,400	104,988,100	103,954,900	104,834,200
TOTAL SOURCE OF FUNDS	107,002,800	104,149,400	104,988,100	103,954,900	104,834,200
EXPENDITURES BY CLASS					
Personnel Costs	96,718,400	103,888,500	104,727,200	103,694,000	104,573,300
Operating Expenses	10,284,400	260,900	260,900	260,900	260,900
TOTAL EXPENDITURES	107,002,800	104,149,400	104,988,100	103,954,900	104,834,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	107,002,800	104,149,400	104,988,100	103,954,900	104,834,200
TOTAL EXPENDITURES	107,002,800	104,149,400	104,988,100	103,954,900	104,834,200
EXPENDITURES BY UNIT					
Workers' Compensation Funding Commission	2,277,500	2,475,200	2,506,900	2,507,900	2,540,600
Benefit Reserve	94,725,300	101,674,200	102,481,200	101,447,000	102,293,600
KCWP Fund	10,000,000				
TOTAL EXPENDITURES	107,002,800	104,149,400	104,988,100	103,954,900	104,834,200

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.

Labor					
Workers' Compensation Nominating Committee					
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Non-Revenue Receipts	1,100	1,100	1,100	1,100	1,100
Total Restricted Funds	1,100	1,100	1,100	1,100	1,100
TOTAL SOURCE OF FUNDS	1,100	1,100	1,100	1,100	1,100
EXPENDITURES BY CLASS					
Personnel Costs	400	400	400	400	400
Operating Expenses	700	700	700	700	700
TOTAL EXPENDITURES	1,100	1,100	1,100	1,100	1,100
EXPENDITURES BY FUND SOURCE					
Restricted Funds	1,100	1,100	1,100	1,100	1,100
TOTAL EXPENDITURES	1,100	1,100	1,100	1,100	1,100
EXPENDITURES BY UNIT					
Workers' Compensation Nominating Committee	1,100	1,100	1,100	1,100	1,100
TOTAL EXPENDITURES	1,100	1,100	1,100	1,100	1,100

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

Personnel

		Personnel			
		Personnel			
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	23,534,400	20,447,000	14,606,000	20,447,000	14,613,600
Current Receipts	52,123,200	50,835,500	48,098,600	50,835,500	48,098,500
Non-Revenue Receipts	9,374,900	10,193,000	10,255,700	10,193,000	10,255,700
Fund Transfers	-2,693,800	-2,690,700		-2,690,700	
Total Restricted Funds	82,338,700	78,784,800	72,960,300	78,784,800	72,967,800
TOTAL SOURCE OF FUNDS	82,338,700	78,784,800	72,960,300	78,784,800	72,967,800
EXPENDITURES BY CLASS					
Personnel Costs	55,426,700	56,986,000	57,310,500	57,304,000	57,715,500
Operating Expenses	6,465,000	7,192,800	7,255,500	6,867,200	6,895,000
TOTAL EXPENDITURES	61,891,700	64,178,800	64,566,000	64,171,200	64,610,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	61,891,700	64,178,800	64,566,000	64,171,200	64,610,500
TOTAL EXPENDITURES	61,891,700	64,178,800	64,566,000	64,171,200	64,610,500
EXPENDITURES BY UNIT					
General Operations	29,811,500	31,622,200	31,937,900	31,618,200	31,973,800
Public Employees Deferred Compensation Authority	7,961,000	8,294,100	8,322,000	8,290,600	8,330,500
Workers' Compensation Benefits and Reserve	24,119,200	24,262,500	24,306,100	24,262,400	24,306,200
TOTAL EXPENDITURES	61,891,700	64,178,800	64,566,000	64,171,200	64,610,500

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	3,280,500	2,848,700	1,795,900	2,848,700	1,799,900
Current Receipts	22,533,600	22,897,100	20,198,600	22,897,100	20,198,500
Non-Revenue Receipts	9,539,900	10,363,000	10,430,700	10,363,000	10,430,700
Fund Transfers	-2,693,800	-2,690,700		-2,690,700	
Total Restricted Funds	32,660,200	33,418,100	32,425,200	33,418,100	32,429,100
TOTAL SOURCE OF FUNDS	32,660,200	33,418,100	32,425,200	33,418,100	32,429,100
EXPENDITURES BY CLASS					
Personnel Costs	23,800,600	25,023,600	25,274,600	25,306,900	25,629,700
Operating Expenses	6,010,900	6,598,600	6,663,300	6,311,300	6,344,100
TOTAL EXPENDITURES	29,811,500	31,622,200	31,937,900	31,618,200	31,973,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	29,811,500	31,622,200	31,937,900	31,618,200	31,973,800
TOTAL EXPENDITURES	29,811,500	31,622,200	31,937,900	31,618,200	31,973,800
EXPENDITURES BY UNIT					
General Administration	13,063,000	13,746,100	13,903,000	13,728,200	13,906,000
Governmental Service Center	1,263,000	1,420,900	1,445,000	1,438,500	1,427,400
Employee Relations	767,900	802,000	811,200	801,300	811,500
Employee Insurance	9,785,500	10,306,700	10,375,200	10,307,600	10,409,600
Personnel Administration	4,932,100	5,346,500	5,403,500	5,342,600	5,419,300
TOTAL EXPENDITURES	29,811,500	31,622,200	31,937,900	31,618,200	31,973,800

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					
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	9,639,100	9,495,600	8,716,500	9,495,600	8,720,000
Current Receipts	7,900,000	7,600,000	7,600,000	7,600,000	7,600,000
Non-Revenue Receipts	-82,500	-85,000	-87,500	-85,000	-87,500
Total Restricted Funds	17,456,600	17,010,600	16,229,000	17,010,600	16,232,500
TOTAL SOURCE OF FUNDS	17,456,600	17,010,600	16,229,000	17,010,600	16,232,500
EXPENDITURES BY CLASS					
Personnel Costs	7,596,200	7,802,100	7,831,400	7,825,900	7,865,800
Operating Expenses	364,800	492,000	490,600	464,700	464,700
TOTAL EXPENDITURES	7,961,000	8,294,100	8,322,000	8,290,600	8,330,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	7,961,000	8,294,100	8,322,000	8,290,600	8,330,500
TOTAL EXPENDITURES	7,961,000	8,294,100	8,322,000	8,290,600	8,330,500
EXPENDITURES BY UNIT					
Public Employees Deferred Compensation Authority	7,961,000	8,294,100	8,322,000	8,290,600	8,330,500
TOTAL EXPENDITURES	7,961,000	8,294,100	8,322,000	8,290,600	8,330,500

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	10,614,800	8,102,700	4,093,600	8,102,700	4,093,700
Current Receipts	21,689,600	20,338,400	20,300,000	20,338,400	20,300,000
Non-Revenue Receipts	-82,500	-85,000	-87,500	-85,000	-87,500
Total Restricted Funds	32,221,900	28,356,100	24,306,100	28,356,100	24,306,200
TOTAL SOURCE OF FUNDS	32,221,900	28,356,100	24,306,100	28,356,100	24,306,200
EXPENDITURES BY CLASS					
Personnel Costs	24,029,900	24,160,300	24,204,500	24,171,200	24,220,000
Operating Expenses	89,300	102,200	101,600	91,200	86,200
TOTAL EXPENDITURES	24,119,200	24,262,500	24,306,100	24,262,400	24,306,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	24,119,200	24,262,500	24,306,100	24,262,400	24,306,200
TOTAL EXPENDITURES	24,119,200	24,262,500	24,306,100	24,262,400	24,306,200
EXPENDITURES BY UNIT					
Workers' Compensation Benefits and Reserve	24,119,200	24,262,500	24,306,100	24,262,400	24,306,200
TOTAL EXPENDITURES	24,119,200	24,262,500	24,306,100	24,262,400	24,306,200

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,135,159,000	1,287,833,700	1,321,357,500	1,181,199,300	1,199,361,300
Postsecondary Ed Performance		-81,123,500	-89,986,900		
Current Year Appropriation	497,400				
Continuing Approp-General Fund	42,426,400				
Reorganization Adjustment	-18,407,400				
Other	15,000,000				
Total General Fund	1,174,675,400	1,206,710,200	1,231,370,600	1,181,199,300	1,199,361,300
Tobacco Fund					
Tobacco Settlement - Phase I	6,686,500	6,686,500	6,686,500	5,918,100	5,981,200
Continuing Approp-Tob Settlement	642,300				
Budget Reduction-Tobacco	-553,700				
Total Tobacco Fund	6,775,100	6,686,500	6,686,500	5,918,100	5,981,200
Restricted Funds					
Balance Forward	7,328,700	4,150,000	3,002,900	4,150,000	1,413,000
Current Receipts	6,111,787,400	6,454,910,400	6,807,896,000	6,452,265,000	6,805,807,500
Non-Revenue Receipts	17,328,200	2,011,600	1,669,600	15,433,000	15,433,000
Total Restricted Funds	6,136,444,300	6,461,072,000	6,812,568,500	6,471,848,000	6,822,653,500
Federal Fund					
Balance Forward	22,900	23,800	23,800	23,800	23,800
Current Receipts	837,738,200	878,430,900	902,654,303	878,928,300	903,151,800
Total Federal Fund	837,761,100	878,454,700	902,678,103	878,952,100	903,175,600
TOTAL SOURCE OF FUNDS	8,155,655,900	8,552,923,400	8,953,303,703	8,537,917,500	8,931,171,600
EXPENDITURES BY CLASS					
Personnel Costs	3,887,260,400	4,069,556,635	4,176,403,150	4,087,087,200	4,269,547,500
Operating Expenses	2,517,908,900	2,645,356,765	2,765,750,253	2,669,110,300	2,830,327,200
Grants Loans Benefits	1,375,032,500	1,408,335,000	1,417,426,700	1,388,048,500	1,416,388,200
Debt Service	171,929,400	210,622,400	225,282,100	176,883,900	183,341,100
Capital Outlay	199,350,900	215,340,300	230,572,300	215,350,800	230,565,100
TOTAL EXPENDITURES	8,151,482,100	8,549,211,100	8,815,434,503	8,536,480,700	8,930,169,100
EXPENDITURES BY FUND SOURCE					
General Fund	1,174,675,400	1,206,710,100	1,231,370,600	1,181,199,300	1,199,361,300
Tobacco Fund	6,775,100	6,686,500	6,686,500	5,918,100	5,981,200
Restricted Funds	6,132,294,300	6,457,383,600	6,807,039,500	6,470,435,000	6,821,674,800
Federal Fund	837,737,300	878,430,900	902,460,303	878,928,300	903,151,800
TOTAL EXPENDITURES	8,151,482,100	8,549,211,100	8,947,556,903	8,536,480,700	8,930,169,100
EXPENDITURES BY UNIT					
Council on Postsecondary Education	32,402,400	50,357,900	67,022,600	34,756,400	45,156,700
Kentucky Higher Education Assistance Authority	332,066,200	328,049,900	335,873,800	306,745,300	312,745,300
Postsecondary Education Institutions	7,787,013,500	8,170,803,300	8,544,660,503	8,194,979,000	8,572,267,100
TOTAL EXPENDITURES	8,151,482,100	8,549,211,100	8,947,556,903	8,536,480,700	8,930,169,100

Postsecondary Education
Council on Postsecondary Education

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	35,703,700	34,738,800	51,399,200	18,400,800	30,233,200
Reorganization Adjustment	-18,407,400				
Total General Fund	17,296,300	34,738,800	51,399,200	18,400,800	30,233,200
Tobacco Fund					
Tobacco Settlement - Phase I	6,686,500	6,686,500	6,686,500	5,918,100	5,981,200
Budget Reduction-Tobacco	-553,700				
Total Tobacco Fund	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200
Restricted Funds					
Balance Forward	2,252,200	1,948,900	1,736,300	1,948,900	246,400
Current Receipts	620,000	4,710,000	4,710,000	635,000	635,000
Non-Revenue Receipts	4,050,000	10,000	10,000	4,100,000	4,100,000
Total Restricted Funds	6,922,200	6,668,900	6,456,300	6,683,900	4,981,400
Federal Fund					
Balance Forward	-900				
Current Receipts	4,000,900	4,000,000	4,000,000	4,000,000	4,000,000
Total Federal Fund	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
TOTAL SOURCE OF FUNDS	34,351,300	52,094,200	68,542,000	35,002,800	45,195,800
EXPENDITURES BY CLASS					
Personnel Costs	7,852,800	8,008,900	8,101,200	8,092,200	8,200,300
Operating Expenses	2,073,800	2,056,400	2,056,400	1,991,400	1,987,200
Grants Loans Benefits	22,475,800	23,371,600	23,466,000	20,553,300	22,610,700
Debt Service		16,921,000	33,399,000	4,119,500	12,358,500
TOTAL EXPENDITURES	32,402,400	50,357,900	67,022,600	34,756,400	45,156,700
EXPENDITURES BY FUND SOURCE					
General Fund	17,296,300	34,738,800	51,399,200	18,400,800	30,233,200
Tobacco Fund	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200
Restricted Funds	4,973,300	4,932,600	4,936,900	6,437,500	4,942,300
Federal Fund	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
TOTAL EXPENDITURES	32,402,400	50,357,900	67,022,600	34,756,400	45,156,700
EXPENDITURES BY UNIT					
Agency Operations	6,380,700	6,478,600	6,544,300	6,491,500	6,567,400
Licensure	313,300	322,600	326,900	327,500	332,300
Pass Through Programs	10,092,000	10,465,200	10,581,200	10,415,200	10,431,200
Federal Programs	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Strategic Investment and Incentive Funding Program	4,983,600	21,905,000	38,383,700	7,104,100	17,344,600
Ovarian Cancer Screening	500,000	500,000	500,000	500,000	500,000
Cancer Research and Screening	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200
TOTAL EXPENDITURES	32,402,400	50,357,900	67,022,600	34,756,400	45,156,700

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$149,000 in fiscal year 2021 and \$162,600 in fiscal year 2022 to fund the cost increases associated with the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$22,900 in fiscal year 2021 and \$77,500 in fiscal year 2022 to fund the cost increases associated with providing a 1% increment each year.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,686,900	5,978,600	6,044,300	4,491,500	6,067,400
Reorganization Adjustment	-1,856,200				
Total General Fund	5,830,700	5,978,600	6,044,300	4,491,500	6,067,400
Restricted Funds					
Balance Forward	537,100	337,100	187,100	337,100	187,100
Current Receipts	350,000	350,000	350,000	350,000	350,000
Non-Revenue Receipts				1,500,000	
Total Restricted Funds	887,100	687,100	537,100	2,187,100	537,100
TOTAL SOURCE OF FUNDS	6,717,800	6,665,700	6,581,400	6,678,600	6,604,500
EXPENDITURES BY CLASS					
Personnel Costs	5,314,700	5,430,000	5,495,700	5,496,800	5,575,800
Operating Expenses	1,066,000	1,048,600	1,048,600	994,700	991,600
TOTAL EXPENDITURES	6,380,700	6,478,600	6,544,300	6,491,500	6,567,400
EXPENDITURES BY FUND SOURCE					
General Fund	5,830,700	5,978,600	6,044,300	4,491,500	6,067,400
Restricted Funds	550,000	500,000	500,000	2,000,000	500,000
TOTAL EXPENDITURES	6,380,700	6,478,600	6,544,300	6,491,500	6,567,400

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	1,665,100	1,611,800	1,549,200	1,611,800	59,300
Current Receipts	260,000	260,000	260,000	275,000	275,000
Non-Revenue Receipts				-1,500,000	
Total Restricted Funds	1,925,100	1,871,800	1,809,200	386,800	334,300
TOTAL SOURCE OF FUNDS	1,925,100	1,871,800	1,809,200	386,800	334,300
EXPENDITURES BY CLASS					
Personnel Costs	300,500	309,800	314,100	314,700	319,500
Operating Expenses	12,800	12,800	12,800	12,800	12,800
TOTAL EXPENDITURES	313,300	322,600	326,900	327,500	332,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	313,300	322,600	326,900	327,500	332,300
TOTAL EXPENDITURES	313,300	322,600	326,900	327,500	332,300

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,982,000	6,355,200	6,471,200	6,305,200	6,321,200
Total General Fund	5,982,000	6,355,200	6,471,200	6,305,200	6,321,200
Restricted Funds					
Balance Forward	50,000				
Current Receipts	10,000	4,100,000	4,100,000	10,000	10,000
Non-Revenue Receipts	4,050,000	10,000	10,000	4,100,000	4,100,000
Total Restricted Funds	4,110,000	4,110,000	4,110,000	4,110,000	4,110,000
TOTAL SOURCE OF FUNDS	10,092,000	10,465,200	10,581,200	10,415,200	10,431,200
EXPENDITURES BY CLASS					
Grants Loans Benefits	10,092,000	10,465,200	10,581,200	10,415,200	10,431,200
TOTAL EXPENDITURES	10,092,000	10,465,200	10,581,200	10,415,200	10,431,200
EXPENDITURES BY FUND SOURCE					
General Fund	5,982,000	6,355,200	6,471,200	6,305,200	6,321,200
Restricted Funds	4,110,000	4,110,000	4,110,000	4,110,000	4,110,000
TOTAL EXPENDITURES	10,092,000	10,465,200	10,581,200	10,415,200	10,431,200
EXPENDITURES BY UNIT					
Contract Spaces	5,982,000	6,255,200	6,271,200	6,255,200	6,271,200
SREB Doctoral Scholars Program		100,000	200,000	50,000	50,000
Cancer Research Instns Mtchg Fd	4,110,000	4,110,000	4,110,000	4,110,000	4,110,000
TOTAL EXPENDITURES	10,092,000	10,465,200	10,581,200	10,415,200	10,431,200

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 Executive Budget includes \$50,000 of General Fund in each year to support two SREB Doctoral Scholars.

The Executive Budget includes an additional \$273,200 in fiscal year 2021 and \$289,200 for the Contract Spaces Program.

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Federal Fund					
Balance Forward	-900				
Current Receipts	4,000,900	4,000,000	4,000,000	4,000,000	4,000,000
Total Federal Fund	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
TOTAL SOURCE OF FUNDS	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
EXPENDITURES BY CLASS					
Personnel Costs	1,679,100	1,708,800	1,730,400	1,719,900	1,742,600
Operating Expenses	975,000	975,000	975,000	963,900	962,800
Grants Loans Benefits	1,345,900	1,316,200	1,294,600	1,316,200	1,294,600
TOTAL EXPENDITURES	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
EXPENDITURES BY FUND SOURCE					
Federal Fund	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
TOTAL EXPENDITURES	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	21,534,800	21,905,000	38,383,700	7,104,100	17,344,600
Reorganization Adjustment	-16,551,200				
Total General Fund	4,983,600	21,905,000	38,383,700	7,104,100	17,344,600
TOTAL SOURCE OF FUNDS	4,983,600	21,905,000	38,383,700	7,104,100	17,344,600
EXPENDITURES BY CLASS					
Personnel Costs	558,500	560,300	561,000	560,800	562,400
Operating Expenses	20,000	20,000	20,000	20,000	20,000
Grants Loans Benefits	4,405,100	4,403,700	4,403,700	2,403,800	4,403,700
Debt Service		16,921,000	33,399,000	4,119,500	12,358,500
TOTAL EXPENDITURES	4,983,600	21,905,000	38,383,700	7,104,100	17,344,600
EXPENDITURES BY FUND SOURCE					
General Fund	4,983,600	21,905,000	38,383,700	7,104,100	17,344,600
TOTAL EXPENDITURES	4,983,600	21,905,000	38,383,700	7,104,100	17,344,600

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.

