

1 AN ACT relating to appropriations measures providing funding and establishing
2 conditions for the operations, maintenance, support, and functioning of the government of
3 the Commonwealth of Kentucky and its various officers, cabinets, departments, boards,
4 commissions, institutions, subdivisions, agencies, and other state-supported activities.

5 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

6 ➔Section 1. The State/Executive Branch Budget is as follows:

7 **PART I**

8 **OPERATING BUDGET**

9 **(1) Funds Appropriations:** There is appropriated out of the General Fund, Road
10 Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for the
11 fiscal year beginning July 1, 2017, and ending June 30, 2018, for the fiscal year beginning
12 July 1, 2018, and ending June 30, 2019, and for the fiscal year beginning July 1, 2019,
13 and ending June 30, 2020, the following discrete sums, or so much thereof as may be
14 necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each
15 appropriation is made by source of respective fund or funds accounts. Appropriations for
16 the following officers, cabinets, departments, boards, commissions, institutions,
17 subdivisions, agencies, and budget units of the state government, and any and all other
18 activities of the government of the Commonwealth, are subject to the provisions of
19 Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the
20 conditions and procedures set forth in this Act.

21 **(2) Tobacco Settlement Funds:** Appropriations identified as General Fund
22 (Tobacco) in Part I, Operating Budget, of this Act are representative of the amounts
23 provided in Part X, Phase I Tobacco Settlement, of this Act and are not to be appropriated
24 in duplication.

25 **A. GENERAL GOVERNMENT**

26 **Budget Units**

27 **1. OFFICE OF THE GOVERNOR**

1		2018-19	2019-20
2	General Fund (Tobacco)	2,050,000	2,050,000
3	General Fund	6,170,900	6,258,000
4	Restricted Funds	659,500	659,500
5	Federal Funds	262,000	175,000
6	TOTAL	9,142,400	9,142,500

7 **(1) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
8 appropriation is \$2,050,000 in each fiscal year for the Early Childhood Advisory Council.

9 **2. OFFICE OF STATE BUDGET DIRECTOR**

10		2018-19	2019-20
11	General Fund	3,486,400	3,533,700
12	Restricted Funds	347,900	383,600
13	TOTAL	3,834,300	3,917,300

14 **(1) State Planning Fund:** Notwithstanding KRS 147.110, no General Fund is
15 provided for the State Planning Fund in the Office of State Budget Director.

16 **3. HOMELAND SECURITY**

17		2018-19	2019-20
18	General Fund	251,900	255,200
19	Restricted Funds	1,352,000	1,361,800
20	Federal Funds	4,085,100	4,096,200
21	Road Fund	307,900	312,000
22	TOTAL	5,996,900	6,025,200

23 **4. DEPARTMENT OF VETERANS' AFFAIRS**

24		2018-19	2019-20
25	General Fund	25,098,600	25,810,200
26	Restricted Funds	78,959,900	78,964,500
27	TOTAL	104,058,500	104,774,700

1 **(1) Weekend and Holiday Premium Pay Incentive:** The Kentucky Veterans'
2 Centers are authorized to continue the weekend and holiday premium pay incentive for
3 the 2018-2020 fiscal biennium.

4 **(2) Congressional Medal of Honor Recipients - Travel and Per Diem:** The
5 Commissioner of the Department of Veterans' Affairs may approve travel and per diem
6 expenses incurred when Kentucky residents who have been awarded the Congressional
7 Medal of Honor attend veterans, military, or memorial events in the Commonwealth of
8 Kentucky.

9 **(3) Brain Injury Alliance of Kentucky and the Epilepsy Foundation of**
10 **Kentuckiana Funding:** Included in the above General Fund appropriation is \$93,700 in
11 each fiscal year for grants to the Brain Injury Alliance of Kentucky and \$93,700 in each
12 fiscal year for grants to the Epilepsy Foundation of Kentuckiana to be used solely for the
13 purpose of working with veterans who have experienced brain trauma and their families.

14 **(4) Veterans' Service Organization Funding:** Included in the above General
15 Fund appropriation is \$187,500 in each fiscal year for grants to Veterans' Service
16 Organization programs.

17 **(5) Debt Service - Bowling Green Veterans' Center:** If any debt service is
18 required for the issuance of bonds for the Construct Bowling Green Veterans' Center
19 capital project reauthorized in Part II, Capital Projects Budget, of this Act, it shall be
20 deemed a necessary government expense and shall be paid from the General Fund
21 Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS
22 48.705). No bonds shall be sold for this project until it has been approved by the United
23 States Department of Veterans Affairs and the Commonwealth has been notified by the
24 United States Department of Veterans Affairs that Federal Funds are available to support
25 this construction.

26 **(6) State Veterans Nursing Home:** It is the desire of the General Assembly that
27 any future beds allocated from the United States Department of Veterans Affairs or

1 reallocated from the Kentucky Department of Veterans' Affairs be dedicated to a state
2 veterans nursing home in Magoffin County to serve that area.

3 **5. GOVERNOR'S OFFICE OF AGRICULTURAL POLICY**

4		2018-19	2019-20
5	General Fund (Tobacco)	40,553,300	38,379,300
6	Restricted Funds	100,000	100,000
7	TOTAL	40,653,300	38,479,300

8 **(1) Tobacco Settlement Funds - Allocations:** Notwithstanding KRS 248.711(2),
9 and from the allocation provided therein, counties that are allocated in excess of \$20,000
10 annually may provide up to four percent of the individual county allocation, not to exceed
11 \$15,000 annually, to the county council in that county for administrative costs.

12 **(2) Counties Account:** Notwithstanding KRS 248.703(1), included in the above
13 General Fund (Tobacco) appropriation is \$16,869,000 in fiscal year 2018-2019 and
14 \$15,841,300 in fiscal year 2019-2020 for the counties account as specified in KRS
15 248.703(1)(a).

16 **6. KENTUCKY INFRASTRUCTURE AUTHORITY**

17		2018-19	2019-20
18	General Fund	1,398,800	1,914,800
19	Restricted Funds	46,560,800	51,668,900
20	Federal Funds	29,381,900	29,381,900
21	TOTAL	77,341,500	82,965,600

22 **(1) Debt Service:** Included in the above General Fund appropriation is \$258,000
23 in fiscal year 2018-2019 and \$774,000 in fiscal year 2019-2020 for new debt service to
24 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

25 **7. MILITARY AFFAIRS**

26		2018-19	2019-20
27	General Fund	15,036,400	15,256,400

1	Restricted Funds	38,405,600	38,642,500
2	Federal Funds	46,015,700	46,329,900
3	TOTAL	99,457,700	100,228,800

4 **(1) Kentucky National Guard:** Included in the above General Fund
5 appropriation is \$4,500,000 in each fiscal year to be expended, subject to the conditions
6 and procedures provided in this Act, which are required as a result of the Governor's
7 declaration of emergency pursuant to KRS Chapter 39A, and the Governor's call of the
8 Kentucky National Guard to active duty when an emergency or exigent situation has been
9 declared to exist by the Governor. Any portion of the \$4,500,000 not expended shall lapse
10 to the General Fund at the end of each fiscal year. In the event that costs for Governor-
11 declared emergencies or the Governor's call of the Kentucky National Guard for
12 emergencies or exigent situations exceed \$4,500,000 annually, the costs shall be deemed
13 necessary government expenses and shall be paid from the General Fund Surplus Account
14 (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

15 **(2) Disaster or Emergency Aid Funds:** There is appropriated from the General
16 Fund the necessary funds, subject to the conditions and procedures in this Act, which are
17 required to match federal aid for which the state would be eligible in the event of a
18 presidentially declared disaster or emergency. These necessary funds shall be made
19 available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve
20 Trust Fund Account (KRS 48.705).

21 **(3) Debt Service:** Included in the above General Fund appropriation is \$11,000 in
22 fiscal year 2018-2019 and \$101,000 in fiscal year 2019-2020 for new debt service to
23 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

24 **(4) Residential Youth-at-Risk Program:** Included in the above General Fund
25 appropriation is \$335,000 in each fiscal year to support the Bluegrass Challenge Academy
26 and \$335,000 in each fiscal year to support the Appalachian Youth Challenge Academy.

27 **8. COMMISSION ON HUMAN RIGHTS**

1		2018-19	2019-20
2	General Fund	1,348,900	1,479,700
3	Restricted Funds	10,000	10,000
4	Federal Funds	245,000	245,000
5	TOTAL	1,603,900	1,734,700

6 **9. COMMISSION ON WOMEN**

7		2018-19	2019-20
8	(1) Commission on Women: Notwithstanding KRS 12.020, 12.023, 14.260,		
9	15A.190, 214.554, and 344.510 to 344.530, no General Fund is provided for the		
10	Commission on Women.		

11 **10. DEPARTMENT FOR LOCAL GOVERNMENT**

12		2018-19	2019-20
13	General Fund	9,207,400	9,326,700
14	Restricted Funds	888,200	888,700
15	Federal Funds	29,711,300	29,727,500
16	TOTAL	39,806,900	39,942,900

17 **(1) Area Development District Funding:** Included in the above General Fund
18 appropriation is \$1,984,000 in each fiscal year for the Joint Funding Administration
19 Program in support of the Area Development Districts.

20 **(2) Mary Kendall Homes and Gateway Juvenile Diversion:** Included in the
21 above General Fund appropriation is \$257,800 in each fiscal year for the support of the
22 Mary Kendall Homes and \$257,800 in each fiscal year for the support of Gateway
23 Juvenile Diversion.

