

Tourism, Arts and Heritage

Tourism, Arts and Heritage

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	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		Transportation		
	Revised FY 2020	Requested FY 2021	Requested FY 2022	Recommended FY 2021	Recommended FY 2022
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 KRS 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.