The Executive Budget includes General Fund in the amount of \$4,119,500 in fiscal year 2021 and \$12,358,500 in fiscal year 2022 for new debt service to support projects at the postsecondary institutions included in the capital budget.

**Postsecondary Education
Council on Postsecondary Education
Ovarian Cancer Screening**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	500,000	500,000	500,000	500,000	500,000
Total General Fund	500,000	500,000	500,000	500,000	500,000
TOTAL SOURCE OF FUNDS	500,000	500,000	500,000	500,000	500,000
EXPENDITURES BY CLASS					
Grants Loans Benefits	500,000	500,000	500,000	500,000	500,000
TOTAL EXPENDITURES	500,000	500,000	500,000	500,000	500,000
EXPENDITURES BY FUND SOURCE					
General Fund	500,000	500,000	500,000	500,000	500,000
TOTAL EXPENDITURES	500,000	500,000	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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Tobacco Fund					
Tobacco Settlement - Phase I	6,686,500	6,686,500	6,686,500	5,918,100	5,981,200
Budget Reduction-Tobacco	-553,700				
Total Tobacco Fund	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200
TOTAL SOURCE OF FUNDS	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200
EXPENDITURES BY CLASS					
Grants Loans Benefits	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200
TOTAL EXPENDITURES	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200
EXPENDITURES BY FUND SOURCE					
Tobacco Fund	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200
TOTAL EXPENDITURES	6,132,800	6,686,500	6,686,500	5,918,100	5,981,200

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	239,100,000	302,248,100	310,248,100	274,000,000	280,000,000
Continuing Approp-General Fund	42,426,400				
Other	15,000,000				
Total General Fund	296,526,400	302,248,100	310,248,100	274,000,000	280,000,000
Tobacco Fund					
Continuing Approp-Tob Settlement	642,300				
Total Tobacco Fund	642,300				
Restricted Funds					
Balance Forward	5,076,500	2,201,100	1,266,600	2,201,100	1,166,600
Current Receipts	18,710,100	22,831,900	23,805,300	20,344,000	21,151,500
Non-Revenue Receipts	13,278,200	2,001,600	1,659,600	11,333,000	11,333,000
Total Restricted Funds	37,064,800	27,034,600	26,731,500	33,878,100	33,651,100
Federal Fund					
Balance Forward	23,800	23,800	23,800	23,800	23,800
Current Receipts	33,800	33,800	33,800	33,800	33,800
Total Federal Fund	57,600	57,600	57,600	57,600	57,600
TOTAL SOURCE OF FUNDS	334,291,100	329,340,300	337,037,200	307,935,700	313,708,700
EXPENDITURES BY CLASS					
Personnel Costs	16,875,100	20,984,400	21,150,300	18,396,500	18,396,500
Operating Expenses	1,950,200	1,965,000	1,965,000	1,965,000	1,965,000
Grants Loans Benefits	312,287,200	304,875,500	312,533,500	286,158,800	292,158,800
Debt Service	747,300				
Capital Outlay	206,400	225,000	225,000	225,000	225,000
TOTAL EXPENDITURES	332,066,200	328,049,900	335,873,800	306,745,300	312,745,300
EXPENDITURES BY FUND SOURCE					
General Fund	296,526,400	302,248,100	310,248,100	274,000,000	280,000,000
Tobacco Fund	642,300				
Restricted Funds	34,863,700	25,768,000	25,591,900	32,711,500	32,711,500
Federal Fund	33,800	33,800	33,800	33,800	33,800
TOTAL EXPENDITURES	332,066,200	328,049,900	335,873,800	306,745,300	312,745,300
EXPENDITURES BY UNIT					
General Administration and Support	19,379,000	22,774,400	22,940,300	20,186,500	20,186,500
College Access Program	111,413,500	109,257,500	112,420,000	87,805,200	87,495,600
Kentucky Coal County College Completion Program	522,800	1,000,000	1,000,000		
Kentucky Tuition Grant	49,167,000	41,442,500	41,580,000	44,578,100	45,029,700
Teacher Scholarships	14,700	1,050,000	1,050,000	3,150,000	3,150,000
Ky National Guard Tuition	8,629,000	7,448,100	7,448,100	7,448,100	7,448,100
Ky Educational Excellence Scholarships	120,376,600	123,768,600	126,126,600	123,768,600	126,126,600
Early Childhood Development Scholarships	942,300	300,000	300,000	300,000	300,000
Kentucky's Affordable Prepaid Tuition (KAPT)	400,000	400,000	400,000	400,000	400,000
Coal County Scholarship for Pharmacy Students	145,000				
Early Graduation Scholarship Certificate	575,000	575,000	575,000	575,000	575,000

Work Ready Scholarship	11,327,700	12,000,000	13,000,000	12,000,000	13,000,000
Dual Credit Scholarship	9,139,800	8,000,000	9,000,000	6,500,000	9,000,000
Other Programs	33,800	33,800	33,800	33,800	33,800
TOTAL EXPENDITURES	332,066,200	328,049,900	335,873,800	306,745,300	312,745,300

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 Executive Budget dedicates all net Lottery revenue included in the Consensus Forecasting Group's General Fund estimate to student financial aid programs within the Kentucky Higher Education Assistance Authority budget unit.

The Executive Budget fully funds the Kentucky Educational Excellence Scholarship (KEES) program with General Fund in the amount of \$113,768,600 in fiscal year 2021 and \$116,126,600 in fiscal year 2022 and Restricted Funds in the amount of \$10,000,000 each year.

Additional General Fund Lottery receipts in all three fiscal years 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.

The Teacher Scholarship program includes additional General Fund in the amount of \$1,000,000 each fiscal year for teacher scholarships and \$2,100,000 in each fiscal year for a student loan forgiveness program for teachers.

The Work Ready Scholarship program includes additional General Fund in the amount of \$9,300,000 in fiscal year 2021 and \$10,300,000 in fiscal year 2022.

The Dual Credit Scholarship program includes additional General Fund in the amount of \$1,450,000 in fiscal year 2021 and \$3,950,000 in fiscal year 2022.

Postsecondary Education
Postsecondary Education Institutions

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	860,355,300	950,846,800	959,710,200	888,798,500	889,128,100
Postsecondary Ed Performance		-81,123,500	-89,986,900		
Current Year Appropriation	497,400				
Total General Fund	860,852,700	869,723,300	869,723,300	888,798,500	889,128,100
Restricted Funds					
Current Receipts	6,092,457,300	6,427,368,500	6,779,380,700	6,431,286,000	6,784,021,000
Total Restricted Funds	6,092,457,300	6,427,368,500	6,779,380,700	6,431,286,000	6,784,021,000
Federal Fund					
Current Receipts	833,703,500	874,397,100	898,620,503	874,894,500	899,118,000
Total Federal Fund	833,703,500	874,397,100	898,620,503	874,894,500	899,118,000
TOTAL SOURCE OF FUNDS	7,787,013,500	8,171,488,900	8,547,724,503	8,194,979,000	8,572,267,100
EXPENDITURES BY CLASS					
Personnel Costs	3,862,532,500	4,040,563,335	4,147,151,650	4,060,598,500	4,242,950,700
Operating Expenses	2,513,884,900	2,641,335,365	2,761,728,853	2,665,153,900	2,826,375,000
Grants Loans Benefits	1,040,269,500	1,080,087,900	1,081,427,200	1,081,336,400	1,101,618,700
Debt Service	171,182,100	193,701,400	191,883,100	172,764,400	170,982,600
Capital Outlay	199,144,500	215,115,300	230,347,300	215,125,800	230,340,100
TOTAL EXPENDITURES	7,787,013,500	8,170,803,300	8,412,538,103	8,194,979,000	8,572,267,100
EXPENDITURES BY FUND SOURCE					
General Fund	860,852,700	869,723,200	869,723,300	888,798,500	889,128,100
Restricted Funds	6,092,457,300	6,426,683,000	6,776,510,700	6,431,286,000	6,784,021,000
Federal Fund	833,703,500	874,397,100	898,426,503	874,894,500	899,118,000
TOTAL EXPENDITURES	7,787,013,500	8,170,803,300	8,544,660,503	8,194,979,000	8,572,267,100
EXPENDITURES BY UNIT					
Eastern Kentucky University	406,568,600	432,499,800	432,499,800	413,187,000	413,187,000
Kentucky State University	69,230,600	68,384,300	69,037,203	70,363,200	71,016,200
Morehead State University	183,227,300	185,548,200	188,477,300	187,829,800	191,088,500
Murray State University	186,615,200	186,615,200	186,615,200	189,932,100	189,932,100
Northern Kentucky University	254,757,300	263,534,400	263,534,400	271,005,700	271,005,700
University of Kentucky	4,190,939,600	4,508,585,500	4,861,828,300	4,515,191,300	4,868,434,100
University of Louisville	1,262,331,300	1,296,972,000	1,315,882,800	1,300,757,100	1,319,667,900
Western Kentucky University	386,831,500	385,467,000	383,588,500	390,412,800	390,412,800
Kentucky Community and Technical College System	846,512,100	843,196,900	843,197,000	856,300,000	857,522,800
TOTAL EXPENDITURES	7,787,013,500	8,170,803,300	8,544,660,503	8,194,979,000	8,572,267,100

Policy

The Executive Budget includes additional General Fund in the amount of \$8,629,000 in each year for postsecondary education institutions, which represents a 1% increase in General Fund investment in postsecondary institutions' operations.

General Fund debt service in the amount of \$4,199,500 in fiscal year 2021 and \$12,358,500 in fiscal year 2022 is included in the Council on Postsecondary Education's budget to support \$200,000,000 in new bond funds for the Resurgence Fund, a pool of funds to be distributed among the postsecondary education institutions to fund badly needed deferred maintenance projects on the Commonwealth's aging campuses. Institutions must match each \$1 of bond funds with \$0.50 of institutional funds. The most recent facility study indicated a backlog of over \$7,000,000,000 in deferred maintenance needs at Kentucky's postsecondary education campuses.

Additional General Fund in the amount of \$18,651,500 is included in each year to assist postsecondary education institutions with the increased cost of the employer contribution to the Kentucky Employees Retirement System at a rate of 67.41% established in the Executive Budget.

**Postsecondary Education
Eastern Kentucky University**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	60,175,200	87,622,000	86,388,400	67,075,600	67,075,600
Postsecondary Ed Performance	3,578,400	-1,233,600			
Total General Fund	63,753,600	86,388,400	86,388,400	67,075,600	67,075,600
Restricted Funds					
Current Receipts	207,314,400	211,297,000	211,797,000	210,611,400	210,611,400
Total Restricted Funds	207,314,400	211,297,000	211,797,000	210,611,400	210,611,400
Federal Fund					
Current Receipts	135,500,600	135,500,000	135,500,000	135,500,000	135,500,000
Total Federal Fund	135,500,600	135,500,000	135,500,000	135,500,000	135,500,000
TOTAL SOURCE OF FUNDS	406,568,600	433,185,400	433,685,400	413,187,000	413,187,000
EXPENDITURES BY CLASS					
Personnel Costs	165,501,000	174,475,400	172,792,800	174,485,400	174,485,400
Operating Expenses	46,387,600	36,102,700	36,399,300	37,973,900	38,270,200
Grants Loans Benefits	179,064,200	182,014,600	184,962,200	182,014,600	183,279,900
Debt Service	15,615,800	39,907,100	38,345,500	18,713,100	17,151,500
TOTAL EXPENDITURES	406,568,600	432,499,800	432,499,800	413,187,000	413,187,000
EXPENDITURES BY FUND SOURCE					
General Fund	63,753,600	86,388,400	86,388,400	67,075,600	67,075,600
Restricted Funds	207,314,400	210,611,400	210,611,400	210,611,400	210,611,400
Federal Fund	135,500,600	135,500,000	135,500,000	135,500,000	135,500,000
TOTAL EXPENDITURES	406,568,600	432,499,800	432,499,800	413,187,000	413,187,000
EXPENDITURES BY UNIT					
Instruction	68,000,000	68,000,000	87,000,000	67,314,400	67,314,400
Research	800,000	800,000	800,000	800,000	800,000
Public Service	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000
Libraries	3,100,000	3,100,000	2,600,000	3,100,000	3,100,000
Academic Support	16,742,000	17,916,400	19,988,300	16,742,000	16,742,000
Student Services	15,470,000	15,622,100	15,470,000	15,470,000	15,470,000
Institutional Support	18,995,300	42,915,000	40,486,300	25,614,300	25,614,300
Operation and Maintenance of Plant	40,000,000	40,000,000	32,000,000	40,000,000	40,000,000
Scholarships and Fellowships	169,061,300	169,746,300	159,755,200	169,746,300	169,746,300
Auxilliary Enterprises	30,400,000	30,400,000	30,400,000	30,400,000	30,400,000
TOTAL EXPENDITURES	406,568,600	432,499,800	432,499,800	413,187,000	413,187,000

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

Included in the above General Fund is \$2,071,900 in each fiscal year for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$637,600 in each year, which represents a 1% increase in General Fund support for university operations.

Additional General Fund in the amount of \$2,684,400 is included in each year to assist postsecondary education institutions with the increased cost of the employer contribution to the Kentucky Employees Retirement System at a rate of 67.41% established in the Executive Budget.

**Postsecondary Education
Kentucky State University**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	25,259,100	25,756,500	25,384,300	26,865,800	26,865,800
Postsecondary Ed Performance		-372,200			
Current Year Appropriation	497,400				
Total General Fund	25,756,500	25,384,300	25,384,300	26,865,800	26,865,800
Restricted Funds					
Current Receipts	23,474,100	23,000,000	23,500,000	23,000,000	23,500,000
Total Restricted Funds	23,474,100	23,000,000	23,500,000	23,000,000	23,500,000
Federal Fund					
Current Receipts	20,000,000	20,000,000	20,152,903	20,497,400	20,650,400
Total Federal Fund	20,000,000	20,000,000	20,152,903	20,497,400	20,650,400
TOTAL SOURCE OF FUNDS	69,230,600	68,384,300	69,037,203	70,363,200	71,016,200
EXPENDITURES BY CLASS					
Personnel Costs	41,899,000	41,765,635	42,091,150	42,842,000	42,904,200
Operating Expenses	19,081,600	17,228,265	17,521,053	18,130,800	19,238,300
Grants Loans Benefits	7,000,000	6,890,400	6,925,000	6,890,400	6,925,000
Debt Service	750,000	750,000	750,000	750,000	725,000
Capital Outlay	500,000	1,750,000	1,750,000	1,750,000	1,223,700
TOTAL EXPENDITURES	69,230,600	68,384,300	69,037,203	70,363,200	71,016,200
EXPENDITURES BY FUND SOURCE					
General Fund	25,756,500	25,384,300	25,384,300	26,865,800	26,865,800
Restricted Funds	23,474,100	23,000,000	23,500,000	23,000,000	23,500,000
Federal Fund	20,000,000	20,000,000	20,152,903	20,497,400	20,650,400
TOTAL EXPENDITURES	69,230,600	68,384,300	69,037,203	70,363,200	71,016,200
EXPENDITURES BY UNIT					
Instruction	10,604,500	10,046,029	10,206,529	10,046,000	10,968,900
Research	8,487,400	8,383,810	6,434,309	8,633,800	6,684,300
Public Service	9,794,200	9,693,423	8,683,870	9,940,900	8,931,300
Academic Support	1,382,300	1,435,972	2,373,126	1,435,900	1,983,000
Student Services	6,155,900	6,888,589	6,938,989	6,888,600	6,939,000
Institutional Support	14,565,000	13,252,426	13,252,427	14,733,900	14,361,800
Operation and Maintenance of Plant	7,376,400	7,551,031	9,525,132	7,551,100	9,525,100
Scholarships and Fellowships	5,659,900	5,874,020	5,949,021	5,874,000	5,949,000
Auxilliary Enterprises	5,205,000	5,259,000	5,673,800	5,259,000	5,673,800
TOTAL EXPENDITURES	69,230,600	68,384,300	69,037,203	70,363,200	71,016,200

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

Included in the above General Fund is \$7,148,800 in each fiscal year for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$497,400 in all three years to fund the state match required for the federal land grant program.

The Executive Budget includes additional General Fund in the amount of \$252,600 in each year, which represents a 1% increase in General Fund support for university operations.

Additional General Fund in the amount of \$856,700 is included in each year to assist postsecondary education institutions with the increased cost of the employer contribution to the Kentucky Employees Retirement System at a rate of 67.41% established in the Executive Budget.

**Postsecondary Education
Morehead State University**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	38,466,800	38,466,800	37,753,900	40,035,500	40,365,100
Postsecondary Ed Performance		-712,900			
Total General Fund	38,466,800	37,753,900	37,753,900	40,035,500	40,365,100
Restricted Funds					
Current Receipts	115,527,200	117,811,000	120,145,300	117,811,000	120,145,300
Total Restricted Funds	115,527,200	117,811,000	120,145,300	117,811,000	120,145,300
Federal Fund					
Current Receipts	29,233,300	29,983,300	30,578,100	29,983,300	30,578,100
Total Federal Fund	29,233,300	29,983,300	30,578,100	29,983,300	30,578,100
TOTAL SOURCE OF FUNDS	183,227,300	185,548,200	188,477,300	187,829,800	191,088,500
EXPENDITURES BY CLASS					
Personnel Costs	82,904,900	84,124,000	85,167,400	84,979,000	86,022,200
Operating Expenses	37,214,400	37,060,600	37,657,600	38,487,200	39,413,900
Grants Loans Benefits	50,242,200	51,497,800	52,786,500	51,497,800	52,786,600
Debt Service	8,589,600	8,589,600	8,589,600	8,589,600	8,589,600
Capital Outlay	4,276,200	4,276,200	4,276,200	4,276,200	4,276,200
TOTAL EXPENDITURES	183,227,300	185,548,200	188,477,300	187,829,800	191,088,500
EXPENDITURES BY FUND SOURCE					
General Fund	38,466,800	37,753,900	37,753,900	40,035,500	40,365,100
Restricted Funds	115,527,200	117,811,000	120,145,300	117,811,000	120,145,300
Federal Fund	29,233,300	29,983,300	30,578,100	29,983,300	30,578,100
TOTAL EXPENDITURES	183,227,300	185,548,200	188,477,300	187,829,800	191,088,500
EXPENDITURES BY UNIT					
Instruction	42,919,000	43,338,900	43,791,900	43,502,200	43,955,200
Research	3,453,000	3,461,500	3,715,300	3,462,700	3,716,500
Public Service	8,181,400	8,588,600	8,634,900	8,588,600	8,634,900
Libraries	2,652,500	2,684,900	2,717,800	2,695,200	2,728,100
Academic Support	5,643,200	5,610,100	5,669,600	5,630,000	5,689,500
Student Services	20,510,900	20,786,300	20,997,100	20,861,300	21,072,100
Institutional Support	13,541,800	12,853,100	12,970,300	14,359,900	14,477,100
Operation and Maintenance of Plant	9,499,300	9,835,300	10,184,400	9,875,500	10,224,600
Scholarships and Fellowships	45,437,700	46,693,300	47,982,300	46,774,100	48,063,100
Mandatory Transfers	3,481,500	3,481,500	3,481,500	3,825,200	4,154,800
Non-Mandatory Transfers	9,561,000	9,561,000	9,561,000	9,601,400	9,601,400
Auxilliary Enterprises	18,346,000	18,653,700	18,771,200	18,653,700	18,771,200
TOTAL EXPENDITURES	183,227,300	185,548,200	188,477,300	187,829,800	191,088,500

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 \$3,151,400 in fiscal year 2021 and \$3,481,000 in fiscal year 2022 for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$329,000 in fiscal year 2021 and \$658,600 in fiscal year 2022 to provide additional support for the Craft Academy for Excellence in Science and Mathematics, 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.