24 **(3) Allocation of Area Development District Funding:** The Department for
25 Local Government shall allocate Area Development District Funding appropriated to the
26 Joint Funding Administration Program to the Area Development Districts in accordance
27 with the following formula:

1 (a) 70 percent of the total appropriation shall be allocated equally among all Area
2 Development Districts;

3 (b) 20 percent of the total appropriation shall be allocated based upon each area
4 development district's proportionate share of total state population, as identified by the
5 2010 United States Census; and

6 (c) Ten percent of the total appropriation shall be allocated based upon each area
7 development district's proportionate share of total incorporated cities and counties, as
8 identified by the records of the Kentucky Secretary of State's Land Office at the time of
9 the allocation.

10 The Department for Local Government shall, upon the unanimous written direction
11 of all Area Development Districts, reduce the allocation based upon proportionate share
12 of total incorporated cities and counties and instead allocate those funds to provide
13 additional nonfederal dollars to Area Development Districts for the purpose of
14 maximizing federal awards.

15 **11. LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND**

	2018-19	2019-20
16 General Fund	4,112,600	4,679,200

17
18 **(1) Debt Service:** Appropriations to the Local Government Economic Assistance
19 Fund are reduced by 75 percent of the debt service necessary to support bonds authorized
20 in 2003 Ky. Acts ch. 156, 2005 Ky. Acts ch. 173, 2006 Ky. Acts ch. 252, 2008 Ky. Acts
21 ch. 127, and 2010 (1st Extra. Sess.) Ky. Acts ch. 1, in the amount of \$21,716,300 in fiscal
22 year 2018-2019 and \$20,592,500 in fiscal year 2019-2020.

23 **12. LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND**

	2018-19	2019-20
24 General Fund	14,008,200	22,500,000

25
26 **(1) Coal Severance Tax Collections Calculations and Transfers:** The above
27 appropriations from the General Fund are based on the official estimate presented by the

1 Office of State Budget Director.

2 (a) Notwithstanding KRS 42.450 to 42.495, coal severance tax collections during
3 the 2018-2020 fiscal biennium shall first be allocated to the following programs or
4 purposes on a quarterly basis:

5 1. Kentucky Infrastructure Authority: An annual appropriation of \$370,000 in
6 each fiscal year is appropriated as General Fund moneys to the Kentucky Infrastructure
7 Authority budget unit for Local Government Economic Development Fund project
8 administration costs;

9 2. Department for Local Government: An annual appropriation of \$669,700 in
10 each fiscal year is appropriated as General Fund moneys to the Department for Local
11 Government budget unit for Local Government Economic Development Fund project
12 administration costs;

13 3. Debt Service: An annual appropriation of 25 percent of the debt service
14 necessary to support bonds authorized in 2003 Ky. Acts ch. 156, 2005 Ky. Acts ch. 173,
15 2006 Ky. Acts ch. 252, 2008 Ky. Acts ch. 127, and 2010 (1st Extra. Sess.) Ky. Acts ch. 1,
16 in the amount of \$7,238,800 in fiscal year 2018-2019 and \$6,864,200 in fiscal year 2019-
17 2020 is appropriated for that purpose;

18 4. Osteopathic Medicine Scholarship Program: Notwithstanding KRS
19 164.7891(11)(b), no transfers shall be made to the Osteopathic Medicine Scholarship
20 Program within the Kentucky Higher Education Assistance Authority; and

21 5. Pharmacy Scholarships: Notwithstanding KRS 164.7890(11)(c), no transfers
22 shall be made to the Coal County Pharmacy Scholarship Program within the Kentucky
23 Higher Education Assistance Authority.

24 (b) Notwithstanding KRS 42.450 to 42.495, an amount equal to 15 percent in
25 each fiscal year of the remaining severance and processing taxes on coal collected
26 annually shall be transferred from the General Fund to the Local Government Economic
27 Assistance Fund on a quarterly basis.

1 (c) Notwithstanding KRS 42.450 to 42.495, an amount equal to \$22,500,000 in
2 each fiscal year of the severance and processing taxes on coal collected annually shall be
3 transferred from the General Fund to the Local Government Economic Development
4 Fund on a quarterly basis.

5 **(2) Use of Local Government Economic Development Fund:** Notwithstanding
6 KRS 42.450 to 42.495, transfers made to the Local Government Economic Development
7 Fund shall be used for the following purposes:

8 (a) In each fiscal year, an amount equal to \$7,500,000 shall be transferred, on a
9 quarterly basis, to the Kentucky Coal Fields Endowment Authority;

10 (b) In fiscal year 2018-2019, an amount equal to \$8,491,800 shall be transferred
11 in the first quarterly allocation to the Department of Education for purposes specified in
12 Part I, C., 1., (20) of this Act; and

13 (c) In each fiscal year, all remaining transfers to the Local Government Economic
14 Development Fund shall be transferred to the Local Government Economic Development
15 Fund Single-County Accounts.

16 **(3) Allocation to Projects:** Notwithstanding KRS 42.450 to 42.495, transfers
17 made during the 2018-2020 fiscal biennium to the Local Government Economic
18 Development Fund Single-County Accounts shall be allocated to projects with the
19 concurrence of the respective county judge/executive, state senator(s), and state
20 representative(s) of each county to support nonrecurring investments in public health and
21 safety, economic development, public infrastructure, information technology
22 development and access, and public water and wastewater development. In the event
23 concurrence is not achieved, the fiscal court of each county may apply for grants through
24 the Department for Local Government pursuant to KRS 42.4588.

25 **(4) Project Priority:** It is the intent of the General Assembly that Local
26 Government Economic Development Fund Single-County Account funds shall be used
27 first to satisfy nonfederal matching requirements for the purpose of maximizing federal

awards for projects to support nonrecurring investments in public health and safety, economic development, public infrastructure, information technology development and access, and public water and wastewater development.

13. AREA DEVELOPMENT FUND

	2018-19	2019-20
(1) Area Development Fund: Notwithstanding KRS 42.345 to 42.370, and 48.185, or any statute to the contrary, no funding is provided for the Area Development Fund.		

(2) Area Development District Flexibility: Notwithstanding KRS 42.350(2) and provided that sufficient funds are maintained in the Joint Funding Agreement program to meet the match requirements for the Economic Development Administration grants, Community Development Block Grants, Appalachian Regional Commission grants, or any federal program where the Joint Funding Agreement funds are utilized to meet nonfederal match requirements, an area development district with authorization from its Board of Directors may request approval to transfer funding between the Area Development Fund and the Joint Funding Agreement program from the Commissioner of the Department for Local Government. Joint Funding Agreement grants from the Community Economic Development Block Grant Program and the Appalachian Regional Commission shall be matched on a dollar-for-dollar basis.

14. EXECUTIVE BRANCH ETHICS COMMISSION

	2018-19	2019-20
General Fund	548,900	555,700
Restricted Funds	335,000	335,000
TOTAL	883,900	890,700

(1) Use of Restricted Funds: All penalties collected or received by the Executive Branch Ethics Commission shall be deposited in the State Treasury and credited to a trust and agency fund account to the credit of the Commission to be used by the Commission

1 for the cost of conducting administrative hearings pursuant to KRS Chapter 13B.
 2 Notwithstanding KRS 45.229, these funds shall not lapse and shall carry forward.

3 **15. SECRETARY OF STATE**

4		2018-19	2019-20
5	General Fund	2,204,100	2,252,500
6	Restricted Funds	2,688,000	2,681,200
7	Federal Funds	221,400	221,400
8	TOTAL	5,113,500	5,155,100

9 **(1) Use of Restricted Funds:** Notwithstanding KRS 14.140(1) and (3), the above
 10 Restricted Funds may be used for the continuation of current activities within the Office
 11 of the Secretary of State.

12 **16. BOARD OF ELECTIONS**

13		2018-19	2019-20
14	General Fund	4,216,200	4,231,100
15	Restricted Funds	246,000	246,000
16	Federal Funds	4,045,000	2,926,200
17	TOTAL	8,507,200	7,403,300

18 **(1) Cost of Elections:** (a) Notwithstanding KRS 116.145, the State Board of
 19 Elections shall set a rate for the fee for new voter registration paid to the county clerks
 20 within the available appropriated resources. The State Board of Elections shall also set a
 21 fixed rate for the expenses outlined in KRS 117.343 within the available appropriated
 22 resources. Notwithstanding KRS 117.345(2), the State Board of Elections shall set a rate
 23 for the expenses outlined in KRS 117.345(2) for precincts with a voting machine within
 24 the available appropriated resources, not to exceed \$300 per precinct per election. These
 25 rates and all assumptions as to the number of precincts, registered voters, and new voter
 26 registrations shall be communicated to the Secretary of the Finance and Administration
 27 Cabinet and the State Budget Director by November 1, 2018, for fiscal year 2018-2019

1 and by November 1, 2019, for fiscal year 2019-2020.

2 (b) Costs associated with special elections, KRS 117.345(2) costs associated with
 3 additional precincts with a voting machine, KRS 117.343 costs for additional registered
 4 voters, and KRS 116.145 costs for additional new registered voters shall be deemed a
 5 necessary government expense and shall be paid from the General Fund Surplus Account
 6 (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705). Any
 7 reimbursements authorized as a necessary government expense according to the above
 8 provisions shall be at the same rates as those established by the State Board of Elections
 9 as provided in paragraph (a) of this subsection.