The Executive Budget includes additional General Fund in the amount of \$384,700 in each year, which represents a 1% increase in General Fund support for university operations.

Additional General Fund in the amount of \$855,000 is included in each year to assist postsecondary education institutions with the increased cost of the employer contribution to the Kentucky Employees Retirement System at a rate of 67.41% established in the Executive Budget.

Postsecondary Education

Murray State University

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	44,581,400	44,581,400	43,753,800	47,070,700	47,070,700
Postsecondary Ed Performance		-827,600			
Total General Fund	44,581,400	43,753,800	43,753,800	47,070,700	47,070,700
Restricted Funds					
Current Receipts	119,324,800	120,152,400	120,152,400	120,152,400	120,152,400
Total Restricted Funds	119,324,800	120,152,400	120,152,400	120,152,400	120,152,400
Federal Fund					
Current Receipts	22,709,000	22,709,000	22,709,000	22,709,000	22,709,000
Total Federal Fund	22,709,000	22,709,000	22,709,000	22,709,000	22,709,000
TOTAL SOURCE OF FUNDS	186,615,200	186,615,200	186,615,200	189,932,100	189,932,100
EXPENDITURES BY CLASS					
Personnel Costs	105,379,400	105,379,400	105,379,400	107,422,900	107,422,900
Operating Expenses	46,596,300	46,596,300	46,596,300	47,042,100	47,042,100
Grants Loans Benefits	26,644,000	26,644,000	26,644,000	27,471,600	27,471,600
Debt Service	6,399,400	6,399,400	6,399,400	6,399,400	6,399,400
Capital Outlay	1,596,100	1,596,100	1,596,100	1,596,100	1,596,100
TOTAL EXPENDITURES	186,615,200	186,615,200	186,615,200	189,932,100	189,932,100
EXPENDITURES BY FUND SOURCE					
General Fund	44,581,400	43,753,800	43,753,800	47,070,700	47,070,700
Restricted Funds	119,324,800	120,152,400	120,152,400	120,152,400	120,152,400
Federal Fund	22,709,000	22,709,000	22,709,000	22,709,000	22,709,000
TOTAL EXPENDITURES	186,615,200	186,615,200	186,615,200	189,932,100	189,932,100
EXPENDITURES BY UNIT					
Instruction	59,307,100	59,307,100	59,307,100	59,661,500	59,661,500
Research	3,259,900	3,259,900	3,259,900	3,267,500	3,267,500
Public Service	5,137,800	5,137,800	5,137,800	5,137,800	5,137,800
Libraries	3,447,500	3,447,500	3,447,500	3,469,000	3,469,000
Academic Support	6,444,900	6,444,900	6,444,900	6,484,900	6,484,900
Student Services	15,830,100	15,830,100	15,830,100	15,928,200	15,928,200
Institutional Support	19,843,500	19,843,500	19,843,500	22,456,700	22,456,700
Operation and Maintenance of Plant	22,748,500	22,748,500	22,748,500	22,890,600	22,890,600
Scholarships and Fellowships	17,139,800	17,139,800	17,139,800	17,139,800	17,139,800
Mandatory Transfers	6,399,400	6,399,400	6,399,400	6,439,400	6,439,400
Non-Mandatory Transfers	2,911,600	2,911,600	2,911,600	2,911,600	2,911,600
Auxilliary Enterprises	24,145,100	24,145,100	24,145,100	24,145,100	24,145,100
TOTAL EXPENDITURES	186,615,200	186,615,200	186,615,200	189,932,100	189,932,100

Murray State University's total enrollment is approximately 10,000 students. In addition to the main campus in Calloway County, Murray operates regional campuses at Paducah, Madisonville, Hopkinsville, Henderson and Fort Campbell. Cooperation agreements with local community and technical colleges make it possible for students in those locations to earn a four-year degree in education, business, social work or nursing. MSU faculty also provide instructional support for the University of Kentucky's engineering program in Paducah.

In addition to teacher education programs, Murray State University also offers baccalaureate and masters degrees in business, health sciences, agriculture, liberal arts, sciences, engineering and technology. The program of distinction is telecommunications systems management (TSM) and is available at the main campus as well as on-line. About 60% of the students in the TSM Masters degree program are studying on-line. MSU also has an acclaimed on-line MBA program, the largest in the Commonwealth.

Policy

Included in the above General Fund is \$3,200,000 in each fiscal year for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$445,800 in each year, which represents a 1% increase in General Fund support for university operations.

Additional General Fund in the amount of \$2,043,500 is included in each year to assist postsecondary education institutions with the increased cost of the employer contribution to the Kentucky Employees Retirement System at a rate of 67.41% established in the Executive Budget.

**Postsecondary Education
Northern Kentucky University**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	47,974,500	52,300,000	51,280,500	58,751,800	58,751,800
Postsecondary Ed Performance	4,325,500	-1,019,500			
Total General Fund	52,300,000	51,280,500	51,280,500	58,751,800	58,751,800
Restricted Funds					
Current Receipts	189,381,700	199,178,300	199,178,300	199,178,300	199,178,300
Total Restricted Funds	189,381,700	199,178,300	199,178,300	199,178,300	199,178,300
Federal Fund					
Current Receipts	13,075,600	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	13,075,600
TOTAL SOURCE OF FUNDS	254,757,300	263,534,400	263,534,400	271,005,700	271,005,700
EXPENDITURES BY CLASS					
Personnel Costs	154,308,700	159,625,100	159,625,100	165,553,900	166,573,400
Operating Expenses	42,713,600	44,185,200	44,185,200	45,727,700	44,708,200
Grants Loans Benefits	36,775,800	38,042,800	38,042,800	38,042,800	38,042,800
Debt Service	10,768,900	11,139,900	11,139,900	11,139,900	11,139,900
Capital Outlay	10,190,300	10,541,400	10,541,400	10,541,400	10,541,400
TOTAL EXPENDITURES	254,757,300	263,534,400	263,534,400	271,005,700	271,005,700
EXPENDITURES BY FUND SOURCE					
General Fund	52,300,000	51,280,400	51,280,400	58,751,800	58,751,800
Restricted Funds	189,381,700	199,178,400	199,178,400	199,178,300	199,178,300
Federal Fund	13,075,600	13,075,600	13,075,600	13,075,600	13,075,600
TOTAL EXPENDITURES	254,757,300	263,534,400	263,534,400	271,005,700	271,005,700
EXPENDITURES BY UNIT					
Instruction	75,678,500	78,055,300	113,215,400	78,055,300	78,055,300
Research	1,237,900	1,457,600	1,181,300	1,457,600	1,457,600
Public Service	10,637,200	9,796,700	7,939,600	10,076,100	10,076,100
Libraries	6,479,300	5,794,500	4,696,100	5,794,500	5,794,500
Academic Support	24,802,700	26,535,200	21,505,100	26,535,200	26,535,200
Student Services	23,652,100	23,779,000	19,271,400	24,137,200	24,137,200
Institutional Support	30,495,600	31,377,100	25,429,100	37,828,900	37,828,900
Operation and Maintenance of Plant	20,957,900	20,147,800	16,328,500	20,529,800	20,529,800
Scholarships and Fellowships	37,084,400	44,194,000	35,816,400	44,194,000	44,194,000
Mandatory Transfers	6,469,100	5,772,600	4,678,300	5,772,600	5,772,600
Non-Mandatory Transfers	-492,500	-492,500	-399,100	-492,600	-492,600
Auxilliary Enterprises	17,755,100	17,117,100	13,872,300	17,117,100	17,117,100
TOTAL EXPENDITURES	254,757,300	263,534,400	263,534,400	271,005,700	271,005,700

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 each fiscal year for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$523,000 in each year, which represents a 1% increase in General Fund support for university operations.

Additional General Fund in the amount of \$5,928,800 is included in each year to assist postsecondary education institutions with the increased cost of the employer contribution to the Kentucky Employees Retirement System at a rate of 67.41% established in the Executive Budget.

Postsecondary Education

University of Kentucky

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	246,563,900	261,056,400	257,422,900	264,028,700	264,028,700
Postsecondary Ed Performance	14,492,500	-3,633,500			
Total General Fund	261,056,400	257,422,900	257,422,900	264,028,700	264,028,700
Restricted Funds					
Current Receipts	3,667,977,500	3,970,940,600	4,304,310,200	3,970,940,600	4,304,310,200
Total Restricted Funds	3,667,977,500	3,970,940,600	4,304,310,200	3,970,940,600	4,304,310,200
Federal Fund					
Current Receipts	261,905,700	280,222,000	300,095,200	280,222,000	300,095,200
Total Federal Fund	261,905,700	280,222,000	300,095,200	280,222,000	300,095,200
TOTAL SOURCE OF FUNDS	4,190,939,600	4,508,585,500	4,861,828,300	4,515,191,300	4,868,434,100
EXPENDITURES BY CLASS					
Personnel Costs	2,046,258,400	2,199,363,000	2,366,484,200	2,199,363,000	2,366,484,200
Operating Expenses	1,651,339,300	1,793,448,100	1,952,729,900	1,800,053,900	1,959,335,700
Grants Loans Benefits	237,644,500	247,582,800	258,877,200	247,582,800	258,877,200
Debt Service	88,673,400	86,787,400	86,592,200	86,787,400	86,592,200
Capital Outlay	167,024,000	181,404,200	197,144,800	181,404,200	197,144,800
TOTAL EXPENDITURES	4,190,939,600	4,508,585,500	4,861,828,300	4,515,191,300	4,868,434,100
EXPENDITURES BY FUND SOURCE					
General Fund	261,056,400	257,422,900	257,422,900	264,028,700	264,028,700
Restricted Funds	3,667,977,500	3,970,940,600	4,304,310,200	3,970,940,600	4,304,310,200
Federal Fund	261,905,700	280,222,000	300,095,200	280,222,000	300,095,200
TOTAL EXPENDITURES	4,190,939,600	4,508,585,500	4,861,828,300	4,515,191,300	4,868,434,100
EXPENDITURES BY UNIT					
Instruction	441,923,600	450,436,600	458,808,700	454,070,100	572,779,700
Research	381,310,900	400,664,900	421,146,200	400,664,900	418,230,300
Public Service	636,834,100	667,563,500	699,454,300	667,563,500	698,149,500
Libraries	27,367,200	27,800,600	28,227,500	27,800,600	22,932,200
Academic Support	108,529,200	111,280,200	114,054,500	111,280,200	101,185,900
Student Services	54,189,000	55,187,000	56,169,000	55,187,000	47,529,100
Institutional Support	196,026,000	196,503,100	199,023,200	199,139,100	177,924,700
Operation and Maintenance of Plant	96,934,300	101,322,200	105,739,100	101,322,200	85,856,700
Scholarships and Fellowships	237,644,500	247,582,800	258,877,200	247,582,800	223,181,100
Mandatory Transfers	22,181,600	20,295,600	20,100,400	20,631,900	20,436,700
Non-Mandatory Transfers	6,700,000	6,700,000	6,700,000	6,700,000	6,700,000
Auxilliary Enterprises	248,140,000	266,534,300	286,438,000	266,534,300	286,438,000
Hospitals	1,733,159,200	1,956,714,700	2,207,090,200	1,956,714,700	2,207,090,200
TOTAL EXPENDITURES	4,190,939,600	4,508,585,500	4,861,828,300	4,515,191,300	4,868,434,100

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 \$79,718,800 in each fiscal year for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$336,300 in each fiscal year to re-establish state support for the University Press.

The Executive Budget includes additional General Fund in the amount of \$2,636,000 in each year, which represents a 1% increase in General Fund support for university operations.

Postsecondary Education
University of Louisville

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	123,290,400	126,633,700	124,114,900	127,900,000	127,900,000
Postsecondary Ed Performance	3,343,300	-2,518,800			
Total General Fund	126,633,700	124,114,900	124,114,900	127,900,000	127,900,000
Restricted Funds					
Current Receipts	1,037,241,100	1,052,772,700	1,068,081,000	1,052,772,700	1,068,081,000
Total Restricted Funds	1,037,241,100	1,052,772,700	1,068,081,000	1,052,772,700	1,068,081,000
Federal Fund					
Current Receipts	98,456,500	120,084,400	123,686,900	120,084,400	123,686,900
Total Federal Fund	98,456,500	120,084,400	123,686,900	120,084,400	123,686,900
TOTAL SOURCE OF FUNDS	1,262,331,300	1,296,972,000	1,315,882,800	1,300,757,100	1,319,667,900
EXPENDITURES BY CLASS					
Personnel Costs	683,257,800	694,886,900	706,770,200	694,886,900	706,770,200
Operating Expenses	414,685,000	412,759,000	413,387,300	416,544,100	417,172,400
Grants Loans Benefits	132,386,600	157,324,200	163,723,400	157,324,200	163,723,400
Debt Service	23,149,600	23,149,600	23,149,600	23,149,600	23,149,600
Capital Outlay	8,852,300	8,852,300	8,852,300	8,852,300	8,852,300
TOTAL EXPENDITURES	1,262,331,300	1,296,972,000	1,315,882,800	1,300,757,100	1,319,667,900
EXPENDITURES BY FUND SOURCE					
General Fund	126,633,700	124,114,900	124,114,900	127,900,000	127,900,000
Restricted Funds	1,037,241,100	1,052,772,700	1,068,081,000	1,052,772,700	1,068,081,000
Federal Fund	98,456,500	120,084,400	123,686,900	120,084,400	123,686,900
TOTAL EXPENDITURES	1,262,331,300	1,296,972,000	1,315,882,800	1,300,757,100	1,319,667,900
EXPENDITURES BY UNIT					
Instruction	213,857,600	219,941,700	222,979,900	220,368,400	223,572,200
Research	99,867,700	102,708,700	104,127,400	102,908,000	104,404,100
Public Service	91,313,100	93,910,900	95,903,400	94,093,100	95,461,100
Libraries	13,608,500	13,995,600	14,189,000	14,022,800	14,226,700
Academic Support	101,466,100	104,352,800	105,794,300	104,555,200	106,075,200
Student Services	21,553,600	20,895,500	21,201,600	20,938,500	21,261,300
Institutional Support	56,544,200	58,152,500	58,955,800	59,531,700	60,378,800
Operation and Maintenance of Plant	36,652,700	37,695,500	38,216,100	37,768,600	38,317,600
Scholarships and Fellowships	24,339,200	25,031,800	25,377,600	25,080,300	25,445,000
Mandatory Transfers	11,209,400	11,528,400	11,687,800	11,550,900	11,718,800
Auxilliary Enterprises	10,612,900	10,914,800	11,065,600	10,935,900	11,094,900
Hospitals	581,306,300	597,843,800	606,384,300	599,003,700	607,712,200
TOTAL EXPENDITURES	1,262,331,300	1,296,972,000	1,315,882,800	1,300,757,100	1,319,667,900

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 \$695,200 in each fiscal year for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$1,266,300 in each year, which represents a 1% increase in General Fund support for university operations.

**Postsecondary Education
Western Kentucky University**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	69,344,200	72,358,800	72,358,800	77,304,600	77,304,600
Postsecondary Ed Performance	4,379,100				
Total General Fund	73,723,300	72,358,800	72,358,800	77,304,600	77,304,600
Restricted Funds					
Current Receipts	280,768,200	280,768,200	280,768,200	280,768,200	280,768,200
Total Restricted Funds	280,768,200	280,768,200	280,768,200	280,768,200	280,768,200
Federal Fund					
Current Receipts	32,340,000	32,340,000	32,340,000	32,340,000	32,340,000
Total Federal Fund	32,340,000	32,340,000	32,340,000	32,340,000	32,340,000
TOTAL SOURCE OF FUNDS	386,831,500	385,467,000	385,467,000	390,412,800	390,412,800
EXPENDITURES BY CLASS					
Personnel Costs	192,127,200	192,127,200	82,218,900	192,127,200	192,127,200
Operating Expenses	79,951,000	78,843,500	54,812,500	83,532,300	83,532,300
Grants Loans Benefits	94,260,900	94,260,900	94,260,900	94,260,900	94,260,900
Debt Service	17,235,400	16,978,400	16,916,900	17,235,400	17,235,400
Capital Outlay	3,257,000	3,257,000	3,257,000	3,257,000	3,257,000
TOTAL EXPENDITURES	386,831,500	385,467,000	251,466,200	390,412,800	390,412,800
EXPENDITURES BY FUND SOURCE					
General Fund	73,723,300	72,358,800	72,358,800	77,304,600	77,304,600
Restricted Funds	280,768,200	280,768,200	279,083,700	280,768,200	280,768,200
Federal Fund	32,340,000	32,340,000	32,146,000	32,340,000	32,340,000
TOTAL EXPENDITURES	386,831,500	385,467,000	383,588,500	390,412,800	390,412,800
EXPENDITURES BY UNIT					
Instruction	121,983,800	121,983,800	90,922,300	121,983,800	121,983,800
Research	4,323,000	4,323,000	3,614,400	4,323,000	4,323,000
Public Service	9,617,300	9,617,300	8,194,200	9,617,300	9,617,300
Libraries	8,513,800	8,513,800	5,732,100	8,513,800	8,513,800
Academic Support	26,771,900	26,771,900	21,832,400	26,771,900	26,771,900
Student Services	36,195,400	36,195,400	30,516,700	36,195,400	36,195,400
Institutional Support	29,353,700	29,353,700	86,481,000	32,935,000	32,935,000
Operation and Maintenance of Plant	33,642,400	32,277,900	25,342,700	33,642,400	33,642,400
Scholarships and Fellowships	81,538,400	81,538,400	76,270,300	81,538,400	81,538,400
Mandatory Transfers	11,482,800	11,482,800	11,413,900	11,482,800	11,482,800
Auxilliary Enterprises	23,409,000	23,409,000	23,268,500	23,409,000	23,409,000
TOTAL EXPENDITURES	386,831,500	385,467,000	383,588,500	390,412,800	390,412,800

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 \$5,497,700 in each fiscal year for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$737,200 in each year, which represents a 1% increase in General Fund support for university operations.

Additional General Fund in the amount of \$2,844,100 is included in each year to assist postsecondary education institutions with the increased cost of the employer contribution to the Kentucky Employees Retirement System at a rate of 67.41% established in the Executive Budget.

Postsecondary Education
Kentucky Community and Technical College System

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	166,034,000	174,581,000	171,265,800	179,765,800	179,765,800
Postsecondary Ed Performance	8,547,000	-3,315,200			
Total General Fund	174,581,000	171,265,800	171,265,800	179,765,800	179,765,800
Restricted Funds					
Current Receipts	451,448,300	451,448,300	451,448,300	456,051,400	457,274,200
Total Restricted Funds	451,448,300	451,448,300	451,448,300	456,051,400	457,274,200
Federal Fund					
Current Receipts	220,482,800	220,482,800	220,482,800	220,482,800	220,482,800
Total Federal Fund	220,482,800	220,482,800	220,482,800	220,482,800	220,482,800
TOTAL SOURCE OF FUNDS	846,512,100	843,196,900	843,196,900	856,300,000	857,522,800
EXPENDITURES BY CLASS					
Personnel Costs	390,896,100	388,816,700	426,622,500	398,938,200	400,161,000
Operating Expenses	175,916,100	175,111,700	158,439,700	177,661,900	177,661,900
Grants Loans Benefits	276,251,300	275,830,400	255,205,200	276,251,300	276,251,300
Capital Outlay	3,448,600	3,438,100	2,929,500	3,448,600	3,448,600
TOTAL EXPENDITURES	846,512,100	843,196,900	843,196,900	856,300,000	857,522,800
EXPENDITURES BY FUND SOURCE					
General Fund	174,581,000	171,265,800	171,265,900	179,765,800	179,765,800
Restricted Funds	451,448,300	451,448,300	451,448,300	456,051,400	457,274,200
Federal Fund	220,482,800	220,482,800	220,482,800	220,482,800	220,482,800
TOTAL EXPENDITURES	846,512,100	843,196,900	843,197,000	856,300,000	857,522,800
EXPENDITURES BY UNIT					
Instruction	240,711,800	239,765,100	271,352,600	240,711,800	240,711,800
Public Service	56,956,500	56,654,500	59,727,400	61,559,600	62,782,400
Libraries	9,509,800	9,458,400	8,563,400	9,509,800	9,509,800
Academic Support	36,226,400	36,059,600	40,880,700	36,226,400	36,226,400
Student Services	75,802,200	75,494,100	70,140,700	75,802,200	75,802,200
Institutional Support	36,103,000	35,598,700	30,383,300	41,287,800	41,287,800
Operation and Maintenance of Plant	116,565,200	115,950,200	108,557,700	116,565,200	116,565,200
Scholarships and Fellowships	274,637,200	274,216,300	253,591,200	274,637,200	274,637,200
TOTAL EXPENDITURES	846,512,100	843,196,900	843,197,000	856,300,000	857,522,800

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 each fiscal year for Mandated Programs.

The Executive Budget includes additional General Fund in the amount of \$1,745,800 in each year, which represents a 1% increase in General Fund support for university operations.

Additional General Fund in the amount of \$3,439,000 is included in each year to assist postsecondary education institutions with the increased cost of the employer contribution to the Kentucky Employees Retirement System at a rate of 67.41% established in the Executive Budget.

The Executive Budget includes an additional \$600 per year for Firefighter stipends, raising the annual stipend from \$4,000 to \$4,600 per eligible firefighter. The Firefighters Foundation Program Fund provides stipends to approximately 3,800 professional firefighters across the state.

Postsecondary Education
Postsecondary Education Performance Fund

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	38,665,800	67,490,200	89,986,900		
Postsecondary Ed Performance	-38,665,800	-67,490,200	-89,986,900		
Total General Fund					
TOTAL SOURCE OF FUNDS					
EXPENDITURES BY CLASS					
TOTAL EXPENDITURES					
EXPENDITURES BY FUND SOURCE					
General Fund					
TOTAL EXPENDITURES					

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 Executive Budget suspends the provisions of KRS 164.092 and provides no funding for the Postsecondary Education Performance Fund in either fiscal year.

Public Protection

	Public Protection				
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,178,100	10,136,900	10,207,500	6,660,400	8,276,200
Reorganization Adjustment	652,700				
Total General Fund	7,830,800	10,136,900	10,207,500	6,660,400	8,276,200
Restricted Funds					
Balance Forward	116,330,700	108,961,000	119,808,100	106,683,600	85,953,900
Current Receipts	100,984,200	102,149,800	103,059,250	103,382,700	104,313,800
Non-Revenue Receipts	37,739,400	37,656,900	37,656,900	35,947,100	35,947,500
Fund Transfers	-23,000,000			-38,850,000	-38,850,000
Total Restricted Funds	232,054,300	248,767,700	260,524,250	207,163,400	187,365,200
Federal Fund					
Balance Forward	-37,473				
Current Receipts	1,434,700	1,197,200	1,197,200	1,197,200	1,197,500
Total Federal Fund	1,397,227	1,197,200	1,197,200	1,197,200	1,197,500
TOTAL SOURCE OF FUNDS	241,282,327	260,101,800	271,928,950	215,021,000	196,838,900
EXPENDITURES BY CLASS					
Personnel Costs	82,393,600	87,573,700	88,430,200	77,148,100	78,110,800
Operating Expenses	12,718,300	13,296,400	13,286,900	12,879,400	12,151,300
Grants Loans Benefits	39,039,600	39,039,600	39,039,600	39,039,600	39,039,600
Capital Outlay	447,200	384,000			
TOTAL EXPENDITURES	134,598,700	140,293,700	140,756,700	129,067,100	129,301,700
EXPENDITURES BY FUND SOURCE					
General Fund	7,830,800	10,136,900	10,207,500	6,660,400	8,276,200
Restricted Funds	125,370,700	128,959,600	129,352,000	121,209,500	119,828,000
Federal Fund	1,397,200	1,197,200	1,197,200	1,197,200	1,197,500
TOTAL EXPENDITURES	134,598,700	140,293,700	140,756,700	129,067,100	129,301,700
EXPENDITURES BY UNIT					
Secretary	7,257,800	8,306,800	8,392,400	6,984,100	7,105,700
Professional Licensing	4,722,700	5,582,800	5,621,600	5,137,100	5,186,400
Kentucky Claims Commission	2,515,200	2,469,100	2,481,300	2,513,400	2,533,000
Boxing and Wrestling Commission	179,600	204,800	206,800	184,200	186,400
Alcoholic Beverage Control	8,897,500	9,140,800	9,201,900	8,116,900	8,180,400
Charitable Gaming	4,333,900	4,410,000	4,444,400	3,806,600	3,844,600
Financial Institutions	13,966,100	15,132,100	15,268,800	13,160,300	13,323,200
Horse Racing Commission	45,585,400	46,018,400	46,082,900	45,412,600	45,484,200
Housing, Buildings and Construction	26,239,700	28,178,200	28,072,900	25,279,000	24,885,500
Insurance	20,900,800	20,850,700	20,983,700	18,472,900	18,572,300
TOTAL EXPENDITURES	134,598,700	140,293,700	140,756,700	129,067,100	129,301,700

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				
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		650,000	650,000	677,100	684,900
Reorganization Adjustment	652,700				
Total General Fund	652,700	650,000	650,000	677,100	684,900
Restricted Funds					
Balance Forward	613,500	136,300	298,200	136,300	1,662,000
Current Receipts	24,200	18,700	23,700	18,700	23,700
Non-Revenue Receipts	6,103,700	7,800,000	7,800,000	7,814,000	7,839,800
Total Restricted Funds	6,741,400	7,955,000	8,121,900	7,969,000	9,525,500
TOTAL SOURCE OF FUNDS	7,394,100	8,605,000	8,771,900	8,646,100	10,210,400
EXPENDITURES BY CLASS					
Personnel Costs	6,893,600	7,929,600	8,015,200	6,613,500	6,735,100
Operating Expenses	364,200	377,200	377,200	370,600	370,600
TOTAL EXPENDITURES	7,257,800	8,306,800	8,392,400	6,984,100	7,105,700
EXPENDITURES BY FUND SOURCE					
General Fund	652,700	650,000	650,000	677,100	684,900
Restricted Funds	6,605,100	7,656,800	7,742,400	6,307,000	6,420,800
TOTAL EXPENDITURES	7,257,800	8,306,800	8,392,400	6,984,100	7,105,700
EXPENDITURES BY UNIT					
Office of the Secretary - Comm - Legal	7,257,800	8,306,800	8,392,400	6,984,100	7,105,700
TOTAL EXPENDITURES	7,257,800	8,306,800	8,392,400	6,984,100	7,105,700

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$21,400 in fiscal year 2021 and \$23,400 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$2,600 in fiscal year 2021 and \$7,400 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**Public Protection
Kentucky Claims Commission**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,390,000	1,379,800	1,382,900	1,445,000	1,464,600
Total General Fund	1,390,000	1,379,800	1,382,900	1,445,000	1,464,600
Restricted Funds					
Balance Forward	1,253,900	1,127,900	1,037,800	1,127,900	1,037,800
Current Receipts	842,000	842,000	842,000	821,100	812,000
Total Restricted Funds	2,095,900	1,969,900	1,879,800	1,949,000	1,849,800
Federal Fund					
Balance Forward	-22,773				
Current Receipts	180,000	157,200	157,200	157,200	157,200
Total Federal Fund	157,227	157,200	157,200	157,200	157,200
TOTAL SOURCE OF FUNDS	3,643,127	3,506,900	3,419,900	3,551,200	3,471,600
EXPENDITURES BY CLASS					
Personnel Costs	1,394,600	1,345,200	1,357,400	1,392,100	1,413,200
Operating Expenses	845,600	848,900	848,900	846,300	844,800
Grants Loans Benefits	275,000	275,000	275,000	275,000	275,000
TOTAL EXPENDITURES	2,515,200	2,469,100	2,481,300	2,513,400	2,533,000
EXPENDITURES BY FUND SOURCE					
General Fund	1,390,000	1,379,800	1,382,900	1,445,000	1,464,600
Restricted Funds	968,000	932,100	941,200	911,200	911,200
Federal Fund	157,200	157,200	157,200	157,200	157,200
TOTAL EXPENDITURES	2,515,200	2,469,100	2,481,300	2,513,400	2,533,000
EXPENDITURES BY UNIT					
Kentucky Claims Commission	827,400	817,200	820,300	851,700	861,100
Kentucky Claims Commission Reparations	1,687,800	1,651,900	1,661,000	1,661,700	1,671,900
TOTAL EXPENDITURES	2,515,200	2,469,100	2,481,300	2,513,400	2,533,000

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$51,100 in fiscal year 2021 and \$60,400 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$2,400 in fiscal year 2021 and \$12,100 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**Public Protection
Professional Licensing**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	7,650,500	7,381,800	6,685,200	7,381,800	5,880,900
Current Receipts	4,700,000	5,186,200	4,960,000	5,186,200	4,960,000
Non-Revenue Receipts	-246,000	-300,000	-300,000	-300,000	-300,000
Fund Transfers				-1,250,000	-1,250,000
Total Restricted Funds	12,104,500	12,268,000	11,345,200	11,018,000	9,290,900
TOTAL SOURCE OF FUNDS	12,104,500	12,268,000	11,345,200	11,018,000	9,290,900
EXPENDITURES BY CLASS					
Personnel Costs	3,674,100	4,537,200	4,576,000	4,119,500	4,168,800
Operating Expenses	943,600	940,600	940,600	912,600	912,600
Grants Loans Benefits	105,000	105,000	105,000	105,000	105,000
TOTAL EXPENDITURES	4,722,700	5,582,800	5,621,600	5,137,100	5,186,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	4,722,700	5,582,800	5,621,600	5,137,100	5,186,400
TOTAL EXPENDITURES	4,722,700	5,582,800	5,621,600	5,137,100	5,186,400
EXPENDITURES BY UNIT					
Occupations, Professions, and Licensing	1,724,400	1,746,900	1,764,400	1,816,900	1,842,500
Kentucky Real Estate Authority	2,998,300	3,835,900	3,857,200	3,320,200	3,343,900
TOTAL EXPENDITURES	4,722,700	5,582,800	5,621,600	5,137,100	5,186,400

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	312,000	305,500	273,800	305,500	294,400
Current Receipts	173,100	173,100	173,100	173,100	173,100
Total Restricted Funds	485,100	478,600	446,900	478,600	467,500
TOTAL SOURCE OF FUNDS	485,100	478,600	446,900	478,600	467,500
EXPENDITURES BY CLASS					
Personnel Costs	160,900	183,300	185,300	159,600	161,800
Operating Expenses	18,700	21,500	21,500	24,600	24,600
TOTAL EXPENDITURES	179,600	204,800	206,800	184,200	186,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	179,600	204,800	206,800	184,200	186,400
TOTAL EXPENDITURES	179,600	204,800	206,800	184,200	186,400
EXPENDITURES BY UNIT					
Boxing and Wrestling Commission	179,600	204,800	206,800	184,200	186,400
TOTAL EXPENDITURES	179,600	204,800	206,800	184,200	186,400

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	6,591,900	6,050,700	4,844,200	6,050,700	4,036,600
Current Receipts	8,316,300	8,319,300	8,319,300	8,687,800	8,688,100
Non-Revenue Receipts	-600,000	-825,000	-825,000	-1,025,000	-1,025,000
Fund Transfers				-2,000,000	-2,000,000
Total Restricted Funds	14,308,200	13,545,000	12,338,500	11,713,500	9,699,700
Federal Fund					
Balance Forward	-14,700				
Current Receipts	654,700	440,000	440,000	440,000	440,000
Total Federal Fund	640,000	440,000	440,000	440,000	440,000
TOTAL SOURCE OF FUNDS	14,948,200	13,985,000	12,778,500	12,153,500	10,139,700
EXPENDITURES BY CLASS					
Personnel Costs	7,979,500	8,157,900	8,219,000	7,198,900	7,262,400
Operating Expenses	818,000	982,900	982,900	918,000	918,000
Capital Outlay	100,000				
TOTAL EXPENDITURES	8,897,500	9,140,800	9,201,900	8,116,900	8,180,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	8,257,500	8,700,800	8,761,900	7,676,900	7,740,400
Federal Fund	640,000	440,000	440,000	440,000	440,000
TOTAL EXPENDITURES	8,897,500	9,140,800	9,201,900	8,116,900	8,180,400
EXPENDITURES BY UNIT					
Administration, Enforcement and License	8,179,700	8,422,600	8,480,700	7,399,100	7,462,600
Tobacco Enforcement	717,800	718,200	721,200	717,800	717,800
TOTAL EXPENDITURES	8,897,500	9,140,800	9,201,900	8,116,900	8,180,400

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	5,967,700	5,966,200	5,888,600	5,966,200	6,534,100
Current Receipts	4,306,200	4,306,200	4,306,200	4,306,200	4,306,200
Non-Revenue Receipts	26,200	26,200	26,200	68,300	68,300
Total Restricted Funds	10,300,100	10,298,600	10,221,000	10,340,700	10,908,600
TOTAL SOURCE OF FUNDS	10,300,100	10,298,600	10,221,000	10,340,700	10,908,600
EXPENDITURES BY CLASS					
Personnel Costs	3,713,100	3,903,900	3,938,300	3,332,800	3,370,800
Operating Expenses	440,800	506,100	506,100	473,800	473,800
Capital Outlay	180,000				
TOTAL EXPENDITURES	4,333,900	4,410,000	4,444,400	3,806,600	3,844,600
EXPENDITURES BY FUND SOURCE					
Restricted Funds	4,333,900	4,410,000	4,444,400	3,806,600	3,844,600
TOTAL EXPENDITURES	4,333,900	4,410,000	4,444,400	3,806,600	3,844,600
EXPENDITURES BY UNIT					
Charitable Gaming	4,333,900	4,410,000	4,444,400	3,806,600	3,844,600
TOTAL EXPENDITURES	4,333,900	4,410,000	4,444,400	3,806,600	3,844,600

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	8,065,800	8,381,100	7,285,600	6,103,700	2,980,000
Current Receipts	16,774,500	16,536,600	16,843,200	16,536,600	16,843,200
Non-Revenue Receipts	-1,770,500	-2,500,000	-2,500,000	-2,500,000	-2,500,000
Fund Transfers	-3,000,000			-4,000,000	-4,000,000
Total Restricted Funds	20,069,800	22,417,700	21,628,800	16,140,300	13,323,200
TOTAL SOURCE OF FUNDS	20,069,800	22,417,700	21,628,800	16,140,300	13,323,200
EXPENDITURES BY CLASS					
Personnel Costs	12,031,000	13,185,000	13,331,200	11,225,200	11,388,100
Operating Expenses	1,935,100	1,947,100	1,937,600	1,935,100	1,935,100
TOTAL EXPENDITURES	13,966,100	15,132,100	15,268,800	13,160,300	13,323,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	13,966,100	15,132,100	15,268,800	13,160,300	13,323,200
TOTAL EXPENDITURES	13,966,100	15,132,100	15,268,800	13,160,300	13,323,200
EXPENDITURES BY UNIT					
Administrative Services	1,947,000	1,961,200	1,971,200	1,730,000	1,751,700
Securities	2,262,800	2,365,600	2,390,700	2,114,700	2,142,500
Depository Institutions	6,103,400	6,982,600	7,045,300	5,845,400	5,915,200
Non-Depository Institutions	3,652,900	3,822,700	3,861,600	3,470,200	3,513,800
TOTAL EXPENDITURES	13,966,100	15,132,100	15,268,800	13,160,300	13,323,200