10 **17. REGISTRY OF ELECTION FINANCE**

11		2018-19	2019-20
12	General Fund	1,448,100	1,466,500

13 **18. ATTORNEY GENERAL**

14		2018-19	2019-20
15	General Fund	12,081,100	12,239,600
16	Restricted Funds	18,781,200	18,815,100
17	Federal Funds	5,707,900	5,393,400
18	TOTAL	36,570,200	36,448,100

19 **(1) Expert Witnesses:** In addition to such funds as may be appropriated, the
 20 Office of the Attorney General may request from the Finance and Administration Cabinet,
 21 as a necessary government expense, such funds as may be necessary for expert witnesses.
 22 Upon justification of the request, the Finance and Administration Cabinet shall provide
 23 up to \$275,000 for the 2018-2020 fiscal biennium for this purpose to the Office of the
 24 Attorney General from the General Fund Surplus Account (KRS 48.700) or the Budget
 25 Reserve Trust Fund Account (KRS 48.705). Without charge, the Department of Insurance
 26 shall provide the Office of the Attorney General any available information to assist in the
 27 preparation of a rate hearing pursuant to KRS 304.17A-095. Expenditures under this

1 subsection shall be reported to the Interim Joint Committee on Appropriations and
2 Revenue by August 1 of each year.

3 **(2) Annual and Sick Leave Service Credit:** Notwithstanding any statutory or
4 regulatory restrictions to the contrary, any former employee of the Unified Prosecutorial
5 System who has been appointed to a permanent full-time position under KRS Chapter
6 18A shall be credited annual and sick leave based on service credited under the Kentucky
7 Retirement Systems solely for the purpose of computation of sick and annual leave. This
8 provision shall only apply to any new appointment or current employee as of July 1,
9 1998.

10 **(3) Compensatory Leave Conversion to Sick Leave:** If the Office of the
11 Attorney General determines that internal budgetary pressures warrant further austerity
12 measures, the Attorney General may institute a policy to suspend payment of 50-hour
13 blocks of compensatory time for those attorneys who have accumulated 240 hours of
14 compensatory time and instead convert those hours to sick leave.

15 **(4) Operations of the Office of the Attorney General:** Notwithstanding KRS
16 367.478(2), 367.805(3), and 367.905(5), funds may be expended in support of the
17 operations of the Office of the Attorney General.

18 **(5) Contingency Fee Contracts:** The Office of the Attorney General may
19 contract with outside law firms on a contingency fee basis, subject to the provisions of
20 KRS 45A.690 to 45A.725.

21 **(6) Legal Services Contracts:** The Office of the Attorney General may present
22 proposals to state agencies specifying legal work that is presently accomplished through
23 personal service contracts that indicate the Office of the Attorney General's capacity to
24 perform the work at a lesser cost. State agencies may agree to make arrangements with
25 the Office of the Attorney General to perform the legal work and compensate the Office
26 of the Attorney General for the legal services.

27 **(7) Purdue Pharma Settlement Funds:** In each fiscal year of the biennium, the

Attorney General, after payment of attorney's fees and expenses, shall transfer \$1,500,000 of the settlement funds resulting from the suit against Purdue Pharma, et al. to Justice Administration for the Operation UNITE Program.

19. UNIFIED PROSECUTORIAL SYSTEM

(1) Prosecutors Advisory Council Administrative Functions: The Prosecutors Advisory Council shall approve compensation for employees of the Unified Prosecutorial System subject to the appropriations in this Act.

a. Commonwealth's Attorneys

	2018-19	2019-20
General Fund	59,068,600	59,913,100
Restricted Funds	2,469,600	2,032,900
Federal Funds	40,300	40,300
TOTAL	61,578,500	61,986,300

(1) Additional Prosecutors: Included in the above General Fund appropriation is \$1,529,300 in fiscal year 2018-2019 and \$1,600,200 in fiscal year 2019-2020 to be used for the sole purpose of hiring additional prosecutors.

b. County Attorneys

	2018-19	2019-20
General Fund	52,421,800	53,213,600
Restricted Funds	782,200	642,700
Federal Funds	993,800	1,003,700
TOTAL	54,197,800	54,860,000

(1) Additional Prosecutors: Included in the above General Fund appropriation is \$2,168,800 in fiscal year 2018-2019 and \$2,270,700 in fiscal year 2019-2020 to be used for the sole purpose of hiring additional prosecutors.

TOTAL - UNIFIED PROSECUTORIAL SYSTEM

	2018-19	2019-20
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1	General Fund	111,490,400	113,126,700
2	Restricted Funds	3,251,800	2,675,600
3	Federal Funds	1,034,100	1,044,000
4	TOTAL	115,776,300	116,846,300

5 **20. TREASURY**

6		2018-19	2019-20
7	General Fund	2,225,600	2,261,200
8	Restricted Funds	1,928,300	1,848,600
9	Road Fund	250,000	250,000
10	TOTAL	4,403,900	4,359,800

11 **(1) Unclaimed Property Fund:** Included in the above Restricted Funds
 12 appropriation is \$1,793,600 in each fiscal year from the Unclaimed Property Fund to
 13 provide funding for services performed by the Unclaimed Property Division of the
 14 Department of the Treasury.

15 **21. AGRICULTURE**

16		2018-19	2019-20
17	General Fund (Tobacco)	600,000	600,000
18	General Fund	17,391,200	17,610,800
19	Restricted Funds	10,858,600	10,848,200
20	Federal Funds	7,068,400	7,068,400
21	TOTAL	35,918,200	36,127,400

22 **(1) Use of Restricted Funds:** Notwithstanding KRS 217.570 and 217B.580,
 23 funds may be expended in support of the operations of the Department of Agriculture.

24 **(2) Farms to Food Banks:** Included in the above General Fund (Tobacco)
 25 appropriation is \$600,000 in each fiscal year to support the Farms to Food Banks Program
 26 to benefit both Kentucky farmers and the needy by providing fresh, locally grown
 27 produce to food pantries.

(3) **Kentucky Grape and Wine Council:** Notwithstanding KRS 260.175(2), no General Fund is provided for the Kentucky Small Farm Wineries Support Fund for use by the Kentucky Grape and Wine Council.

22. AUDITOR OF PUBLIC ACCOUNTS

	2018-19	2019-20
General Fund	4,768,300	4,754,000
Restricted Funds	10,857,500	10,973,200
TOTAL	15,625,800	15,727,200

(1) **Auditor's Scholarships:** Notwithstanding KRS 43.200, no funding is provided for Auditor's scholarships.

(2) **Audit Services Contracts:** No state agency shall enter into any contract with a nongovernmental entity for audit services unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within 30 days of receipt of a written request for such services. The agency's request for audit services shall include a comprehensive statement of the scope and nature of the proposed audit.

(3) **Compensatory Leave Conversion to Sick Leave:** If the Auditor of Public Accounts determines that internal budgetary pressures warrant further austerity measures, the State Auditor may institute a policy to suspend payment of 50-hour blocks of compensatory time for those employees who have accumulated 240 hours of compensatory time and instead convert those hours to sick leave.

23. PERSONNEL BOARD

	2018-19	2019-20
Restricted Funds	1,009,800	1,018,500

24. KENTUCKY RETIREMENT SYSTEMS

	2018-19	2019-20
General Fund	525,844,900	492,213,300
Restricted Funds	47,307,300	47,702,500

1 TOTAL 573,152,200 539,915,800

2 **(1) State Police Retirement System Pension Fund:** Included in the above
 3 General Fund appropriation is \$100,000,000 in each fiscal year to be applied to the
 4 unfunded pension liability of the State Police Retirement System pension fund.

5 **(2) Kentucky Employees Retirement System Nonhazardous Pension Fund:**
 6 Included in the above General Fund appropriation is \$425,844,900 in fiscal year 2018-
 7 2019 and \$392,213,300 in fiscal year 2019-2020 to be applied to the unfunded pension
 8 liability of the Kentucky Employees Retirement System nonhazardous pension fund.

9 **25. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS**

10 **a. Accountancy**

	2018-19	2019-20
11		
12 Restricted Funds	649,500	655,500

13 **b. Certification of Alcohol and Drug Counselors**

	2018-19	2019-20
14		
15 Restricted Funds	150,200	150,200

16 **c. Applied Behavior Analysis Licensing**

	2018-19	2019-20
17		
18 Restricted Funds	30,600	30,600

19 **d. Architects**

	2018-19	2019-20
20		
21 Restricted Funds	547,300	552,400

22 **e. Certification for Professional Art Therapists**

	2018-19	2019-20
23		
24 Restricted Funds	11,200	11,200

25 **f. Barbering**

	2018-19	2019-20
26		
27 Restricted Funds	423,100	426,000

1	g. Chiropractic Examiners		
2		2018-19	2019-20
3	Restricted Funds	374,400	377,900
4	h. Dentistry		
5		2018-19	2019-20
6	Restricted Funds	1,011,100	1,017,500
7	i. Licensed Diabetes Educators		
8		2018-19	2019-20
9	Restricted Funds	26,800	26,800
10	j. Licensure and Certification for Dietitians and Nutritionists		
11		2018-19	2019-20
12	Restricted Funds	73,900	73,900
13	k. Embalmers and Funeral Directors		
14		2018-19	2019-20
15	Restricted Funds	483,500	488,600
16	l. Licensure for Professional Engineers and Land Surveyors		
17		2018-19	2019-20
18	Restricted Funds	1,578,100	1,594,500
19	m. Certification of Fee-Based Pastoral Counselors		
20		2018-19	2019-20
21	Restricted Funds	3,600	3,600
22	n. Registration for Professional Geologists		
23		2018-19	2019-20
24	Restricted Funds	95,000	95,000
25	o. Hairdressers and Cosmetologists		
26		2018-19	2019-20
27	Restricted Funds	1,719,300	1,733,700

1	p. Specialists in Hearing Instruments		
2		2018-19	2019-20
3	Restricted Funds	58,000	58,000
4	q. Interpreters for the Deaf and Hard of Hearing		
5		2018-19	2019-20
6	Restricted Funds	38,200	38,200
7	r. Examiners and Registration of Landscape Architects		
8		2018-19	2019-20
9	Restricted Funds	76,800	77,500
10	s. Licensure of Marriage and Family Therapists		
11		2018-19	2019-20
12	Restricted Funds	133,600	133,600
13	t. Licensure for Massage Therapy		
14		2018-19	2019-20
15	Restricted Funds	169,900	169,900
16	u. Medical Imaging and Radiation Therapy		
17		2018-19	2019-20
18	Restricted Funds	435,300	438,300
19	v. Medical Licensure		
20		2018-19	2019-20
21	Restricted Funds	3,407,900	3,426,800
22	w. Nursing		
23		2018-19	2019-20
24	Restricted Funds	8,266,800	8,355,200
25	x. Licensure for Nursing Home Administrators		
26		2018-19	2019-20
27	Restricted Funds	61,100	61,100

1	y. Licensure for Occupational Therapy		
2		2018-19	2019-20
3	Restricted Funds	191,600	191,600
4	z. Ophthalmic Dispensers		
5		2018-19	2019-20
6	Restricted Funds	68,200	68,200
7	aa. Optometric Examiners		
8		2018-19	2019-20
9	Restricted Funds	231,300	233,300
10	ab. Pharmacy		
11		2018-19	2019-20
12	Restricted Funds	2,437,400	2,465,300
13	ac. Physical Therapy		
14		2018-19	2019-20
15	Restricted Funds	647,000	652,700
16	ad. Podiatry		
17		2018-19	2019-20
18	Restricted Funds	40,000	40,000
19	ae. Private Investigators		
20		2018-19	2019-20
21	Restricted Funds	73,700	73,700
22	af. Licensed Professional Counselors		
23		2018-19	2019-20
24	Restricted Funds	260,800	260,800
25	ag. Prosthetics, Orthotics, and Pedorthics		
26		2018-19	2019-20
27	Restricted Funds	46,200	46,200

1	ah. Examiners of Psychology		
2		2018-19	2019-20
3	Restricted Funds	256,400	256,400
4	ai. Respiratory Care		
5		2018-19	2019-20
6	Restricted Funds	240,300	242,900
7	aj. Social Work		
8		2018-19	2019-20
9	Restricted Funds	421,000	425,300
10	ak. Speech-Language Pathology and Audiology		
11		2018-19	2019-20
12	Restricted Funds	172,900	172,900
13	al. Veterinary Examiners		
14		2018-19	2019-20
15	Restricted Funds	275,000	275,000
16	TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND		
17	COMMISSIONS		
18		2018-19	2019-20
19	Restricted Funds	25,187,000	25,400,300
20	26. KENTUCKY RIVER AUTHORITY		
21		2018-19	2019-20
22	General Fund	282,700	286,400
23	Restricted Funds	7,289,500	7,289,300
24	TOTAL	7,572,200	7,575,700
25	27. SCHOOL FACILITIES CONSTRUCTION COMMISSION		
26		2018-19	2019-20
27	General Fund	129,286,000	127,846,700

(1) **Debt Service:** Included in the above General Fund appropriation is \$1,117,000 in fiscal year 2018-2019 and \$4,654,100 in fiscal year 2019-2020 for new debt service to support bonds as set forth in Part II, Capital Projects Budget, of this Act.

(2) **Additional Offers of Assistance:** Notwithstanding KRS 157.611 to 157.665, the School Facilities Construction Commission is authorized to make an additional \$58,000,000 in offers of assistance during the 2018-2020 biennium in anticipation of debt service availability during the 2020-2022 biennium. No bonded indebtedness based on the above amount is to be incurred during the 2018-2020 biennium.

28. TEACHERS' RETIREMENT SYSTEM

	2018-19	2019-20
General Fund	252,634,100	237,079,600
Restricted Funds	13,949,200	13,989,000
TOTAL	266,583,300	251,068,600

(1) **Debt Service:** Included in the above General Fund appropriation is \$78,866,000 in fiscal year 2018-2019 and \$60,578,400 in fiscal year 2019-2020 for debt service on previously issued bonds.

(2) **Retiree Health Insurance:** Notwithstanding KRS 161.420, 161.550, and any other statute to the contrary, no General Fund appropriation is included to support the state's contribution for the cost of retiree health insurance. Notwithstanding KRS 161.675, the Teachers' Retirement System Board of Trustees shall provide health insurance supplement payments towards the cost of the single coverage insurance premium based on age and years of service credit of eligible recipients of a retirement allowance, the cost of which shall be paid from the Medical Insurance Fund. Notwithstanding KRS 161.675, the Teachers' Retirement System Board of Trustees shall authorize eligible recipients of a retirement allowance from the Teachers' Retirement System who are less than age 65 to be included in the state-sponsored health insurance plan that is provided to active teachers and state employees under KRS 18A.225.

Notwithstanding KRS 161.675(4)(a), the contribution paid by retirees who are less than age 65 who qualify for the maximum health insurance supplement payment for single coverage shall be no more than the sum of (a) the employee contribution paid by active teachers and state employees for a similar plan, and (b) the standard Medicare Part B premium as determined by the Centers for Medicare and Medicaid Services. Notwithstanding KRS 161.675(4)(a), the contribution paid by retirees who are less than age 65 who do not qualify for the maximum health insurance supplement payment for single coverage shall be determined by the same graduated formula used by the Teachers' Retirement System for Plan Year 2018.

(3) Dependent Subsidy for All Retirees under age 65: Pursuant to KRS 161.675(4), health insurance supplement payments made by the retirement system shall not exceed the amount of the single coverage insurance premium for Plan Year 2019 and Plan Year 2020.

29. APPROPRIATIONS NOT OTHERWISE CLASSIFIED

	2018-19	2019-20
General Fund	14,526,400	14,526,400

(1) Funding Sources for Appropriations Not Otherwise Classified: Funds required to pay the costs of items included within Appropriations Not Otherwise Classified are appropriated. Any required expenditure over the above amounts is to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any available balance in either the Judgments budget unit appropriation or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act.

The above appropriation is for the payment of Attorney General Expense, Kentucky Claims Commission Award, Guardian Ad Litem, Prior Year Claims, Unredeemed Checks Refunded, Involuntary Commitments - ICF/MR, Frankfort in Lieu of Taxes, Frankfort Cemetery, Police Officer, Firefighter, and National Guard and Reserve Survivor Benefits,

1 Medical Malpractice Liability Insurance Reimbursement, and Blanket Employee Bonds.

2 **(2) Repayment of Awards or Judgments:** Funds are appropriated from the
3 General Fund for the repayment of awards or judgments made by the Kentucky Claims
4 Commission against departments, boards, commissions, and other agencies funded with
5 appropriations out of the General Fund. However, awards under \$5,000 shall be paid
6 from funds available for the operations of the agency.

7 **(3) Guardian Ad Litem Fees:** Included in the above appropriation is funding for
8 fees to be paid to each guardian ad litem appointed by the court pursuant to KRS 311.732.
9 The fee shall be fixed by the court and shall not exceed \$500.

10 **(4) Reissuance of Uncashed Checks:** Checks written by the State Treasurer and
11 not cashed within the statutory period may be presented to the State Treasurer for
12 reissuance in accordance with KRS 41.370.

13 **(5) Police Officer, Firefighter, and Active Duty National Guard and Reserve**
14 **Survivor Benefits:** Funds are appropriated for payment of benefits for survivors of state
15 and local police officers, firefighters, and active duty National Guard and Reserve
16 members in accordance with KRS 61.315 and for the cost of insurance premiums for
17 firefighters as provided in KRS 95A.070.

18 **30. JUDGMENTS**

19		2018-19	2019-20
20	General Fund	-0-	-0-

21 **(1) Payment of Judgments and Carry Forward of General Fund**
22 **Appropriation Balance:** Notwithstanding KRS 45A.275, the above appropriation is for
23 the payment of judgments as may be rendered against the Commonwealth by courts and
24 orders of the State Personnel Board and, where applicable, shall be subject to KRS
25 Chapter 45, and for the payment of medical malpractice judgments against the University
26 of Kentucky and the University of Louisville in accordance with KRS 164.892 and
27 164.941, and for the payment of judgments, audit adjustments, and excess billings to

federal programs related to transfers from statewide internal service funds to the General Fund authorized in prior appropriations acts. Funds required to pay the costs of items included within the Judgments budget unit are appropriated, and any required expenditure over the above amounts is to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act.