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,147,700	3,147,700	3,147,700	1,841,200	3,404,000
Total General Fund	3,147,700	3,147,700	3,147,700	1,841,200	3,404,000
Restricted Funds					
Balance Forward	44,494,200	43,920,200	42,843,900	43,920,200	42,143,200
Current Receipts	5,664,400	5,679,400	5,679,400	5,679,400	5,679,400
Non-Revenue Receipts	36,199,300	36,115,000	36,115,000	36,115,000	36,115,000
Total Restricted Funds	86,357,900	85,714,600	84,638,300	85,714,600	83,937,600
TOTAL SOURCE OF FUNDS	89,505,600	88,862,300	87,786,000	87,555,800	87,341,600
EXPENDITURES BY CLASS					
Personnel Costs	5,600,500	6,022,300	6,086,800	5,424,300	5,495,900
Operating Expenses	1,238,100	1,336,500	1,336,500	1,328,700	1,328,700
Grants Loans Benefits	38,659,600	38,659,600	38,659,600	38,659,600	38,659,600
Capital Outlay	87,200				
TOTAL EXPENDITURES	45,585,400	46,018,400	46,082,900	45,412,600	45,484,200
EXPENDITURES BY FUND SOURCE					
General Fund	3,147,700	3,147,700	3,147,700	1,841,200	3,404,000
Restricted Funds	42,437,700	42,870,700	42,935,200	43,571,400	42,080,200
TOTAL EXPENDITURES	45,585,400	46,018,400	46,082,900	45,412,600	45,484,200
EXPENDITURES BY UNIT					
Administration and Regulation of Racing	5,457,700	5,840,200	5,899,800	5,399,400	5,465,600
Equine Drug Research Fund	500,000	500,000	500,000	500,000	500,000
Thoroughbred Development Fund	17,727,500	17,727,500	17,727,500	17,727,500	17,727,500
Standardbred Development Fund	2,525,000	2,525,000	2,525,000	2,525,000	2,525,000
Standardbred Horsemen Fees	695,000	695,000	695,000	695,000	695,000
Ky Quarter Horse, Appaloosa & Arabian Development Fund	15,000	15,000	15,000	15,000	15,000
County Fair Purse Fund	50,000	50,000	50,000	50,000	50,000
Backside Improvement Commission	600,400	600,400	600,400	600,400	600,400
Ky Thoroughbred Breeder Incentive Fund	14,849,800	14,900,300	14,905,200	14,735,300	14,740,700
Ky Standardbred Breeder Incentive Fund	2,115,000	2,115,000	2,115,000	2,115,000	2,115,000
Ky Horse Breeders Incentive Fund	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
TOTAL EXPENDITURES	45,585,400	46,018,400	46,082,900	45,412,600	45,484,200

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$169,700 in fiscal year 2021 and \$185,200 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$20,300 in fiscal year 2021 and \$59,200 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

Public Protection
Housing, Buildings and Construction

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,640,400	4,959,400	5,026,900	2,697,100	2,722,700
Total General Fund	2,640,400	4,959,400	5,026,900	2,697,100	2,722,700
Restricted Funds					
Balance Forward	14,047,600	9,937,400	6,499,300	9,937,400	6,537,100
Current Receipts	19,647,500	19,940,000	19,940,000	19,940,900	19,940,900
Non-Revenue Receipts	-158,400	-159,300	-159,300	-159,300	-159,300
Fund Transfers				-600,000	-600,000
Total Restricted Funds	33,536,700	29,718,100	26,280,000	29,119,000	25,718,700
TOTAL SOURCE OF FUNDS	36,177,100	34,677,500	31,306,900	31,816,100	28,441,400
EXPENDITURES BY CLASS					
Personnel Costs	22,096,700	23,404,800	23,683,500	21,131,000	21,454,900
Operating Expenses	4,143,000	4,389,400	4,389,400	4,148,000	3,430,600
Capital Outlay		384,000			
TOTAL EXPENDITURES	26,239,700	28,178,200	28,072,900	25,279,000	24,885,500
EXPENDITURES BY FUND SOURCE					
General Fund	2,640,400	4,959,400	5,026,900	2,697,100	2,722,700
Restricted Funds	23,599,300	23,218,800	23,046,000	22,581,900	22,162,800
TOTAL EXPENDITURES	26,239,700	28,178,200	28,072,900	25,279,000	24,885,500
EXPENDITURES BY UNIT					
General Administration and Management	3,474,600	3,248,400	3,286,300	3,086,900	3,130,000
Fire Prevention	1,280,900	1,286,800	1,294,900	906,900	740,600
Boiler Inspections	1,150,200	1,151,500	1,162,600	1,094,400	1,107,400
Hazardous Materials Inspections	762,600	772,000	780,100	787,500	796,500
Manufactured Housing Inspections	819,700	828,400	837,300	842,900	852,800
General Inspections	1,752,400	3,257,300	2,889,500	1,808,000	1,827,700
Sprinkler/Alarm Inspections	23,500	22,600	22,600	23,500	23,500
Elevator Inspections	1,515,000	1,558,000	1,576,100	1,511,900	1,532,500
Plumbing	7,223,300	7,452,900	7,540,900	7,300,700	6,923,300
Safe Cigarette Program	6,000	6,000	6,000	6,000	6,000
HVAC	3,172,100	3,372,400	3,409,000	3,248,500	3,226,100
Building Codes Enforcement	3,727,200	3,830,600	3,865,800	3,441,400	3,485,300
Electrical	1,332,200	1,391,300	1,401,800	1,220,400	1,233,800
TOTAL EXPENDITURES	26,239,700	28,178,200	28,072,900	25,279,000	24,885,500

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$70,300 in fiscal year 2021 and \$78,200 in fiscal year 2022 to fund the cost increases of actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$6,600 in fiscal year 2021 and \$22,000 in fiscal year 2022 to fund cost increases associated with providing a 1% increment each year.

**Public Protection
Insurance**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	27,333,600	25,753,900	44,151,500	25,753,900	14,847,800
Current Receipts	40,536,000	41,148,300	41,972,350	42,032,700	42,887,200
Non-Revenue Receipts	-1,814,900	-2,500,000	-2,500,000	-4,065,900	-4,091,300
Fund Transfers	-20,000,000			-31,000,000	-31,000,000
Total Restricted Funds	46,054,700	64,402,200	83,623,850	32,720,700	22,643,700
Federal Fund					
Current Receipts	600,000	600,000	600,000	600,000	600,300
Total Federal Fund	600,000	600,000	600,000	600,000	600,300
TOTAL SOURCE OF FUNDS	46,654,700	65,002,200	84,223,850	33,320,700	23,244,000
EXPENDITURES BY CLASS					
Personnel Costs	18,849,600	18,904,500	19,037,500	16,551,200	16,659,800
Operating Expenses	1,971,200	1,946,200	1,946,200	1,921,700	1,912,500
Capital Outlay	80,000				
TOTAL EXPENDITURES	20,900,800	20,850,700	20,983,700	18,472,900	18,572,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	20,300,800	20,250,700	20,383,700	17,872,900	17,972,000
Federal Fund	600,000	600,000	600,000	600,000	600,300
TOTAL EXPENDITURES	20,900,800	20,850,700	20,983,700	18,472,900	18,572,300
EXPENDITURES BY UNIT					
Executive Director and Administration	1,744,500	2,020,000	2,037,800	1,595,400	1,606,800
Administrative Services	2,466,800	2,460,900	2,478,500	2,056,000	2,068,400
Financial Standards and Examination	3,842,300	3,691,600	3,701,800	3,597,600	3,604,400
Agent Licensing	2,070,800	1,856,700	1,870,900	1,750,900	1,761,000
Consumer Protection	3,580,100	3,619,000	3,645,500	3,150,800	3,170,200
Insurance Fraud Investigation	1,887,500	1,946,600	1,961,900	1,812,700	1,831,200
Mine Subsidence Program	208,700	200,000	200,000	200,200	200,500
Insurance Product Regulation	5,100,100	5,055,900	5,087,300	4,309,300	4,329,800
TOTAL EXPENDITURES	20,900,800	20,850,700	20,983,700	18,472,900	18,572,300

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	68,477,100	93,856,400	93,958,700	71,985,700	74,426,300
Current Year Appropriation	2,700,000				
Total General Fund	71,177,100	93,856,400	93,958,700	71,985,700	74,426,300
Restricted Funds					
Balance Forward	190,652,000	226,734,500	256,106,700	226,734,500	249,841,300
Current Receipts	201,066,400	206,233,200	208,058,700	204,120,300	204,946,300
Non-Revenue Receipts	4,318,000	7,521,700	7,527,400	7,521,700	7,527,400
Fund Transfers				-6,500,000	-5,500,000
Total Restricted Funds	396,036,400	440,489,400	471,692,800	431,876,500	456,815,000
Federal Fund					
Balance Forward	6,400,300	11,230,500	14,988,300	11,230,500	15,082,000
Current Receipts	25,530,500	25,238,300	25,251,400	25,238,300	25,251,400
Non-Revenue Receipts	133,900	-210,000	-210,000	-210,000	-210,000
Total Federal Fund	32,064,700	36,258,800	40,029,700	36,258,800	40,123,400
Road Fund					
Regular Appropriation	553,000	653,000	653,000	575,700	583,500
Total Road Fund	553,000	653,000	653,000	575,700	583,500
TOTAL SOURCE OF FUNDS	499,831,200	571,257,600	606,334,200	540,696,700	571,948,200
EXPENDITURES BY CLASS					
Personnel Costs	163,863,700	176,647,500	178,260,400	167,349,300	169,197,000
Operating Expenses	82,843,000	92,991,500	95,269,500	87,522,500	90,569,900
Grants Loans Benefits	8,100,500	8,230,500	8,230,500	7,860,500	7,860,500
Debt Service	2,395,600	11,178,600	11,227,600	3,126,600	4,171,600
Capital Outlay	4,663,400	11,114,500	9,692,000	9,914,500	9,492,000
TOTAL EXPENDITURES	261,866,200	300,162,600	302,680,000	275,773,400	281,291,000
EXPENDITURES BY FUND SOURCE					
General Fund	71,177,100	93,856,400	93,958,700	71,985,700	74,426,300
Restricted Funds	169,301,900	184,382,700	186,784,700	182,035,200	185,091,300
Federal Fund	20,834,200	21,270,500	21,283,600	21,176,800	21,189,900
Road Fund	553,000	653,000	653,000	575,700	583,500
TOTAL EXPENDITURES	261,866,200	300,162,600	302,680,000	275,773,400	281,291,000
EXPENDITURES BY UNIT					
Secretary	17,916,800	20,529,800	21,576,900	18,908,900	20,956,000
Artisans Center	2,641,200	3,290,700	3,304,800	2,686,600	2,702,200
Kentucky Department of Tourism	3,187,000	3,653,500	3,689,900	3,309,300	3,372,300
Parks	100,315,400	110,637,100	111,193,700	101,616,100	103,194,300
Horse Park Commission	12,792,500	16,474,300	16,437,100	13,102,800	12,969,000
State Fair Board	51,321,000	60,173,100	60,499,000	54,137,000	55,227,600
Fish and Wildlife Resources	61,630,300	70,764,800	71,340,500	68,735,000	69,313,700
Historical Society	7,016,700	8,189,600	8,160,500	7,657,400	7,710,800
Arts Council	2,589,000	3,211,400	3,226,000	2,639,300	2,856,200
Heritage Council	1,898,000	2,635,000	2,648,300	2,422,700	2,430,600
Kentucky Center for the Arts	558,300	603,300	603,300	558,300	558,300
TOTAL EXPENDITURES	261,866,200	300,162,600	302,680,000	275,773,400	281,291,000

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,213,700	4,029,800	4,076,900	3,408,900	3,456,000
Total General Fund	3,213,700	4,029,800	4,076,900	3,408,900	3,456,000
Restricted Funds					
Balance Forward	5,410,400	5,764,900	6,219,300	5,764,900	4,422,500
Current Receipts	157,600	1,954,400	2,954,400	157,600	157,600
Non-Revenue Receipts	14,900,000	15,000,000	15,000,000	15,000,000	15,000,000
Fund Transfers				-1,000,000	
Total Restricted Funds	20,468,000	22,719,300	24,173,700	19,922,500	19,580,100
TOTAL SOURCE OF FUNDS	23,681,700	26,749,100	28,250,600	23,331,400	23,036,100
EXPENDITURES BY CLASS					
Personnel Costs	3,547,200	3,976,100	4,026,500	3,720,100	3,772,300
Operating Expenses	11,659,200	13,715,300	14,712,000	12,478,400	14,473,300
Grants Loans Benefits	2,710,400	2,710,400	2,710,400	2,710,400	2,710,400
Debt Service		128,000	128,000		
TOTAL EXPENDITURES	17,916,800	20,529,800	21,576,900	18,908,900	20,956,000
EXPENDITURES BY FUND SOURCE					
General Fund	3,213,700	4,029,800	4,076,900	3,408,900	3,456,000
Restricted Funds	14,703,100	16,500,000	17,500,000	15,500,000	17,500,000
TOTAL EXPENDITURES	17,916,800	20,529,800	21,576,900	18,908,900	20,956,000
EXPENDITURES BY UNIT					
Executive Policy and Management	3,244,800	4,049,800	4,096,900	3,428,900	3,476,000
Tourism Meeting & Convention Marketing	14,672,000	16,480,000	17,480,000	15,480,000	17,480,000
TOTAL EXPENDITURES	17,916,800	20,529,800	21,576,900	18,908,900	20,956,000

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$137,700 in fiscal year 2021 and \$150,200 in fiscal year 2022 to fund the cost increases of the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$16,000 in fiscal year 2021 and \$47,500 in fiscal year 2022 to fund the cost increases associated with providing a 1% increment each year.

Tourism, Arts and Heritage

Artisans Center

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	486,900	1,036,400	1,050,500	309,600	517,400
Total General Fund	486,900	1,036,400	1,050,500	309,600	517,400
Restricted Funds					
Balance Forward	356,400	340,500	324,600	340,500	124,600
Current Receipts	1,585,400	1,585,400	1,585,400	1,585,400	1,585,400
Total Restricted Funds	1,941,800	1,925,900	1,910,000	1,925,900	1,710,000
Road Fund					
Regular Appropriation	553,000	653,000	653,000	575,700	583,500
Total Road Fund	553,000	653,000	653,000	575,700	583,500
TOTAL SOURCE OF FUNDS	2,981,700	3,615,300	3,613,500	2,811,200	2,810,900
EXPENDITURES BY CLASS					
Personnel Costs	1,297,100	1,823,700	1,808,200	1,329,600	1,316,000
Operating Expenses	1,344,100	1,467,000	1,496,600	1,357,000	1,386,200
TOTAL EXPENDITURES	2,641,200	3,290,700	3,304,800	2,686,600	2,702,200
EXPENDITURES BY FUND SOURCE					
General Fund	486,900	1,036,400	1,050,500	309,600	517,400
Restricted Funds	1,601,300	1,601,300	1,601,300	1,801,300	1,601,300
Road Fund	553,000	653,000	653,000	575,700	583,500
TOTAL EXPENDITURES	2,641,200	3,290,700	3,304,800	2,686,600	2,702,200
EXPENDITURES BY UNIT					
Berea Artisans Center	2,641,200	3,290,700	3,304,800	2,686,600	2,702,200
TOTAL EXPENDITURES	2,641,200	3,290,700	3,304,800	2,686,600	2,702,200

The Kentucky Artisan Center at Berea is established to promote Kentucky arts and craft products and serve as a unique gateway for travelers, offering quality Kentucky arts, crafts, music, and other artisan products, along with authentic heritage experiences. The Artisan Center purchases for resale over 4,000 different artisan products from over 800 vendors in 100 counties statewide. Hospitality, café food service, KY travel information assistance, and rest stop services are also provided by the Center for over 250,000 visitors annually. The Center currently serves as the only mid-state rest area on I-75.

The Appalachian/Kentucky Artisans Gateway Center Authority (KRS 148.560-569) has an appointed, thirteen member board to direct operations of the Center and is attached to the Tourism Arts and Heritage Cabinet for administrative purposes.

Policy

The Executive Budget includes additional General Fund in the amount of \$20,300 in fiscal year 2021 and \$22,200 in fiscal year 2022 to fund the cost increases of the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$1,900 in fiscal year 2021 and \$6,700 in fiscal year 2022 to fund the cost increases associated with providing a 1% increment each year.

Tourism, Arts and Heritage
Kentucky Department of Tourism

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,157,900	3,624,400	3,660,800	3,249,300	3,349,600
Total General Fund	3,157,900	3,624,400	3,660,800	3,249,300	3,349,600
Restricted Funds					
Balance Forward	60,500	46,700	35,600	46,700	4,700
Current Receipts	15,300	18,000	18,000	18,000	18,000
Total Restricted Funds	75,800	64,700	53,600	64,700	22,700
TOTAL SOURCE OF FUNDS	3,233,700	3,689,100	3,714,400	3,314,000	3,372,300
EXPENDITURES BY CLASS					
Personnel Costs	2,588,700	2,978,400	3,014,800	2,683,300	2,748,900
Operating Expenses	598,300	675,100	675,100	626,000	623,400
TOTAL EXPENDITURES	3,187,000	3,653,500	3,689,900	3,309,300	3,372,300
EXPENDITURES BY FUND SOURCE					
General Fund	3,157,900	3,624,400	3,660,800	3,249,300	3,349,600
Restricted Funds	29,100	29,100	29,100	60,000	22,700
TOTAL EXPENDITURES	3,187,000	3,653,500	3,689,900	3,309,300	3,372,300
EXPENDITURES BY UNIT					
Executive Policy and Management	1,128,100	1,395,000	1,405,300	1,196,200	1,207,600
Tourism Services	509,200	667,900	674,600	531,200	538,700
Marketing and Advertising	1,331,900	1,365,800	1,382,200	1,353,800	1,394,600
Communications and Promotions	217,800	224,800	227,800	228,100	231,400
TOTAL EXPENDITURES	3,187,000	3,653,500	3,689,900	3,309,300	3,372,300

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$109,400 in fiscal year 2021 and \$121,500 in fiscal year 2022 to fund the cost increases of the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$9,600 in fiscal year 2021 and \$33,700 in fiscal year 2022 to fund the cost increases associated with providing a 1% increment each year.