31. KENTUCKY COMMUNICATIONS NETWORK AUTHORITY

	2018-19	2019-20
Restricted Funds	3,500,000	1,500,000
TOTAL - GENERAL GOVERNMENT		
	2018-19	2019-20
General Fund (Tobacco)	43,203,300	41,029,300
General Fund	1,159,068,100	1,121,464,400
Restricted Funds	314,473,100	318,002,000
Federal Funds	127,777,800	126,608,900
Road Fund	557,900	562,000
TOTAL	1,645,080,200	1,607,666,600

B. ECONOMIC DEVELOPMENT CABINET

Budget Units

1. ECONOMIC DEVELOPMENT

	2018-19	2019-20
General Fund	20,704,000	20,813,500
Restricted Funds	2,888,800	2,950,000
Federal Funds	397,500	-0-
TOTAL	23,990,300	23,763,500

(1) Funding for Commercialization and Innovation: Notwithstanding KRS 154.12-278, interest income earned on the balances in the High-Tech

Construction/Investment Pool and loan repayments received by the High-Tech Construction/Investment Pool shall be used to support the Office of Entrepreneurship and are appropriated in addition to amounts appropriated above.

(2) Lapse and Carry Forward of General Fund Appropriation Balance for Bluegrass State Skills Corporation: Notwithstanding KRS 45.229, the General Fund appropriation balance for Bluegrass State Skills Corporation training grants for fiscal year 2017-2018 and fiscal year 2018-2019 shall not lapse and shall carry forward. The amount available to the Corporation for disbursement in each fiscal year shall be limited to the unexpended training grant allotment balance at the end of fiscal year 2016-2017 combined with the additional training grant allotment amounts for each fiscal year of the 2018-2020 biennium, less any disbursements. If the required disbursements exceed the Bluegrass State Skills Corporation training grants allotment balance, notwithstanding KRS 154.12-278, Restricted Funds may be expended for training grants.

C. DEPARTMENT OF EDUCATION

Budget Units

1. SUPPORT EDUCATION EXCELLENCE IN KENTUCKY (SEEK)

	2018-19	2019-20
General Fund	3,029,220,900	3,012,042,800

(1) Common School Fund Earnings: Accumulated earnings for the Common School Fund shall be transferred in each fiscal year to the SEEK Program.

(2) Allocation of SEEK Funds: Notwithstanding KRS 157.360(2)(c), the above General Fund appropriation to the base SEEK Program is intended to provide a base guarantee of \$3,984 per student in average daily attendance in fiscal year 2018-2019 and \$3,985 per student in average daily attendance in fiscal year 2019-2020, as well as to meet the other requirements of KRS 157.360.

Funds appropriated to the SEEK Program shall be allotted to school districts in accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall

1 not exceed the appropriation for this purpose, except as provided in this Act. The total
2 appropriation for the SEEK Program shall be measured by, or construed as, estimates of
3 the state expenditures required by KRS 157.310 to 157.440. If the required expenditures
4 exceed these estimates, the Secretary of the Finance and Administration Cabinet, upon
5 the written request of the Commissioner of Education and with the approval of the
6 Governor, may increase the appropriation by such amount as may be available and
7 necessary to meet, to the extent possible, the required expenditures under the cited
8 sections of the Kentucky Revised Statutes, but any increase of the total appropriation to
9 the SEEK Program is subject to Part III, General Provisions, of this Act and KRS Chapter
10 48. If funds appropriated to the SEEK Program are insufficient to provide the amount of
11 money required under KRS 157.310 to 157.440, allotments to local school districts may
12 be reduced in accordance with KRS 157.430.

13 **(3) SEEK Lapse:** Not less than \$19,953,600 of unexpended SEEK funds in fiscal
14 year 2017-2018 shall lapse to the General Fund. Notwithstanding KRS 157.310 to
15 157.440, any funds in excess of the needs determined by the final SEEK calculation in
16 each fiscal year shall be added to the allocation for pupil transportation in that same fiscal
17 year and distributed in accordance with KRS 157.370.

18 **(4) Base SEEK Allotments:** Notwithstanding KRS 157.420(2), included in the
19 above General Fund appropriation is \$2,067,472,300 in fiscal year 2018-2019 and
20 \$2,056,771,900 in fiscal year 2019-2020 for the base SEEK Program as defined by KRS
21 157.360. Funds appropriated to the SEEK Program shall be allotted to school districts in
22 accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall
23 not exceed the appropriation for this purpose, except as provided in this Act.
24 Notwithstanding KRS 157.360(2)(c), included in the appropriation for the base SEEK
25 Program is \$214,752,800 in each fiscal year for pupil transportation.

26 **(5) Tier I Component:** Included in the above General Fund appropriation is
27 \$179,317,000 in fiscal year 2018-2019 and \$176,108,700 in fiscal year 2019-2020 for the

1 Tier I component as established by KRS 157.440.

2 **(6) Vocational Transportation:** Included in the above General Fund
3 appropriation is \$2,416,900 in each fiscal year for vocational transportation.

4 **(7) Secondary Vocational Education:** Included in the above General Fund
5 appropriation is \$22,881,900 in each fiscal year to provide secondary vocational
6 education in state-operated vocational schools.

7 **(8) Teachers' Retirement System Employer Match:** Notwithstanding KRS
8 161.420, 161.550, or any other statute to the contrary, included in the above General Fund
9 appropriation is \$385,679,300 in fiscal year 2018-2019 and \$394,322,900 in fiscal year
10 2019-2020 to enable local school districts to provide the employer match for qualified
11 employees.

12 **(9) Salary Supplements for Nationally Certified Teachers:** Notwithstanding
13 KRS 157.395, included in the above General Fund appropriation is \$2,750,000 in each
14 fiscal year for the purpose of providing salary supplements for public school teachers
15 attaining certification by the National Board for Professional Teaching Standards.
16 Notwithstanding the provisions of KRS 157.395, if the appropriation is insufficient to
17 provide the mandated salary supplement for teachers who have obtained this certification,
18 the Department of Education is authorized to pro rata reduce the supplement.

19 **(10) SEEK Adjustment Factors:** Funds allocated for the SEEK base and its
20 adjustment factors that are not needed for the base or a particular adjustment factor may
21 be allocated to other adjustment factors, if funds for that adjustment factor are not
22 sufficient.

23 **(11) Facilities Support Program of Kentucky/Equalized Nickel Levies:**
24 Included in the above General Fund appropriation is \$86,673,500 in fiscal year 2018-
25 2019 and \$84,695,100 in fiscal year 2019-2020 to provide facilities equalization funding
26 pursuant to KRS 157.440 and 157.620.

27 **(12) Growth Levy Equalization Funding:** Included in the above General Fund

1 appropriation is \$19,038,400 in fiscal year 2018-2019 and \$18,303,900 in fiscal year
2 2019-2020 to provide facilities equalization funding pursuant to KRS 157.440 and
3 157.620, for districts meeting the eligibility requirements of KRS 157.621(1) and (4).

4 **(13) Retroactive Equalized Facility Funding:** Included in the above General
5 Fund appropriation is \$23,913,700 in fiscal year 2018-2019 and \$23,415,000 in fiscal
6 year 2019-2020 to provide equalized facility funding pursuant to KRS 157.440 and
7 157.620 to districts meeting the eligibility requirements of KRS 157.621(2) and (4). In
8 addition, a local board of education that levied a tax rate subject to recall by January 1,
9 2014, in addition to the five cents levied pursuant to KRS 157.440(1)(b) and that
10 committed the receipts to debt service, new facilities, or major renovations of existing
11 facilities shall be eligible for equalization funds from the state at 150 percent of the
12 statewide average per pupil assessment. Revenue to generate the five cent equivalent levy
13 may be obtained from levies on property, motor vehicles, or the taxes authorized by KRS
14 160.593 to 160.597, 160.601 to 160.633, and 160.635 to 160.648 if the levy was
15 dedicated to facilities funding at the time of the levy. The equalization funds shall be used
16 as provided in KRS 157.440(1)(b). For the 2018-2020 fiscal biennium, school districts
17 that levied the tax rate subject to recall prior to January 1, 2016, shall be equalized at 100
18 percent of the calculated equalization funding, and school districts that levied the tax rate
19 subject to recall after January 1, 2016, and before January 1, 2018, and began collecting
20 the tax by fiscal year 2018-2019, shall be equalized at 25 percent of the calculated
21 equalization funding in each fiscal year. It is the intent of the 2018 General Assembly that
22 any local school district receiving partial equalization under this subsection in the 2018-
23 2020 fiscal biennium shall receive full calculated equalization in the 2020-2022 fiscal
24 biennium and thereafter, until the earlier of June 30, 2038, or the date the bonds for the
25 local school district supported by this equalization funding are retired, in accordance with
26 KRS 157.621(2). It is the intent of the 2018 General Assembly that no local school
27 district levying an equivalent tax rate subject to recall under the provisions of KRS

1 157.621(2) after January 1, 2018, shall be eligible for state equalization funds.

2 **(14) Equalized Facility Funding:** Included in the above General Fund
3 appropriation is \$7,269,500 in fiscal year 2018-2019 and \$7,133,500 in fiscal year 2019-
4 2020 to provide equalized facility funding pursuant to KRS 157.420 and 157.620 to
5 districts meeting the eligibility requirements of KRS 157.621(3) and (4).

6 **(15) BRAC Equalized Facility Funding:** Included in the above General Fund
7 appropriation is \$2,057,500 in fiscal year 2018-2019 and \$2,016,800 in fiscal year 2019-
8 2020 to provide equalized facility funding to school districts meeting the eligibility
9 requirements of KRS 157.621(1)(c) pursuant to KRS 157.440 and 157.620.

10 **(16) Equalization Funding for Critical Construction Needs Schools:** Included
11 in the above General Fund appropriation is \$6,506,300 in fiscal year 2018-2019 and
12 \$6,473,400 in fiscal year 2019-2020 to school districts in accordance with KRS
13 157.621(5).