Tourism, Arts and Heritage

Parks

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	46,838,000	58,796,500	59,353,100	49,295,400	50,860,500
Current Year Appropriation	2,700,000				
Total General Fund	49,538,000	58,796,500	59,353,100	49,295,400	50,860,500
Restricted Funds					
Balance Forward	1,849,100	153,300	100,300	153,300	93,900
Current Receipts	51,557,600	51,557,600	51,557,600	52,031,300	52,031,800
Non-Revenue Receipts	-2,476,000	230,000	230,000	230,000	230,000
Total Restricted Funds	50,930,700	51,940,900	51,887,900	52,414,600	52,355,700
TOTAL SOURCE OF FUNDS	100,468,700	110,737,400	111,241,000	101,710,000	103,216,200
EXPENDITURES BY CLASS					
Personnel Costs	65,335,000	68,247,500	69,025,100	65,285,400	66,071,300
Operating Expenses	31,310,000	34,237,200	34,218,200	32,244,300	32,206,600
Debt Service	2,395,600	6,877,600	6,675,600	2,811,600	3,641,600
Capital Outlay	1,274,800	1,274,800	1,274,800	1,274,800	1,274,800
TOTAL EXPENDITURES	100,315,400	110,637,100	111,193,700	101,616,100	103,194,300
EXPENDITURES BY FUND SOURCE					
General Fund	49,538,000	58,796,500	59,353,100	49,295,400	50,860,500
Restricted Funds	50,777,400	51,840,600	51,840,600	52,320,700	52,333,800
TOTAL EXPENDITURES	100,315,400	110,637,100	111,193,700	101,616,100	103,194,300
EXPENDITURES BY UNIT					
General Administration and Support	16,025,400	22,446,700	22,433,800	17,072,100	18,061,300
Resort Parks	66,057,200	68,724,100	69,185,100	66,053,100	66,506,400
Recreation Parks and Historic Sites	17,583,400	18,754,200	18,848,900	17,833,800	17,966,600
Cafeterias	649,400	712,100	725,900	657,100	660,000
TOTAL EXPENDITURES	100,315,400	110,637,100	111,193,700	101,616,100	103,194,300

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
Blue Licks Battlefield State Park - Robertson County
Buckhorn Lake Resort Park - Perry County
Carter Caves Resort Park - Carter County
Cumberland Falls Resort Park - Whitley County
Dale Hollow Resort Park - Cumberland and Clinton Counties
General Butler Resort Park - Carroll County
Greenbo Lake Resort Park - Greenup County
Jenny Wiley Resort Park - Floyd County

Kenlake Resort Park - Marshall County
Kentucky Dam Village Resort Park - Marshall County
Lake Barkley Resort Park - Trigg County
Lake Cumberland Resort Park - Russell County
Natural Bridge Resort Park - Powell County
Pennyrile Forest Resort Park - Christian County
Pine Mountain Resort Park - Bell County
Rough River Resort Park - Grayson County

The Recreation Parks and Historic Sites program encourages tourism and economic development in Kentucky by providing modern recreational and camping facilities and preserving significant scenic and historic landmarks, as well as operating museums and shrines.

Recreation Park Facilities

Big Bone Lick State Park - Boone County
Carr Creek State Park - Knott County
Columbus-Belmont Battlefield State Park - Hickman County
E. P. "Tom" Sawyer State Park - Jefferson County
Fort Boonesborough State Park - Madison County
General Burnside State Park - Pulaski County
Grayson Lake State Park - Elliott and Carter Counties
Green River Lake State Park - Taylor County
John James Audubon State Park - Henderson County
Kincaid Lake State Park - Pendleton County
Kingdom Come State Park - Harlan County
Dawkins Line Rail Trail Park – Johnson/Magoffin Counties

Lake Malone State Park - Muhlenberg County
Lincoln Homestead State Park - Washington County
Mineral Mound State Park - Lyon County
My Old Kentucky Home State Park - Nelson County
Nolin Lake State Park - Edmonson County
Old Fort Harrod State Park - Mercer County
Paintsville Lake State Park - Johnson County
Pine Mountain Trail State Park - Harlan & Bell Counties
Taylorsville Lake State Park - Spencer County
Yatesville Lake State Park - Lawrence County

Historic Sites

Perryville Battlefield State Shrine - Boyle County
Dr. Thomas Walker State Shrine - Knox County
Isaac Shelby State Shrine - Lincoln County
Wickliffe Mounds State Historic Site - Ballard County
Old Mulkey Meeting House State Shrine - Monroe County

Jefferson Davis Monument State Shrine - Todd County
Waveland State Shrine - Fayette County

Cafeterias

The Cafeteria program provides food service in the Capitol Annex Building for members of the General Assembly, state employees, and visitors. The cafeterias also provide catering service for special local events.

General Administration and Support

The General Administration and Support program provides an organizational and administrative system to maintain and operate the park system entities. Central administrative functions, such as accounting, purchasing, budgeting, and personnel, along with program operations support and central maintenance and minor construction support, are included in this program.

Policy

The Executive Budget includes Restricted Funds in each fiscal year for a \$4,600 training incentive stipend for Park Rangers. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund.

The Executive Budget provides General Fund in the amount of \$2,700,000 in fiscal year 2019-2020, to cover a shortfall from fiscal year 2018.

The Executive Budget includes additional General Fund in the amount of \$1,827,800 in fiscal year 2021 and \$2,011,600 in fiscal year 2022 to fund the cost increases of the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$184,700 in fiscal year 2021 and \$611,300 in fiscal year 2022 to fund the cost increases associated with providing a 1% increment each year.

The Executive Budget provides General Fund of \$416,000 in fiscal year 2020-2021 and \$1,246,000 in fiscal year 2021-2022 for debt service on new bonds included in the capital budget.

**Tourism, Arts and Heritage
Horse Park Commission**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,708,100	4,536,900	4,499,700	1,795,600	1,821,400
Total General Fund	1,708,100	4,536,900	4,499,700	1,795,600	1,821,400
Restricted Funds					
Balance Forward	159,600	159,600	159,600	159,600	
Current Receipts	11,036,300	11,889,300	11,889,300	11,099,500	11,099,500
Non-Revenue Receipts	48,100	48,100	48,100	48,100	48,100
Total Restricted Funds	11,244,000	12,097,000	12,097,000	11,307,200	11,147,600
TOTAL SOURCE OF FUNDS	12,952,100	16,633,900	16,596,700	13,102,800	12,969,000
EXPENDITURES BY CLASS					
Personnel Costs	7,544,900	8,556,300	8,388,300	7,849,100	7,810,600
Operating Expenses	5,020,600	5,674,000	5,804,800	5,026,700	4,931,400
Grants Loans Benefits	35,000	35,000	35,000	35,000	35,000
Debt Service		2,017,000	2,017,000		
Capital Outlay	192,000	192,000	192,000	192,000	192,000
TOTAL EXPENDITURES	12,792,500	16,474,300	16,437,100	13,102,800	12,969,000
EXPENDITURES BY FUND SOURCE					
General Fund	1,708,100	4,536,900	4,499,700	1,795,600	1,821,400
Restricted Funds	11,084,400	11,937,400	11,937,400	11,307,200	11,147,600
TOTAL EXPENDITURES	12,792,500	16,474,300	16,437,100	13,102,800	12,969,000
EXPENDITURES BY UNIT					
Kentucky Horse Park	12,792,500	16,474,300	16,437,100	13,102,800	12,969,000
TOTAL EXPENDITURES	12,792,500	16,474,300	16,437,100	13,102,800	12,969,000

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 Executive Budget includes Restricted Funds in each fiscal year for a \$4,600 training incentive stipend for Mounted Patrol Officers. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund.

The Executive Budget includes additional General Fund in the amount of \$69,600 in fiscal year 2021 and \$75,900 in fiscal year 2022 to fund the cost increases of the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$6,500 in fiscal year 2021 and \$23,300 in fiscal year 2022 to fund the cost increases associated with providing a 1% increment each year.

Tourism, Arts and Heritage

State Fair Board

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,113,900	10,680,300	10,182,700	4,428,900	4,643,900
Total General Fund	4,113,900	10,680,300	10,182,700	4,428,900	4,643,900
Restricted Funds					
Balance Forward	554,200	554,200	554,200	554,200	338,900
Current Receipts	47,207,100	49,492,800	50,316,300	49,492,800	50,316,300
Total Restricted Funds	47,761,300	50,047,000	50,870,500	50,047,000	50,655,200
TOTAL SOURCE OF FUNDS	51,875,200	60,727,300	61,053,200	54,475,900	55,299,100
EXPENDITURES BY CLASS					
Personnel Costs	29,544,600	33,099,800	33,358,400	30,548,500	30,833,900
Operating Expenses	17,705,100	17,753,300	18,788,100	16,972,500	17,781,200
Grants Loans Benefits	2,518,300	2,218,300	2,218,300	2,218,300	2,218,300
Debt Service		2,019,000	2,270,000	315,000	530,000
Capital Outlay	1,553,000	5,082,700	3,864,200	4,082,700	3,864,200
TOTAL EXPENDITURES	51,321,000	60,173,100	60,499,000	54,137,000	55,227,600
EXPENDITURES BY FUND SOURCE					
General Fund	4,113,900	10,680,300	10,182,700	4,428,900	4,643,900
Restricted Funds	47,207,100	49,492,800	50,316,300	49,708,100	50,583,700
TOTAL EXPENDITURES	51,321,000	60,173,100	60,499,000	54,137,000	55,227,600
EXPENDITURES BY UNIT					
Kentucky Fair and Exposition Center	44,544,800	47,783,600	48,729,000	44,597,000	45,343,700
Kentucky International Convention Center	6,776,200	10,370,500	9,500,000	9,225,000	9,353,900
Debt Service		2,019,000	2,270,000	315,000	530,000
TOTAL EXPENDITURES	51,321,000	60,173,100	60,499,000	54,137,000	55,227,600

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 Executive Budget provides General Fund of \$315,000 in fiscal year 2020-2021 and \$530,000 in fiscal year 2021-2022 for debt service on new bonds included in the capital budget.

**Tourism, Arts and Heritage
Fish and Wildlife Resources**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	181,102,100	218,694,100	247,638,300	218,694,100	244,074,400
Current Receipts	88,360,500	88,360,500	88,360,500	88,360,500	88,360,500
Non-Revenue Receipts	-8,169,100	-8,169,100	-8,169,100	-8,169,100	-8,169,100
Fund Transfers				-5,500,000	-5,500,000
Total Restricted Funds	261,293,500	298,885,500	327,829,700	293,385,500	318,765,800
Federal Fund					
Balance Forward	7,472,700	11,230,500	14,988,300	11,230,500	15,082,000
Current Receipts	22,998,700	23,485,400	23,485,400	23,485,400	23,485,400
Non-Revenue Receipts	-210,000	-210,000	-210,000	-210,000	-210,000
Total Federal Fund	30,261,400	34,505,900	38,263,700	34,505,900	38,357,400
TOTAL SOURCE OF FUNDS	291,554,900	333,391,400	366,093,400	327,891,400	357,123,200
EXPENDITURES BY CLASS					
Personnel Costs	46,954,100	49,875,500	50,443,600	48,163,900	48,741,500
Operating Expenses	12,158,600	15,265,300	15,476,900	15,272,100	15,477,200
Grants Loans Benefits	874,000	1,059,000	1,059,000	934,000	934,000
Capital Outlay	1,643,600	4,565,000	4,361,000	4,365,000	4,161,000
TOTAL EXPENDITURES	61,630,300	70,764,800	71,340,500	68,735,000	69,313,700
EXPENDITURES BY FUND SOURCE					
Restricted Funds	42,599,400	51,247,200	51,822,900	49,311,100	49,889,800
Federal Fund	19,030,900	19,517,600	19,517,600	19,423,900	19,423,900
TOTAL EXPENDITURES	61,630,300	70,764,800	71,340,500	68,735,000	69,313,700
EXPENDITURES BY UNIT					
Administration and Support	5,735,100	6,392,900	6,444,700	5,888,600	5,940,000
Wildlife Management	18,056,900	19,859,800	20,038,400	19,565,300	19,744,300
Fisheries Management	10,434,500	15,590,100	15,708,500	14,993,900	15,116,800
Information and Education	8,337,200	8,075,800	8,152,400	8,040,100	8,122,800
Law Enforcement	14,755,000	16,048,200	16,159,400	15,944,500	16,049,600
Marketing	1,081,300	1,489,500	1,498,400	1,054,700	1,060,100
Engineering, Infrastructure & Technology	3,230,300	3,308,500	3,338,700	3,247,900	3,280,100
TOTAL EXPENDITURES	61,630,300	70,764,800	71,340,500	68,735,000	69,313,700

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 Executive Budget includes Restricted Funds in each fiscal year for a \$4,600 training incentive stipend for Conservation Officers. These funds are provided from the Fish and Game Fund.

Tourism, Arts and Heritage

Historical Society

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,952,400	7,125,300	7,096,200	6,593,100	6,646,500
Total General Fund	5,952,400	7,125,300	7,096,200	6,593,100	6,646,500
Restricted Funds					
Balance Forward	162,900	106,000	68,100	106,000	68,100
Current Receipts	837,400	856,400	858,400	856,400	858,400
Total Restricted Funds	1,000,300	962,400	926,500	962,400	926,500
Federal Fund					
Balance Forward	-477,500				
Current Receipts	647,500	170,000	170,000	170,000	170,000
Total Federal Fund	170,000	170,000	170,000	170,000	170,000
TOTAL SOURCE OF FUNDS	7,122,700	8,257,700	8,192,700	7,725,500	7,743,000
EXPENDITURES BY CLASS					
Personnel Costs	4,413,400	4,707,500	4,785,100	4,555,900	4,614,000
Operating Expenses	2,557,800	3,436,600	3,329,900	3,056,000	3,051,300
Grants Loans Benefits	45,500	45,500	45,500	45,500	45,500
TOTAL EXPENDITURES	7,016,700	8,189,600	8,160,500	7,657,400	7,710,800
EXPENDITURES BY FUND SOURCE					
General Fund	5,952,400	7,125,300	7,096,200	6,593,100	6,646,500
Restricted Funds	894,300	894,300	894,300	894,300	894,300
Federal Fund	170,000	170,000	170,000	170,000	170,000
TOTAL EXPENDITURES	7,016,700	8,189,600	8,160,500	7,657,400	7,710,800
EXPENDITURES BY UNIT					
Oral History and Educational Outreach	1,208,800	1,241,600	1,254,400	1,257,900	1,272,700
Research and Publications	803,800	812,000	820,100	837,700	852,800
Museums	689,400	711,300	720,000	696,600	697,900
Administration	4,314,700	5,424,700	5,366,000	4,865,200	4,887,400
TOTAL EXPENDITURES	7,016,700	8,189,600	8,160,500	7,657,400	7,710,800

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$142,800 in fiscal year 2021 and \$155,800 in fiscal year 2022 to fund the cost increases of the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$14,600 in fiscal year 2021 and \$48,200 in fiscal year 2022 to fund the cost increases associated with providing a 1% increment each year.

Tourism, Arts and Heritage

Arts Council

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,728,900	2,149,700	2,164,300	1,578,200	1,793,300
Total General Fund	1,728,900	2,149,700	2,164,300	1,578,200	1,793,300
Restricted Funds					
Balance Forward	463,200	483,800	504,400	483,800	505,000
Current Receipts	172,200	373,800	373,800	373,800	373,800
Total Restricted Funds	635,400	857,600	878,200	857,600	878,800
Federal Fund					
Balance Forward	-251,000				
Current Receipts	959,500	708,500	708,500	708,500	708,500
Total Federal Fund	708,500	708,500	708,500	708,500	708,500
TOTAL SOURCE OF FUNDS	3,072,800	3,715,800	3,751,000	3,144,300	3,380,600
EXPENDITURES BY CLASS					
Personnel Costs	1,055,900	1,297,200	1,312,000	1,106,100	1,165,700
Operating Expenses	264,100	445,200	445,000	264,200	421,500
Grants Loans Benefits	1,269,000	1,469,000	1,469,000	1,269,000	1,269,000
TOTAL EXPENDITURES	2,589,000	3,211,400	3,226,000	2,639,300	2,856,200
EXPENDITURES BY FUND SOURCE					
General Fund	1,728,900	2,149,700	2,164,300	1,578,200	1,793,300
Restricted Funds	151,600	353,200	353,200	352,600	354,400
Federal Fund	708,500	708,500	708,500	708,500	708,500
TOTAL EXPENDITURES	2,589,000	3,211,400	3,226,000	2,639,300	2,856,200
EXPENDITURES BY UNIT					
Arts Council	1,158,600	1,379,400	1,394,000	1,208,900	1,224,200
Support Grants	1,281,000	1,481,000	1,481,000	1,281,000	1,281,000
Arts Marketing	149,400	351,000	351,000	149,400	351,000
TOTAL EXPENDITURES	2,589,000	3,211,400	3,226,000	2,639,300	2,856,200

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$41,600 in fiscal year 2021 and \$45,400 in fiscal year 2022 to fund the cost increases of the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$5,200 in fiscal year 2021 and \$14,800 in fiscal year 2022 to fund the cost increases associated with providing a 1% increment each year.

Tourism, Arts and Heritage

Heritage Council

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	719,000	1,273,800	1,271,200	768,400	779,400
Total General Fund	719,000	1,273,800	1,271,200	768,400	779,400
Restricted Funds					
Balance Forward	533,600	431,400	502,300	431,400	209,200
Current Receipts	137,000	145,000	145,000	145,000	145,000
Non-Revenue Receipts	15,000	412,700	418,400	412,700	418,400
Total Restricted Funds	685,600	989,100	1,065,700	989,100	772,600
Federal Fund					
Balance Forward	-343,900				
Current Receipts	924,800	874,400	887,500	874,400	887,500
Non-Revenue Receipts	343,900				
Total Federal Fund	924,800	874,400	887,500	874,400	887,500
TOTAL SOURCE OF FUNDS	2,329,400	3,137,300	3,224,400	2,631,900	2,439,500
EXPENDITURES BY CLASS					
Personnel Costs	1,582,800	2,085,500	2,098,400	2,107,400	2,122,800
Operating Expenses	225,200	322,500	322,900	225,300	217,800
Grants Loans Benefits	90,000	90,000	90,000	90,000	90,000
Debt Service		137,000	137,000		
TOTAL EXPENDITURES	1,898,000	2,635,000	2,648,300	2,422,700	2,430,600
EXPENDITURES BY FUND SOURCE					
General Fund	719,000	1,273,800	1,271,200	768,400	779,400
Restricted Funds	254,200	486,800	489,600	779,900	763,700
Federal Fund	924,800	874,400	887,500	874,400	887,500
TOTAL EXPENDITURES	1,898,000	2,635,000	2,648,300	2,422,700	2,430,600
EXPENDITURES BY UNIT					
Kentucky Heritage Council	1,898,000	2,635,000	2,648,300	2,422,700	2,430,600
TOTAL EXPENDITURES	1,898,000	2,635,000	2,648,300	2,422,700	2,430,600

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.

Policy

The Executive Budget includes additional General Fund in the amount of \$31,100 in fiscal year 2021 and \$33,900 in fiscal year 2022 to fund the cost increases of the actuarially determined contribution.

The Executive Budget includes additional General Fund in the amount of \$3,700 in fiscal year 2021 and \$10,900 in fiscal year 2022 to fund the cost increases associated with providing a 1% increment each year.