14 **(17) Hold-Harmless Guarantee:** A modified hold-harmless guarantee is
15 established in fiscal biennium 2018-2020 which provides that every local school district
16 shall receive at least the same amount of Support Education Excellence in Kentucky
17 (SEEK) state funding per pupil as was received in fiscal year 1991-1992. If funds
18 appropriated to the SEEK Program are insufficient to provide the amount of money
19 required under KRS 157.310 to 157.440, and allotments to local school districts are
20 reduced in accordance with KRS 157.430, allocations to school districts subject to this
21 provision shall not be reduced.

22 **(18) Residential Youth-at-Risk Programs:** In accordance with KRS 157.360, no
23 funds from the SEEK Program shall be distributed to the programs operated by the
24 Kentucky Guard Youth Challenge Division of the Department of Military Affairs.
25 Notwithstanding KRS 157.350, 157.360, 157.410, and any other statute to the contrary,
26 any nonresident school district providing educational services to students enrolled in
27 programs operated by the Kentucky Guard Youth Challenge Division of the Department

1 of Military Affairs shall be paid for those services from the General Fund appropriation in
2 Part I, A., 7. of this Act.

3 **(19) Use of Local District Capital Funds:** Notwithstanding KRS 157.420(4) and
4 (6), 157.440, and 157.621, a local board of education may submit a request to the
5 Commissioner of Education to utilize any capital funds for general operating expenses in
6 fiscal year 2018-2019 without forfeiting the district's eligibility to participate in the
7 School Facilities Construction Commission Program. The Commissioner of Education
8 shall not approve any capital funds request that exceeds 25 percent of a local board of
9 education's available capital funds in fiscal year 2018-2019. Prior to August 1, 2018, the
10 Kentucky Board of Education shall approve guidelines for requests from local boards of
11 education. Notwithstanding KRS 157.615(14) and 157.622, the School Facilities
12 Construction Commission shall include the capital funds transferred under the provisions
13 of this subsection among the local board of education's available local revenue for the
14 purposes of calculating unmet facilities need for the 2018-2020 fiscal biennium.
15 Notwithstanding KRS 157.618, no local school district shall be eligible for a grant from
16 the Emergency and Targeted Investment Fund in fiscal year 2018-2019 if any of its
17 capital funds have been transferred under the provisions of this subsection.

18 **(20) Unmined Minerals Assessment Offset:** Included in the above General Fund
19 appropriation are the following amounts in fiscal year 2018-2019 to help offset the loss of
20 revenue to the below named local school districts from a change in the assessed value of
21 unmined minerals:

- 22 (a) \$176,800 for Bell County Schools;
- 23 (b) \$321,700 for Breathitt County Schools;
- 24 (c) \$740,500 for Floyd County Schools;
- 25 (d) \$637,100 for Harlan County Schools;
- 26 (e) \$168,400 for Hopkins County Schools;
- 27 (f) \$1,539,700 for Knott County Schools;

- 1 (g) \$642,000 for Leslie County Schools;
- 2 (h) \$878,600 for Letcher County Schools;
- 3 (i) \$376,400 for Martin County Schools;
- 4 (j) \$113,700 for Muhlenberg County Schools;
- 5 (k) \$112,900 for Ohio County Schools;
- 6 (l) \$1,001,100 for Perry County Schools;
- 7 (m) \$1,450,600 for Pike County Schools; and
- 8 (n) \$332,300 for Union County Schools.

9 **2. OPERATIONS AND SUPPORT SERVICES**

10		2018-19	2019-20
11	General Fund	56,243,700	56,326,300
12	Restricted Funds	7,401,500	7,401,500
13	Federal Funds	389,132,300	389,178,100
14	TOTAL	452,777,500	452,905,900

15 **(1) Employment of Leadership Personnel:** Notwithstanding KRS 18A.005 to
 16 18A.200, the Kentucky Board of Education shall continue to have sole authority to
 17 determine the employees of the Department of Education who are exempt from the
 18 classified service and to set those employees' compensation comparable to the
 19 competitive market.

20 **(2) Blind/Deaf Residential Travel Program:** Included in the above General
 21 Fund appropriation is \$492,300 in each fiscal year for the Blind/Deaf Residential Travel
 22 Program.

23 **(3) School Food Services:** Included in the above General Fund appropriation is
 24 \$3,555,900 in each fiscal year for the School Food Services Program.

25 **(4) Review of the Classification of Primary and Secondary School Buildings:**
 26 Included in the above General Fund appropriation is \$600,000 in each fiscal year to
 27 implement KRS 157.420(9) and (10). Notwithstanding KRS 45.229, any portion of the

\$600,000 that has not been expended by the end of fiscal year 2018-2019 shall not lapse and shall carry forward into fiscal year 2019-2020. Notwithstanding KRS 157.420(9) and (10), only schools classified as A1, A2, A3, A4, A5, A6, C2, and D1 shall be included in the evaluation process. Notwithstanding KRS 157.420(9) and (10), the Department of Education may limit the school buildings included in the evaluation process based on the time elapsed since the building's construction or last major renovation as defined in 702 KAR 4:160. The Department of Education shall provide an updated list of school buildings evaluated by the process pursuant to KRS 157.420(9) and (10) to the Legislative Research Commission by October 1, 2019.

(5) Advanced Placement and International Baccalaureate Exams:

Notwithstanding KRS 160.348(3), included in the above General Fund appropriation is \$1,000,000 in each fiscal year to pay the cost of Advanced Placement and International Baccalaureate examinations for those students who meet the eligibility requirements for free or reduced-price meals.

(6) School Technology in Coal Counties:

Included in the above General Fund appropriation is \$1,750,000 in each fiscal year for the purpose of enhancing education technology in local school districts within coal-producing counties. The Commissioner of Education shall use the appropriation in this subsection to continue the Coal County Computing Program in conjunction with the Cabinet for Economic Development through its Department of Commercialization and Innovation.

3. LEARNING AND RESULTS SERVICES

	2018-19	2019-20
General Fund	945,276,100	945,455,700
Restricted Funds	34,812,100	35,045,100
Federal Funds	559,690,200	559,756,300
TOTAL	1,539,778,400	1,540,257,100

(1) Kentucky Education Technology System: The School for the Deaf and the

1 School for the Blind shall be fully eligible, along with local school districts, to participate
2 in the Kentucky Education Technology System in a manner that takes into account the
3 special needs of the students of these two schools.

4 **(2) Family Resource and Youth Services Centers:** Funds appropriated to
5 establish and support Family Resource and Youth Services Centers shall be transferred in
6 fiscal year 2018-2019 and in fiscal year 2019-2020 to the Cabinet for Health and Family
7 Services consistent with KRS 156.496. The Cabinet for Health and Family Services is
8 authorized to use, for administrative purposes, no more than three percent of the total
9 funds transferred from the Department of Education for the Family Resource and Youth
10 Services Centers. If a certified person is employed as a director or coordinator of a Family
11 Resource and Youth Services Center, that person shall retain his or her status as a
12 certified employee of the school district.

13 If 70 percent or more of the funding level provided by the state is utilized to support
14 the salary of the director of a center, that center shall provide a report to the Cabinet for
15 Health and Family Services and the State Budget Director identifying the salary of the
16 director. The Cabinet for Health and Family Services shall transmit any reports received
17 from Family Resource and Youth Services Centers pursuant to this paragraph to the
18 Legislative Research Commission.

19 **(3) Health Insurance:** Included in the above General Fund appropriation is
20 \$652,732,000 in each fiscal year for employer contributions for health insurance and the
21 contribution to the health reimbursement account for employees waiving coverage.
22 Notwithstanding KRS 161.158 or any other statute to the contrary, local school districts
23 shall be responsible for any additional amount in excess of the above appropriation of the
24 employer contribution for local district health insurance.

25 **(4) Locally Operated Vocational Programs:** Notwithstanding KRS 157.069, the
26 supplemental funding distribution shall include Category II and III programs in districts
27 established after June 21, 2001, with state assistance, if approved by the Commissioner of

1 Education.

2 **(5) Program Elimination:** Notwithstanding KRS 156.095, 156.400 to 156.476,
3 156.553, 156.555, 157.100 to 157.190, 157.390, 158.070, 158.770, 158.775, 158.7992,
4 158.805, 161.165, and 164.0207, no General Fund is provided for Instructional Resources
5 (Textbooks), the Professional Development Program, the Collaborative Center for
6 Literacy Development, the Commonwealth School Improvement Fund, the Leadership
7 and Mentor Fund, the Middle School Academic Center, the Teacher's Professional
8 Growth Fund, the Teacher Academies Program, the Teacher Recruitment and Retention
9 Program, the Writing Program, and the Elementary Arts and Humanities Program.

10 **(6) Coordination With Head Start:** Each local district shall work with Head
11 Start and other existing preschool programs to avoid duplication of services and
12 programs, to avoid supplanting federal funds, and to maximize Head Start funds in order
13 to serve as many four-year-old children as possible, and shall maintain certification from
14 the Head Start director that the Head Start Program is fully utilized. If a local district fails
15 to comply with the requirements of this subsection, the Commissioner of Education shall
16 withhold preschool funding for an amount equal to the number of Head Start-eligible
17 children served in the district who would have been eligible to be served by Head Start
18 under the full utilization certification required under this subsection. The Commissioner
19 of Education shall resolve any disputes and make a determination of the district's
20 compliance with the full utilization requirement.

21 **(7) Allocation of Safe School Funds:** Notwithstanding KRS 158.446, the Center
22 for School Safety shall develop and implement allotment policies for all moneys received
23 for the purposes of KRS 158.440, 158.441, 158.442, 158.445, and 158.446.

24 **(8) Kentucky School for the Blind and Kentucky School for the Deaf:**
25 Included in the above General Fund appropriation is \$6,811,600 in fiscal year 2018-2019
26 and \$6,853,100 in fiscal year 2019-2020 for the Kentucky School for the Blind and
27 \$10,019,700 in fiscal year 2018-2019 and \$10,080,600 in fiscal year 2019-2020 for the

1 Kentucky School for the Deaf.

2 **(9) Learning and Results Services Programs:** Included in the above General
3 Fund appropriation are the following allocations for the 2018-2020 fiscal biennium, but
4 no portion of these funds shall be utilized for state-level administrative purposes:

5 (a) Notwithstanding KRS 154A.130(4), \$1,200,000 in each fiscal year for
6 AdvanceKentucky;

7 (b) \$1,850,000 in each fiscal year for the Community Education Program;

8 (c) \$23,916,300 in each fiscal year for the Extended School Services Program;

9 (d) \$48,889,000 in each fiscal year for the Family Resource and Youth Services
10 Centers Program;

11 (e) \$6,208,400 in each fiscal year for the Gifted and Talented Program;

12 (f) \$100,000 in each fiscal year for the Heuser Hearing and Language Academy;

13 (g) \$100,000 in each fiscal year for the Lexington Hearing and Speech Center;

14 (h) \$1,391,000 in each fiscal year for Local School District Life Insurance;

15 (i) \$5,019,000 in each fiscal year for the Mathematics Achievement Fund;

16 (j) \$84,481,100 in each fiscal year for the Preschool Program;

17 (k) \$15,936,000 in each fiscal year for the Read to Achieve Program;

18 (l) \$13,000,000 in each fiscal year for the Safe Schools Program;

19 (m) \$1,300,000 in each fiscal year for the Save the Children/Rural Literacy
20 Program;

21 (n) \$9,465,500 in each fiscal year for the State Agency Children Program; and

22 (o) \$93,800 in each fiscal year for the Visually Impaired Preschool Services
23 Program.

24 **(10) Participation in the Education Technology Program by Area Vocational**
25 **Education Centers:** Area Vocational Education Centers shall be fully eligible to
26 participate in the Kentucky Education Technology System. Notwithstanding KRS
27 157.650, 157.655, 157.660, and 157.665, the School Facilities Construction Commission,

in consultation with the Kentucky Board of Education and the Department of Education, shall promulgate administrative regulations which identify a methodology by which the average daily attendance for Area Vocational Education Centers may be equated to the average daily attendance of other local school districts in order that they may receive their respective distributions of these funds. The School Facilities Construction Commission shall include Area Vocational Education Centers in any offers of assistance to local school districts for technology assistance during the 2018-2020 fiscal biennium.

(11) Preschool Education Program: Notwithstanding KRS 157.3175, \$7,500,000 of preschool funding in each fiscal year shall be used to develop a grant program to incentivize cooperative, public-private partnerships between school districts and child care providers to develop full-day, high-quality programs for children eligible for assistance from the Child Care Assistance Program to be administered by the Kentucky Department of Education. The Board of Education, the Department of Education, the Early Childhood Advisory Council, the Child Care Advisory Council, and the Cabinet for Health and Family Services shall work collaboratively to develop the incentive grant program.

(12) Public School Buildings: Notwithstanding KRS 158.162(3)(d)2., each local board of education shall require the school council or, if none exists, the principal in each public school building to control the front entrance of the school electronically.

TOTAL - DEPARTMENT OF EDUCATION

	2018-19	2019-20
General Fund	4,030,740,700	4,013,824,800
Restricted Funds	42,213,600	42,446,600
Federal Funds	948,822,500	948,934,400
TOTAL	5,021,776,800	5,005,205,800

D. EDUCATION AND WORKFORCE DEVELOPMENT CABINET

Budget Units

1 **1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

2		2018-19	2019-20
3	General Fund	5,164,000	5,210,100
4	Restricted Funds	7,381,600	7,475,400
5	Federal Funds	3,867,000	3,198,400
6	TOTAL	16,412,600	15,883,900

7 **(1) Governor's Scholars Program:** Included in the above General Fund
8 appropriation is \$1,758,700 in each fiscal year for the Governor's Scholars Program.

9 **2. PROPRIETARY EDUCATION**

10		2018-19	2019-20
11	Restricted Funds	320,900	323,900

12 **3. DEAF AND HARD OF HEARING**

13		2018-19	2019-20
14	General Fund	959,000	970,000
15	Restricted Funds	1,173,800	1,179,700
16	TOTAL	2,132,800	2,149,700

17 **4. KENTUCKY EDUCATIONAL TELEVISION**

18		2018-19	2019-20
19	General Fund	15,047,600	15,401,100
20	Restricted Funds	1,518,600	1,524,800
21	TOTAL	16,566,200	16,925,900

22 **(1) Debt Service:** Included in the above General Fund appropriation is \$182,500
23 in fiscal year 2018-2019 and \$365,000 in fiscal year 2019-2020 for new debt service to
24 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

25 **5. ENVIRONMENTAL EDUCATION COUNCIL**

26		2018-19	2019-20
27	Restricted Funds	214,400	217,700

1	Federal Funds	73,700	66,000
2	TOTAL	288,100	283,700

3 **(1) Environmental Education Council:** Notwithstanding KRS 224.43-
 4 505(2)(b), the Council may use interest received to support the operations of the Council.

5 **6. LIBRARIES AND ARCHIVES**

6 **a. General Operations**

7		2018-19	2019-20
8	General Fund	6,265,600	6,327,100
9	Restricted Funds	1,641,500	1,464,000
10	Federal Funds	2,567,400	2,589,900
11	TOTAL	10,474,500	10,381,000

12 **b. Direct Local Aid**

13		2018-19	2019-20
14	General Fund	4,329,600	4,329,600
15	Restricted Funds	592,200	592,200
16	TOTAL	4,921,800	4,921,800

17 **(1) Per Capita Grants:** Notwithstanding KRS 171.201(2), no General Fund is
 18 provided for non-construction state aid.

19 **(2) Public Libraries Facilities Construction:** Included in the above General
 20 Fund appropriation is \$4,329,600 in each fiscal year for the Public Libraries Facilities
 21 Construction Fund.

22 **TOTAL - LIBRARIES AND ARCHIVES**

23		2018-19	2019-20
24	General Fund	10,595,200	10,656,700
25	Restricted Funds	2,233,700	2,056,200
26	Federal Funds	2,567,400	2,589,900
27	TOTAL	15,396,300	15,302,800

1 **7. OFFICE FOR THE BLIND**

2		2018-19	2019-20
3	General Fund	1,880,900	1,890,800
4	Restricted Funds	1,011,100	1,015,400
5	Federal Funds	10,110,800	10,184,500
6	TOTAL	13,002,800	13,090,700

7 **8. EMPLOYMENT AND TRAINING**

8		2018-19	2019-20
9	Restricted Funds	46,496,600	46,321,000
10	Federal Funds	440,635,600	440,765,400
11	TOTAL	487,132,200	487,086,400

12 **(1) Unemployment Compensation Administration Fund:** Notwithstanding
13 KRS 341.240 and 341.295, funds from the Unemployment Compensation Administration
14 Fund may be used each fiscal year to support the Wagner-Peyser Program.

15 **9. VOCATIONAL REHABILITATION**

16		2018-19	2019-20
17	General Fund	13,393,000	13,459,000
18	Restricted Funds	3,334,000	3,336,300
19	Federal Funds	50,270,000	50,341,400
20	TOTAL	66,997,000	67,136,700

21 **10. EDUCATION PROFESSIONAL STANDARDS BOARD**

22		2018-19	2019-20
23	General Fund	3,624,700	3,643,800
24	Restricted Funds	1,122,300	974,300
25	Federal Funds	95,500	95,900
26	TOTAL	4,842,500	4,714,000

27 **(1) Internship Programs:** Notwithstanding KRS 161.027 and 161.030, no

1 General Fund is provided for the operational costs of the Kentucky Principal Internship
 2 Program and the Kentucky Teacher Internship Program.

3 **TOTAL - EDUCATION AND WORKFORCE DEVELOPMENT CABINET**

4		2018-19	2019-20
5	General Fund	50,664,400	51,231,500
6	Restricted Funds	64,807,000	64,424,700
7	Federal Funds	507,620,000	507,241,500
8	TOTAL	623,091,400	622,897,700

9 **E. ENERGY AND ENVIRONMENT CABINET**

10 **Budget Units**

11 **1. SECRETARY**

12		2018-19	2019-20
13	General Fund	3,330,000	3,372,100
14	Restricted Funds	8,674,100	15,232,400
15	Federal Funds	1,126,400	1,126,400
16	TOTAL	13,130,500	19,730,900

17 **(1) Volkswagen Settlement:** Included in the above Restricted Funds
 18 appropriation is \$6,800,000 in fiscal year 2018-2019 and \$13,600,000 in fiscal year 2019-
 19 2020 for the Volkswagen Settlement Fund to be expended in support of projects that
 20 reduce nitrogen oxide (NOx) emissions from the transportation sector.