**Tourism, Arts and Heritage
Kentucky Center for the Arts**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	558,300	603,300	603,300	558,300	558,300
Total General Fund	558,300	603,300	603,300	558,300	558,300
TOTAL SOURCE OF FUNDS	558,300	603,300	603,300	558,300	558,300
EXPENDITURES BY CLASS					
Grants Loans Benefits	558,300	603,300	603,300	558,300	558,300
TOTAL EXPENDITURES	558,300	603,300	603,300	558,300	558,300
EXPENDITURES BY FUND SOURCE					
General Fund	558,300	603,300	603,300	558,300	558,300
TOTAL EXPENDITURES	558,300	603,300	603,300	558,300	558,300
EXPENDITURES BY UNIT					
Governor's School for the Arts	558,300	603,300	603,300	558,300	558,300
TOTAL EXPENDITURES	558,300	603,300	603,300	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		Requested FY 2022	Recommended FY 2021	Recommended FY 2022
	Revised FY 2020	Requested FY 2021			
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,089,000	28,807,100	29,237,400	12,789,000	14,489,000
Continuing Approp-General Fund	1,957,400				
Total General Fund	8,046,400	28,807,100	29,237,400	12,789,000	14,489,000
Restricted Funds					
Balance Forward	111,020,300	15,776,000	13,810,700	15,776,000	9,365,700
Current Receipts	143,305,600	143,498,100	143,438,700	143,502,300	143,452,000
Non-Revenue Receipts	59,002,700	9,002,800	9,996,500	10,502,800	9,996,500
Fund Transfers	-6,424,000	-438,400	-428,800	-4,838,400	-7,257,600
Total Restricted Funds	306,904,600	167,838,500	166,817,100	164,942,700	155,556,600
Federal Fund					
Balance Forward	1,071,000				
Current Receipts	794,522,700	767,528,700	776,059,300	757,385,800	762,162,500
Total Federal Fund	795,593,700	767,528,700	776,059,300	757,385,800	762,162,500
Road Fund					
Regular Appropriation	1,470,710,200	1,557,269,800	1,575,457,400	1,504,968,600	1,467,634,200
Current Year Appropriation	4,265,500				
Other	9,046,100				
Total Road Fund	1,484,021,800	1,557,269,800	1,575,457,400	1,504,968,600	1,467,634,200
TOTAL SOURCE OF FUNDS	2,594,566,500	2,521,444,100	2,547,571,200	2,440,086,100	2,399,842,300
EXPENDITURES BY CLASS					
Personnel Costs	596,707,800	612,554,800	619,457,700	584,610,200	590,375,500
Operating Expenses	263,125,600	346,342,000	346,400,500	289,439,600	288,753,000
Grants Loans Benefits	295,305,000	284,092,400	283,684,200	263,092,400	259,378,300
Debt Service	246,495,900	237,353,400	228,731,500	233,495,800	225,100,800
Capital Outlay	1,513,200	2,315,000	2,104,900	1,906,200	1,904,900
Construction	1,166,354,100	1,024,975,800	1,049,403,200	1,054,570,700	1,024,397,200
TOTAL EXPENDITURES	2,569,501,600	2,507,633,400	2,529,782,000	2,427,114,900	2,389,909,700
EXPENDITURES BY FUND SOURCE					
General Fund	8,046,400	28,807,100	29,237,400	12,789,000	14,489,000
Restricted Funds	291,128,600	154,027,800	149,027,900	155,577,000	148,998,300
Federal Fund	795,593,700	767,528,700	776,059,300	757,385,800	762,162,500
Road Fund	1,474,732,900	1,557,269,800	1,575,457,400	1,501,363,100	1,464,259,900
TOTAL EXPENDITURES	2,569,501,600	2,507,633,400	2,529,782,000	2,427,114,900	2,389,909,700
EXPENDITURES BY UNIT					
General Administration and Support	84,057,000	98,388,800	98,849,800	89,398,300	90,064,300
Aviation	36,201,600	37,153,800	31,020,000	24,646,000	18,699,400
Debt Service	142,412,500	148,141,400	139,793,700	144,385,900	136,269,300
Highways	1,851,879,000	1,761,649,800	1,791,846,100	1,718,827,700	1,692,423,100
Public Transportation	58,296,400	51,343,500	55,731,600	40,178,300	40,401,200
Revenue Sharing	346,364,300	348,546,000	349,008,900	348,530,600	350,577,700
Vehicle Regulation	50,290,800	62,410,100	63,531,900	61,148,100	61,474,700
TOTAL EXPENDITURES	2,569,501,600	2,507,633,400	2,529,782,000	2,427,114,900	2,389,909,700

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	500,000	500,000	500,000	500,000	500,000
Total General Fund	500,000	500,000	500,000	500,000	500,000
Restricted Funds					
Balance Forward	206,300	124,000	41,700	124,000	41,700
Current Receipts	2,281,600	2,625,300	2,690,500	2,625,300	2,690,500
Total Restricted Funds	2,487,900	2,749,300	2,732,200	2,749,300	2,732,200
Road Fund					
Regular Appropriation	81,193,100	95,181,200	95,628,600	86,190,700	86,843,100
Total Road Fund	81,193,100	95,181,200	95,628,600	86,190,700	86,843,100
TOTAL SOURCE OF FUNDS	84,181,000	98,430,500	98,860,800	89,440,000	90,075,300
EXPENDITURES BY CLASS					
Personnel Costs	40,804,900	45,114,200	45,530,800	40,545,600	41,215,700
Operating Expenses	34,419,300	44,016,400	44,062,100	39,596,600	39,598,000
Grants Loans Benefits	510,800	502,800	502,800	502,800	502,800
Debt Service	7,112,200	7,112,200	7,112,200	7,110,100	7,105,900
Capital Outlay	1,177,800	1,551,200	1,549,900	1,551,200	1,549,900
Construction	32,000	92,000	92,000	92,000	92,000
TOTAL EXPENDITURES	84,057,000	98,388,800	98,849,800	89,398,300	90,064,300
EXPENDITURES BY FUND SOURCE					
General Fund	500,000	500,000	500,000	500,000	500,000
Restricted Funds	2,363,900	2,707,600	2,721,200	2,707,600	2,721,200
Road Fund	81,193,100	95,181,200	95,628,600	86,190,700	86,843,100
TOTAL EXPENDITURES	84,057,000	98,388,800	98,849,800	89,398,300	90,064,300
EXPENDITURES BY UNIT					
Office of the Secretary	8,792,900	10,391,200	10,501,200	9,306,700	9,418,100
Legal Services	5,716,100	6,566,800	6,623,500	5,928,000	5,998,800
Office of Human Resource Management	5,801,600	6,658,200	6,719,000	5,981,800	6,042,700
Office of Support Services	22,547,300	26,120,500	26,201,800	24,675,800	24,726,500
Technology	35,311,000	41,740,800	41,827,900	37,616,000	37,925,500
Office of Audits	5,888,100	6,911,300	6,976,400	5,890,000	5,952,700
TOTAL EXPENDITURES	84,057,000	98,388,800	98,849,800	89,398,300	90,064,300

The General Administration and Support appropriation unit provides management and administrative services and ensures efficient day to day operations. This unit includes the Office of Secretary and nine other offices.

The Office of Budget and Fiscal Management, the Office for Civil Rights and Small Business Development, the Office of Legal Services, the Office of Public Affairs, the Office of Inspector General, the Office of Human Resource Management, the Office of Support Services, the Office of Audits, and the Office of Information Technology provide leadership, management, and staff support to the Transportation Cabinet and provide the Secretary with the managerial tools necessary to operate the Cabinet.

The Office of the Secretary is the central point of contact with the general public and external organizations and serves as the main policymaking arm of the Cabinet. The Office of Budget and Fiscal Management and the Office of Audits manage the planning and use of the Cabinet's financial resources. The Office for Civil Rights and Small Business Development conducts programs to provide women and minorities an equal opportunity for employment and to compete for highway construction contracts. The Office of Legal Services provides the agency with the required legal representation before administrative boards and all levels of the court system. The Office of Public Affairs is responsible for the Cabinet's communications with employees, the news media, and the general public. The Office of Inspector

General exists to provide the Cabinet a mechanism for both employees and Kentuckians to report incidences of wrongdoing regarding the Cabinet's service. The Office of Human Resource Management is responsible for the Cabinet's human resources policies and personnel utilization and development programs. The Office of Support Services provides oversight and management of the Cabinet's statewide facilities, including all ongoing capital projects not associated with highway construction. Beginning in April 2013, the Office of Support Services began providing production print services for the Executive Branch through its Division of Graphic Design and Printing, a function previously performed by the Commonwealth Office of Technology. The Office of Information Technology is responsible for the technological application development and system support functions for the Cabinet.

Policy

The General Fund appropriation provides funding for the improvement of public river ports in the Commonwealth. The Secretary of Transportation, in conjunction with the Kentucky Water Transportation Advisory Board, shall determine how to distribute the funds.

	Transportation Aviation				
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		13,495,800	13,314,800		
Continuing Approp-General Fund	1,706,300				
Total General Fund	1,706,300	13,495,800	13,314,800		
Restricted Funds					
Balance Forward	21,614,500	6,090,400	509,400	6,090,400	517,100
Current Receipts	17,845,700	18,015,400	17,855,000	18,015,400	17,855,000
Non-Revenue Receipts	-1,829,800	-1,831,100	-837,400	-1,831,100	-837,400
Fund Transfers	-424,000	-438,400	-428,800	-438,400	-428,800
Total Restricted Funds	37,206,400	21,836,300	17,098,200	21,836,300	17,105,900
Federal Fund					
Current Receipts	590,300	500,000	500,000	500,000	500,000
Total Federal Fund	590,300	500,000	500,000	500,000	500,000
Road Fund					
Regular Appropriation	2,789,000	1,831,100	837,400	2,826,800	1,844,000
Total Road Fund	2,789,000	1,831,100	837,400	2,826,800	1,844,000
TOTAL SOURCE OF FUNDS	42,292,000	37,663,200	31,750,400	25,163,100	19,449,900
EXPENDITURES BY CLASS					
Personnel Costs	4,111,300	4,731,400	4,800,000	3,301,300	3,350,100
Operating Expenses	852,800	945,500	945,600	912,200	912,200
Grants Loans Benefits	29,038,800	28,687,000	23,687,000	18,051,400	13,049,700
Debt Service	1,829,800	1,831,100	837,400	1,831,100	837,400
Capital Outlay		408,800	200,000		
Construction	368,900	550,000	550,000	550,000	550,000
TOTAL EXPENDITURES	36,201,600	37,153,800	31,020,000	24,646,000	18,699,400
EXPENDITURES BY FUND SOURCE					
General Fund	1,706,300	13,495,800	13,314,800		
Restricted Funds	31,116,000	21,326,900	16,367,800	21,319,200	16,355,400
Federal Fund	590,300	500,000	500,000	500,000	500,000
Road Fund	2,789,000	1,831,100	837,400	2,826,800	1,844,000
TOTAL EXPENDITURES	36,201,600	37,153,800	31,020,000	24,646,000	18,699,400
EXPENDITURES BY UNIT					
Commonwealth Aviation	31,732,000	32,121,800	27,169,500	20,109,200	15,131,900
Capital City Airport	2,639,800	3,200,900	3,013,100	2,705,700	2,730,100
Aviation Administration	1,829,800	1,831,100	837,400	1,831,100	837,400
TOTAL EXPENDITURES	36,201,600	37,153,800	31,020,000	24,646,000	18,699,400

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 Executive Budget suspends the provisions of KRS 183.525 and transfers \$438,400 in fiscal year 2020-2021 and \$428,800 in fiscal year 2021- 2022 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 Executive Budget 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 Executive Budget suspends the provisions of KSS 183.525 and transfers \$835,500 in fiscal year 2020-2021 and \$837,400 in fiscal year 2021-2022 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				
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Road Fund					
Regular Appropriation	150,097,400	148,141,400	139,793,700	147,991,400	139,643,600
Total Road Fund	150,097,400	148,141,400	139,793,700	147,991,400	139,643,600
TOTAL SOURCE OF FUNDS	150,097,400	148,141,400	139,793,700	147,991,400	139,643,600
EXPENDITURES BY CLASS					
Personnel Costs				100,000	100,000
Debt Service	142,412,500	148,141,400	139,793,700	144,285,900	136,169,300
TOTAL EXPENDITURES	142,412,500	148,141,400	139,793,700	144,385,900	136,269,300
EXPENDITURES BY FUND SOURCE					
Road Fund	142,412,500	148,141,400	139,793,700	144,385,900	136,269,300
TOTAL EXPENDITURES	142,412,500	148,141,400	139,793,700	144,385,900	136,269,300
EXPENDITURES BY UNIT					
Economic Development Lease Rental	142,412,500	148,141,400	139,793,700	144,385,900	136,269,300
TOTAL EXPENDITURES	142,412,500	148,141,400	139,793,700	144,385,900	136,269,300

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 and \$3,374,300 in fiscal year 2021-2022.

**Transportation
Highways**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	77,994,900	2,013,900	1,177,400	2,013,900	1,139,700
Current Receipts	102,946,800	102,963,800	102,971,600	102,963,800	102,971,600
Non-Revenue Receipts	60,888,900	10,888,900	10,888,900	10,888,900	10,888,900
Total Restricted Funds	241,830,600	115,866,600	115,037,900	115,866,600	115,000,200
Federal Fund					
Current Receipts	740,073,200	728,446,300	732,726,300	728,446,300	732,726,300
Total Federal Fund	740,073,200	728,446,300	732,726,300	728,446,300	732,726,300
Road Fund					
Regular Appropriation	871,989,100	918,514,300	944,175,100	875,654,500	844,789,800
Total Road Fund	871,989,100	918,514,300	944,175,100	875,654,500	844,789,800
TOTAL SOURCE OF FUNDS	1,853,892,900	1,762,827,200	1,791,939,300	1,719,967,400	1,692,516,300
EXPENDITURES BY CLASS					
Personnel Costs	521,201,900	519,416,800	525,468,700	497,726,900	502,522,400
Operating Expenses	198,693,800	273,043,100	273,046,800	219,893,100	219,896,800
Grants Loans Benefits	19,106,600	14,743,700	14,736,600	14,743,700	14,736,600
Debt Service	95,141,400	79,468,700	79,388,200	79,468,700	79,388,200
Capital Outlay	335,400	355,000	355,000	355,000	355,000
Construction	1,017,399,900	874,622,500	898,850,800	906,640,300	875,524,100
TOTAL EXPENDITURES	1,851,879,000	1,761,649,800	1,791,846,100	1,718,827,700	1,692,423,100
EXPENDITURES BY FUND SOURCE					
Restricted Funds	239,816,700	114,689,200	114,944,700	114,726,900	114,907,000
Federal Fund	740,073,200	728,446,300	732,726,300	728,446,300	732,726,300
Road Fund	871,989,100	918,514,300	944,175,100	875,654,500	844,789,800
TOTAL EXPENDITURES	1,851,879,000	1,761,649,800	1,791,846,100	1,718,827,700	1,692,423,100
EXPENDITURES BY UNIT					
Research	4,527,400	4,527,400	4,527,400	4,527,400	4,527,400
Construction	1,284,706,400	1,121,688,800	1,147,207,800	1,142,171,400	1,109,558,000
Maintenance	383,998,900	459,619,400	463,027,500	403,067,200	408,137,100
Engineering Administration	18,368,200	21,377,700	21,692,600	19,151,900	19,425,100
Planning	16,112,100	16,405,600	16,440,700	16,206,000	16,238,700
Highway Operations	51,071,000	55,403,200	55,983,900	52,750,600	53,338,100
Equipment Services	77,002,600	69,239,700	69,487,400	69,277,400	69,449,700
Highway Safety	16,092,400	13,388,000	13,478,800	11,675,800	11,749,000
TOTAL EXPENDITURES	1,851,879,000	1,761,649,800	1,791,846,100	1,718,827,700	1,692,423,100

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Federal Fund					
Current Receipts	3,383,400	3,383,400	3,383,400	3,383,400	3,383,400
Total Federal Fund	3,383,400	3,383,400	3,383,400	3,383,400	3,383,400
Road Fund					
Regular Appropriation	1,144,000	1,144,000	1,144,000	1,144,000	1,144,000
Total Road Fund	1,144,000	1,144,000	1,144,000	1,144,000	1,144,000
TOTAL SOURCE OF FUNDS	4,527,400	4,527,400	4,527,400	4,527,400	4,527,400
EXPENDITURES BY CLASS					
Personnel Costs	4,527,400	4,519,400	4,519,400	4,519,400	4,519,400
Operating Expenses		8,000	8,000	8,000	8,000
TOTAL EXPENDITURES	4,527,400	4,527,400	4,527,400	4,527,400	4,527,400
EXPENDITURES BY FUND SOURCE					
Federal Fund	3,383,400	3,383,400	3,383,400	3,383,400	3,383,400
Road Fund	1,144,000	1,144,000	1,144,000	1,144,000	1,144,000
TOTAL EXPENDITURES	4,527,400	4,527,400	4,527,400	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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	67,381,600				
Current Receipts	16,391,500	16,391,500	16,391,500	16,391,500	16,391,500
Non-Revenue Receipts	60,888,900	10,888,900	10,888,900	10,888,900	10,888,900
Total Restricted Funds	144,662,000	27,280,400	27,280,400	27,280,400	27,280,400
Federal Fund					
Current Receipts	713,975,100	706,975,100	711,255,100	706,975,100	711,255,100
Total Federal Fund	713,975,100	706,975,100	711,255,100	706,975,100	711,255,100
Road Fund					
Regular Appropriation	426,069,300	387,433,300	408,672,300	407,915,900	371,022,500
Total Road Fund	426,069,300	387,433,300	408,672,300	407,915,900	371,022,500
TOTAL SOURCE OF FUNDS	1,284,706,400	1,121,688,800	1,147,207,800	1,142,171,400	1,109,558,000
EXPENDITURES BY CLASS					
Personnel Costs	185,427,600	175,162,100	176,533,300	172,211,600	172,210,200
Operating Expenses	16,255,600	16,255,600	16,255,600	16,255,600	16,255,600
Grants Loans Benefits	11,296,100	11,296,100	11,296,100	11,296,100	11,296,100
Debt Service	95,141,400	79,468,700	79,388,200	79,468,700	79,388,200
Construction	976,585,700	839,506,300	863,734,600	862,939,400	830,407,900
TOTAL EXPENDITURES	1,284,706,400	1,121,688,800	1,147,207,800	1,142,171,400	1,109,558,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	144,662,000	27,280,400	27,280,400	27,280,400	27,280,400
Federal Fund	713,975,100	706,975,100	711,255,100	706,975,100	711,255,100
Road Fund	426,069,300	387,433,300	408,672,300	407,915,900	371,022,500
TOTAL EXPENDITURES	1,284,706,400	1,121,688,800	1,147,207,800	1,142,171,400	1,109,558,000

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 Executive Budget 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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Current Receipts	3,687,900	3,687,900	3,687,900	3,687,900	3,687,900
Total Restricted Funds	3,687,900	3,687,900	3,687,900	3,687,900	3,687,900
Road Fund					
Regular Appropriation	380,311,000	455,931,500	459,339,600	399,379,300	404,449,200
Total Road Fund	380,311,000	455,931,500	459,339,600	399,379,300	404,449,200
TOTAL SOURCE OF FUNDS	383,998,900	459,619,400	463,027,500	403,067,200	408,137,100
EXPENDITURES BY CLASS					
Personnel Costs	225,918,500	229,272,000	232,677,300	217,285,100	220,936,900
Operating Expenses	155,519,800	226,482,900	226,485,700	173,332,900	173,335,700
Construction	2,560,600	3,864,500	3,864,500	12,449,200	13,864,500
TOTAL EXPENDITURES	383,998,900	459,619,400	463,027,500	403,067,200	408,137,100
EXPENDITURES BY FUND SOURCE					
Restricted Funds	3,687,900	3,687,900	3,687,900	3,687,900	3,687,900
Road Fund	380,311,000	455,931,500	459,339,600	399,379,300	404,449,200
TOTAL EXPENDITURES	383,998,900	459,619,400	463,027,500	403,067,200	408,137,100

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Road Fund					
Regular Appropriation	18,368,200	21,377,700	21,692,600	19,151,900	19,425,100
Total Road Fund	18,368,200	21,377,700	21,692,600	19,151,900	19,425,100
TOTAL SOURCE OF FUNDS	18,368,200	21,377,700	21,692,600	19,151,900	19,425,100
EXPENDITURES BY CLASS					
Personnel Costs	15,597,100	17,936,700	18,251,600	15,710,900	15,984,100
Operating Expenses	2,435,700	3,084,000	3,084,000	3,084,000	3,084,000
Capital Outlay	335,400	355,000	355,000	355,000	355,000
Construction		2,000	2,000	2,000	2,000
TOTAL EXPENDITURES	18,368,200	21,377,700	21,692,600	19,151,900	19,425,100
EXPENDITURES BY FUND SOURCE					
Road Fund	18,368,200	21,377,700	21,692,600	19,151,900	19,425,100
TOTAL EXPENDITURES	18,368,200	21,377,700	21,692,600	19,151,900	19,425,100

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Federal Fund					
Current Receipts	12,498,900	12,498,900	12,498,900	12,498,900	12,498,900
Total Federal Fund	12,498,900	12,498,900	12,498,900	12,498,900	12,498,900
Road Fund					
Regular Appropriation	3,613,200	3,906,700	3,941,800	3,707,100	3,739,800
Total Road Fund	3,613,200	3,906,700	3,941,800	3,707,100	3,739,800
TOTAL SOURCE OF FUNDS	16,112,100	16,405,600	16,440,700	16,206,000	16,238,700
EXPENDITURES BY CLASS					
Personnel Costs	15,370,000	15,365,500	15,400,600	15,165,900	15,198,600
Operating Expenses	742,100	1,040,100	1,040,100	1,040,100	1,040,100
TOTAL EXPENDITURES	16,112,100	16,405,600	16,440,700	16,206,000	16,238,700
EXPENDITURES BY FUND SOURCE					
Federal Fund	12,498,900	12,498,900	12,498,900	12,498,900	12,498,900
Road Fund	3,613,200	3,906,700	3,941,800	3,707,100	3,739,800
TOTAL EXPENDITURES	16,112,100	16,405,600	16,440,700	16,206,000	16,238,700

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Current Receipts	14,457,200	14,474,200	14,482,000	14,474,200	14,482,000
Total Restricted Funds	14,457,200	14,474,200	14,482,000	14,474,200	14,482,000
Road Fund					
Regular Appropriation	36,613,800	40,929,000	41,501,900	38,276,400	38,856,100
Total Road Fund	36,613,800	40,929,000	41,501,900	38,276,400	38,856,100
TOTAL SOURCE OF FUNDS	51,071,000	55,403,200	55,983,900	52,750,600	53,338,100
EXPENDITURES BY CLASS					
Personnel Costs	48,087,900	51,116,900	51,697,600	48,464,300	49,051,800
Operating Expenses	2,763,100	4,066,300	4,066,300	4,066,300	4,066,300
Construction	220,000	220,000	220,000	220,000	220,000
TOTAL EXPENDITURES	51,071,000	55,403,200	55,983,900	52,750,600	53,338,100
EXPENDITURES BY FUND SOURCE					
Restricted Funds	14,457,200	14,474,200	14,482,000	14,474,200	14,482,000
Road Fund	36,613,800	40,929,000	41,501,900	38,276,400	38,856,100
TOTAL EXPENDITURES	51,071,000	55,403,200	55,983,900	52,750,600	53,338,100

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	10,499,100	1,906,700	1,077,200	1,906,700	1,039,500
Current Receipts	68,410,200	68,410,200	68,410,200	68,410,200	68,410,200
Total Restricted Funds	78,909,300	70,316,900	69,487,400	70,316,900	69,449,700
TOTAL SOURCE OF FUNDS	78,909,300	70,316,900	69,487,400	70,316,900	69,449,700
EXPENDITURES BY CLASS					
Personnel Costs	19,449,300	17,843,300	18,090,100	17,881,000	18,052,400
Operating Expenses	19,519,700	20,361,700	20,362,600	20,361,700	20,362,600
Grants Loans Benefits		5,000	5,000	5,000	5,000
Construction	38,033,600	31,029,700	31,029,700	31,029,700	31,029,700
TOTAL EXPENDITURES	77,002,600	69,239,700	69,487,400	69,277,400	69,449,700
EXPENDITURES BY FUND SOURCE					
Restricted Funds	77,002,600	69,239,700	69,487,400	69,277,400	69,449,700
TOTAL EXPENDITURES	77,002,600	69,239,700	69,487,400	69,277,400	69,449,700

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**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	114,200	107,200	100,200	107,200	100,200
Total Restricted Funds	114,200	107,200	100,200	107,200	100,200
Federal Fund					
Current Receipts	10,215,800	5,588,900	5,588,900	5,588,900	5,588,900
Total Federal Fund	10,215,800	5,588,900	5,588,900	5,588,900	5,588,900
Road Fund					
Regular Appropriation	5,869,600	7,792,100	7,882,900	6,079,900	6,153,100
Total Road Fund	5,869,600	7,792,100	7,882,900	6,079,900	6,153,100
TOTAL SOURCE OF FUNDS	16,199,600	13,488,200	13,572,000	11,776,000	11,842,200
EXPENDITURES BY CLASS					
Personnel Costs	6,824,100	8,200,900	8,298,800	6,488,700	6,569,000
Operating Expenses	1,457,800	1,744,500	1,744,500	1,744,500	1,744,500
Grants Loans Benefits	7,810,500	3,442,600	3,435,500	3,442,600	3,435,500
TOTAL EXPENDITURES	16,092,400	13,388,000	13,478,800	11,675,800	11,749,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	7,000	7,000	7,000	7,000	7,000
Federal Fund	10,215,800	5,588,900	5,588,900	5,588,900	5,588,900
Road Fund	5,869,600	7,792,100	7,882,900	6,079,900	6,153,100
TOTAL EXPENDITURES	16,092,400	13,388,000	13,478,800	11,675,800	11,749,000

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

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,589,000	14,811,300	15,422,600	12,289,000	13,989,000
Continuing Approp-General Fund	251,100				
Total General Fund	5,840,100	14,811,300	15,422,600	12,289,000	13,989,000
Restricted Funds					
Current Receipts	660,000	589,900	603,100	589,900	603,100
Non-Revenue Receipts				1,500,000	
Total Restricted Funds	660,000	589,900	603,100	2,089,900	603,100
Federal Fund					
Balance Forward	1,071,000				
Current Receipts	50,725,300	35,942,300	39,705,900	25,799,400	25,809,100
Total Federal Fund	51,796,300	35,942,300	39,705,900	25,799,400	25,809,100
TOTAL SOURCE OF FUNDS	58,296,400	51,343,500	55,731,600	40,178,300	40,401,200
EXPENDITURES BY CLASS					
Personnel Costs	2,431,100	2,525,700	2,551,500	1,802,900	1,825,700
Operating Expenses	121,300	115,200	115,200	115,200	115,200
Grants Loans Benefits	55,744,000	48,702,600	53,064,900	38,260,200	38,460,300
TOTAL EXPENDITURES	58,296,400	51,343,500	55,731,600	40,178,300	40,401,200
EXPENDITURES BY FUND SOURCE					
General Fund	5,840,100	14,811,300	15,422,600	12,289,000	13,989,000
Restricted Funds	660,000	589,900	603,100	2,089,900	603,100
Federal Fund	51,796,300	35,942,300	39,705,900	25,799,400	25,809,100
TOTAL EXPENDITURES	58,296,400	51,343,500	55,731,600	40,178,300	40,401,200
EXPENDITURES BY UNIT					
Public Transportation	57,338,200	50,323,000	54,697,900	39,190,200	39,399,900
Multi-Modal Transportation	398,200	430,600	430,600	398,200	398,200
Human Services Delivery	560,000	589,900	603,100	589,900	603,100
TOTAL EXPENDITURES	58,296,400	51,343,500	55,731,600	40,178,300	40,401,200

The Public Transportation appropriation unit is comprised of three programs: Public Transportation, Multi-Modal, and Human Services Transportation Delivery. The Public Transportation program offers technical and financial assistance to public transportation providers and the metropolitan planning organizations throughout the state through the following federal programs: Sections 5303, 5307, 5309, 5310, 5311, 5316, and 5317. Federal Funds, combined with General Fund and local matching funds, allow public transit authorities to acquire buses and vans.

Also included in the Public Transportation program is funding for Non-public School Transportation, a program that provides grants to non-public schools so that they may offer bus service to their students.

The Multi-Modal program partners with the 15 area development districts with respect to regional and statewide transportation planning processes. This partnership generates public involvement with respect to identifying and prioritizing needs and assists in the project recommendation process, including the coordination of the Statewide Transportation Plan, the State Transportation Improvement program, and the Six-Year Highway Plan.

The Human Service Transportation Delivery program is a partnership between the Transportation Cabinet, the Medicaid program, the Office for Vocational Rehabilitation, and the Office for the Blind. This partnership provides non-emergency medical transportation, jobs access transportation, and transportation to day care facilities. The program also partners with the Veterans' Program Trust Fund to provide transportation services for veterans.

Policy

The Executive Budget includes additional General Fund in the amount of \$6,700,000 in fiscal year 2021 and \$8,400,000 in fiscal year 2022 to match Federal grants from the Federal Transit Administration. In recent history, the state has used Toll Credits to match these grants, Toll Credits are no longer available for this purpose. Grant funds are used to purchase public transit vehicles/buses, bus cameras, other capital equipment, and build/renovate transit facilities. The elderly, low income, and persons with disabilities are populations that would be most affected by a loss of federal funding.

The Executive Budget includes additional restricted funds in the amount of \$1,500,000 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.

**Transportation
Revenue Sharing**

SOURCE OF FUNDS	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
Road Fund					
Regular Appropriation	337,318,200	348,546,000	349,008,900	348,530,600	350,577,700
Other	9,046,100				
Total Road Fund	346,364,300	348,546,000	349,008,900	348,530,600	350,577,700
TOTAL SOURCE OF FUNDS	346,364,300	348,546,000	349,008,900	348,530,600	350,577,700
EXPENDITURES BY CLASS					
Personnel Costs	2,017,300	2,321,900	2,353,200	4,651,400	4,665,300
Operating Expenses	9,752,600	9,406,500	9,402,400	9,406,500	9,402,400
Grants Loans Benefits	186,041,100	187,106,300	187,342,900	187,184,300	188,278,900
Construction	148,553,300	149,711,300	149,910,400	147,288,400	148,231,100
TOTAL EXPENDITURES	346,364,300	348,546,000	349,008,900	348,530,600	350,577,700
EXPENDITURES BY FUND SOURCE					
Road Fund	346,364,300	348,546,000	349,008,900	348,530,600	350,577,700
TOTAL EXPENDITURES	346,364,300	348,546,000	349,008,900	348,530,600	350,577,700
EXPENDITURES BY UNIT					
County Road Aid	130,854,200	131,604,000	131,770,500	131,658,900	132,429,300
Rural Secondary	158,741,100	159,650,800	159,852,800	159,717,400	160,652,000
Municipal Aid	55,058,900	55,374,300	55,444,400	55,397,400	55,721,600
Energy Recovery	328,500	334,000	338,000	334,000	338,000
Rural and Municipal Aid	1,381,600	1,582,900	1,603,200	1,422,900	1,436,800
TOTAL EXPENDITURES	346,364,300	348,546,000	349,008,900	348,530,600	350,577,700

There are five components of the Revenue Sharing program: the County Road Aid program, authorized by KRS 179.410 - 179.440; the Rural Secondary Aid program, authorized by KRS 177.320; the Municipal Road Aid program, authorized by KRS 177.365 – 177.366; the Energy Recovery Road program, authorized by KRS 177.977-177.978; and other Special Programs.

The County Road Aid, Rural Secondary Aid, and Municipal Aid programs receive a portion of the state's motor fuels tax collections. The County Road Aid program receives 18.3 percent of motor fuels tax collections which is distributed to counties for the construction, reconstruction and maintenance of county roads and bridges. The Rural Secondary Aid program receives 22.2 percent of motor fuels tax collections, and funds are used to repair and maintain rural and secondary roads. Funds for both programs are allocated through a formula known as the "formula of fifths," as stated in KRS 177.360. Each county receives a portion of the statewide total as follows: one fifth is divided evenly among all counties, one fifth is divided proportionately based on the amount of rural population in each county, one fifth is distributed on the basis of rural road mileage in each county, and two fifths is apportioned according to each county's share of the total land area in the state.

The Municipal Road Aid program is funded by 7.7 percent of motor fuels tax collections. Distribution is made through a formula based upon the population contained in each city or unincorporated urban area.

Pursuant to KRS 183.220(3), two and one-tenth cents (\$0.021) of the tax collected under the motor fuel tax are excluded from the calculations of revenue sharing distributions as prescribed in KRS 177.320(1) (the Rural Secondary program), KRS 177.320(2) (the County Road Aid program), and KRS 177.365 (the Municipal Road Aid program).

Forty percent of the revenues collected from extended vehicle weight fees support the Energy Recovery Road System. Funds are distributed to the counties for the county-maintained portion of that system. The fund distribution is based on (1) the ratio of miles of roads in each county within this system to the total system miles, and (2) the ratio of the total tons of coal transported over the roads in each county to the total tons reported for the entire state. The Transportation Cabinet has the authority to expend the remaining 60 percent on the roads in the system.

The Special Programs budget unit includes the Commissioner's Office, the Office of Local Programs, the Kentucky Bicycle and Bikeway Commission, and the Bicycle and Pedestrian Program.

Policy

The Motor Fuels revenue estimate for the fiscal biennium 2020-2022, upon which the Road Fund appropriations in the Revenue Sharing program are based, is \$782,655,000 in fiscal year 2020-2021 and \$786,865,000 for fiscal year 2021-2022.

**Transportation
Vehicle Regulation**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	11,204,600	7,547,700	12,082,200	7,547,700	7,667,200
Current Receipts	19,571,500	19,303,700	19,318,500	19,307,900	19,331,800
Non-Revenue Receipts	-56,400	-55,000	-55,000	-55,000	-55,000
Fund Transfers	-6,000,000			-4,400,000	-6,828,800
Total Restricted Funds	24,719,700	26,796,400	31,345,700	22,400,600	20,115,200
Federal Fund					
Current Receipts	3,133,900	2,640,100	3,127,100	2,640,100	3,127,100
Total Federal Fund	3,133,900	2,640,100	3,127,100	2,640,100	3,127,100
Road Fund					
Regular Appropriation	27,323,400	45,055,800	46,013,700	43,774,600	43,936,000
Current Year Appropriation	4,265,500				
Total Road Fund	31,588,900	45,055,800	46,013,700	43,774,600	43,936,000
TOTAL SOURCE OF FUNDS	59,442,500	74,492,300	80,486,500	68,815,300	67,178,300
EXPENDITURES BY CLASS					
Personnel Costs	26,141,300	38,444,800	38,753,500	36,482,100	36,696,300
Operating Expenses	19,285,800	18,815,300	18,828,400	19,516,000	18,828,400
Grants Loans Benefits	4,863,700	4,350,000	4,350,000	4,350,000	4,350,000
Debt Service		800,000	1,600,000	800,000	1,600,000
TOTAL EXPENDITURES	50,290,800	62,410,100	63,531,900	61,148,100	61,474,700
EXPENDITURES BY FUND SOURCE					
Restricted Funds	17,172,000	14,714,200	14,391,100	14,733,400	14,411,600
Federal Fund	3,133,900	2,640,100	3,127,100	2,640,100	3,127,100
Road Fund	29,984,900	45,055,800	46,013,700	43,774,600	43,936,000
TOTAL EXPENDITURES	50,290,800	62,410,100	63,531,900	61,148,100	61,474,700
EXPENDITURES BY UNIT					
Commissioner	1,309,700	1,675,900	1,700,700	1,373,400	1,396,800
Drivers Licensing	17,280,800	29,905,700	30,750,200	30,550,800	30,556,000
Motor Carriers	8,907,700	8,880,300	9,435,400	8,095,000	8,695,800
Motor Vehicle Licensing	20,409,400	19,115,700	18,795,800	18,802,900	18,484,900
Customer Service	1,233,800	1,780,100	1,793,300	1,273,600	1,284,700
Motor Vehicle Commission	1,149,400	1,052,400	1,056,500	1,052,400	1,056,500
TOTAL EXPENDITURES	50,290,800	62,410,100	63,531,900	61,148,100	61,474,700

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 Executive Budget includes an additional Road Fund appropriation in the amount of \$140,700 in fiscal year 2019-2020, \$402,100 in fiscal year 2020-2021, and \$403,600 in fiscal year 2021-2022 for the ignition interlock program. The 2015 General Assembly created the Ignition Interlock License program for drunk driving offenders as outlined in Senate Bill 133. 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 Executive Budget includes an additional Road Fund appropriation in the amount of \$4,124,800 in fiscal 2019-2020, \$15,434,800 in fiscal 2020-2021, and \$15,381,900 in fiscal 2021-2022. HB 410 of the 2017 Regular Session brought Kentucky's motor vehicle driver licensing and personal identification card issuance procedures into compliance with the security standards set out in the federal Real ID Act. Travelers will be required to provide a REAL ID or another TSA approved identification in order to fly or enter a federal building after October 1, 2020. The Circuit Court Clerks will no longer be participating in the roll out of REAL ID's. In order for Kentuckians to be able to obtain a REAL ID, the Transportation Cabinet has taken over the roll out of the issuance of Real ID's.

Statewide

**Statewide
Budget Reserve Trust Fund**

	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	195,064,500			10,000,000	
Special Appropriation	-3,181,500				
Continuing Approp-General Fund	129,077,800	266,090,783	266,090,783	306,090,800	316,090,800
Other	-14,870,000				
Total General Fund	306,090,800	266,090,783	266,090,783	316,090,800	316,090,800
TOTAL SOURCE OF FUNDS	306,090,800	266,090,783	266,090,783	316,090,800	316,090,800
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. In six of the last thirteen years, the General Assembly has drawn down \$182.5 million from the Budget Reserve Trust Fund for routine appropriations during the budget development process. 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.

To protect and preserve the current low balance of the Budget Reserve Trust Fund, the Executive Budget recommends an appropriation of \$10 million, bringing the balance up to \$316.1 million.

To further protect and preserve the Budget Reserve Trust Fund, the Governor’s budget recommendation also 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.