21 **2. ENVIRONMENTAL PROTECTION**

22		2018-19	2019-20
23	General Fund	27,665,900	28,567,500
24	Restricted Funds	75,122,300	75,031,800
25	Federal Funds	21,121,700	20,723,500
26	Road Fund	320,900	320,900
27	TOTAL	124,230,800	124,643,700

(1) **Debt Service:** Included in the above General Fund appropriation is \$424,500 in fiscal year 2018-2019 and \$849,000 in fiscal year 2019-2020 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

3. NATURAL RESOURCES

	2018-19	2019-20
General Fund (Tobacco)	3,757,300	3,757,300
General Fund	37,228,700	37,702,200
Restricted Funds	14,698,100	14,661,700
Federal Funds	61,424,900	61,846,200
TOTAL	117,109,000	117,967,400

(1) **Emergency Forest Fire Suppression:** Not less than \$2,500,000 of the above General Fund appropriation for each fiscal year shall be set aside for emergency forest fire suppression. Any portion of the \$2,500,000 not expended for emergency forest fire suppression shall lapse to the General Fund at the end of each fiscal year. There is appropriated from the General Fund the necessary funds, subject to the conditions and procedures provided in this Act, which are required as a result of emergency fire suppression activities in excess of \$2,500,000 each fiscal year. Fire suppression costs in excess of \$2,500,000 annually shall be deemed necessary government expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

(2) **Environmental Stewardship Program:** Included in the above General Fund (Tobacco) appropriation is \$2,500,000 in each fiscal year for the Environmental Stewardship Program.

(3) **Conservation District Local Aid:** Included in the above General Fund (Tobacco) appropriation is \$907,300 in each fiscal year for the Division of Conservation to provide direct aid to local conservation districts.

(4) **Match for Conservation Program:** Included in the above General Fund

1 (Tobacco) appropriation is \$350,000 in each fiscal year to provide the nonfederal match
 2 for a federal conservation program.

3 **4. ENERGY DEVELOPMENT AND INDEPENDENCE**

4		2018-19	2019-20
5	General Fund	1,412,000	1,433,800
6	Restricted Funds	867,800	827,500
7	Federal Funds	582,000	582,000
8	TOTAL	2,861,800	2,843,300

9 **5. KENTUCKY NATURE PRESERVES COMMISSION**

10		2018-19	2019-20
11	General Fund	1,224,400	1,244,800
12	Restricted Funds	944,000	944,000
13	Federal Funds	49,600	49,600
14	TOTAL	2,218,000	2,238,400

15 **6. PUBLIC SERVICE COMMISSION**

16		2018-19	2019-20
17	General Fund	16,582,600	16,582,600
18	Restricted Funds	201,900	201,900
19	Federal Funds	445,100	445,100
20	TOTAL	17,229,600	17,229,600

21 **(1) Lapse of General Fund Appropriation Balance:** Notwithstanding KRS
 22 278.150(3), \$6,485,200 in fiscal year 2018-2019 and \$6,485,200 in fiscal year 2019-2020
 23 shall lapse to the General Fund.

24 **TOTAL - ENERGY AND ENVIRONMENT CABINET**

25		2018-19	2019-20
26	General Fund (Tobacco)	3,757,300	3,757,300
27	General Fund	87,443,600	88,903,000

1	Restricted Funds	100,508,200	106,899,300
2	Federal Funds	84,749,700	84,772,800
3	Road Fund	320,900	320,900
4	TOTAL	276,779,700	284,653,300

5 F. FINANCE AND ADMINISTRATION CABINET

6 Budget Units

7 1. GENERAL ADMINISTRATION

8		2018-19	2019-20
9	General Fund	7,572,800	7,889,800
10	Restricted Funds	32,616,000	32,680,300
11	Road Fund	264,800	266,400
12	TOTAL	40,453,600	40,836,500

13 **(1) State Motor Vehicle Fleet:** The Secretary of the Finance and Administration
 14 Cabinet shall restrict permanently assigned vehicles to only Constitutional Officers, the
 15 Court of Justice, Executive Cabinet Secretaries, law enforcement, or for other public
 16 safety purposes. A report listing the recipients of permanently assigned vehicles from the
 17 State Motor Vehicle Fleet shall be submitted to the Interim Joint Committee on
 18 Appropriations and Revenue by August 1 of each fiscal year.

19 2. CONTROLLER

20		2018-19	2019-20
21	General Fund	6,351,000	6,422,500
22	Restricted Funds	13,138,300	13,205,300
23	TOTAL	19,489,300	19,627,800

24 **(1) Social Security Contingent Liability Fund:** Any expenditures that may be
 25 required by KRS 61.470 are hereby deemed necessary government expenses and shall be
 26 paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any
 27 available balance in the Budget Reserve Trust Fund Account (KRS 48.705), subject to the

1 conditions and procedures provided in this Act.

2 **3. INSPECTOR GENERAL**

3		2018-19	2019-20
4	General Fund	790,500	802,700
5	Restricted Funds	657,300	662,900
6	TOTAL	1,447,800	1,465,600

7 **4. DEBT SERVICE**

8		2018-19	2019-20
9	General Fund (Tobacco)	28,974,900	31,878,700
10	General Fund	475,583,700	491,371,500
11	TOTAL	504,558,600	523,250,200

12 **(1) General Fund (Tobacco) Debt Service Lapse:** Notwithstanding Part X, (4)
 13 of this Act, \$2,065,000 in fiscal year 2017-2018, \$2,031,400 in fiscal year 2018-2019 and
 14 \$1,987,500 in fiscal year 2019-2020 shall lapse to the General Fund.

15 **5. FACILITIES AND SUPPORT SERVICES**

16		2018-19	2019-20
17	General Fund	6,115,900	7,178,000
18	Restricted Funds	43,198,300	43,430,700
19	TOTAL	49,314,200	50,608,700

20 **(1) Debt Service:** Included in the above General Fund appropriation is \$192,000
 21 in fiscal year 2018-2019 and \$1,168,000 in fiscal year 2019-2020 for new debt service to
 22 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

23 **6. COUNTY COSTS**

24		2018-19	2019-20
25	General Fund	19,433,500	19,433,500
26	Restricted Funds	1,702,500	1,702,500
27	TOTAL	21,136,000	21,136,000

(1) County Costs: Funds required to pay county costs are appropriated and additional funds may be allotted from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance and Administration Cabinet, subject to the conditions and procedures provided in this Act.

(2) Reimbursement to Sheriffs' Offices for Court Security Services: Notwithstanding KRS 64.092(6), the sheriff or other law enforcement officer serving a Circuit or District Court shall be compensated at the rate of \$9 per hour of service.

(3) Sheriffs' Expense Allowance: Notwithstanding KRS 70.170, no payments shall be made to sheriffs in fiscal years 2018-2019 and 2019-2020 for the purpose of expenses incurred in the performance of his or her official duties.

7. COMMONWEALTH OFFICE OF TECHNOLOGY

	2018-19	2019-20
General Fund	641,000	1,923,000
Restricted Funds	129,509,300	128,955,900
Federal Funds	10,000	10,000
TOTAL	130,160,300	130,888,900

(1) Debt Service: Included in the above General Fund appropriation is \$641,000 in fiscal year 2018-2019 and \$1,923,000 in fiscal year 2019-2020 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(2) Computer Services Fund Receipts: The Secretary of the Finance and Administration Cabinet shall provide a listing of fee receipts from the Executive, Judicial, and Legislative Branches of government itemized by appropriation units, cost allocation methodology, and a report detailing the rebate of excess fee receipts to the agencies to the Interim Joint Committee on Appropriations and Revenue by August 1 of each fiscal year.

8. REVENUE

	2018-19	2019-20
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1	General Fund (Tobacco)	250,000	250,000
2	General Fund	95,204,300	101,965,600
3	Restricted Funds	14,710,700	16,713,400
4	Road Fund	3,577,500	3,621,000
5	TOTAL	113,742,500	122,550,000

6 **(1) Operations of Revenue:** Notwithstanding KRS 132.672, 134.552(2),
7 136.652, and 365.390(2), funds may be expended in support of the operations of the
8 Department of Revenue.

9 **(2) Debt Service:** Included in the above General Fund appropriation is
10 \$5,820,500 in fiscal year 2019-2020 for new debt service to support new bonds as set
11 forth in Part II, Capital Projects Budget, of this Act.

12 **(3) Local Economic Development Grants:** Included in the above Restricted
13 Funds appropriation is \$2,000,000 in fiscal year 2018-2019 and \$4,000,000 in fiscal year
14 2019-2020 transferred from the TVA Regional Development Agency Assistance Fund for
15 the purpose of supporting grants to local economic development agencies.

16 **9. PROPERTY VALUATION ADMINISTRATORS**

17		2017-18	2018-19	2019-20
18	General Fund	2,438,400	54,979,800	56,293,900
19	Restricted Funds	-0-	3,698,500	3,500,000
20	TOTAL	2,438,400	58,678,300	59,793,900

21 **(1) Management of Expenditures:** Notwithstanding KRS 132.590 and 132.597,
22 the property valuation administrators are authorized to take necessary actions to manage
23 expenditures within the appropriated amounts contained in this Act.

24 **(2) Appropriation Increases:** Included in the above General Fund appropriation
25 is an additional \$2,438,400 in fiscal year 2017-2018 and \$8,224,900 in each fiscal year of
26 the 2018-2020 biennium to support operations of the property valuation administrators.

27 **TOTAL - FINANCE AND ADMINISTRATION CABINET**

	2017-18	2018-19	2019-20
General Fund (Tobacco)	-0-	29,224,900	32,128,700
General Fund	2,438,400	666,672,500	693,280,500
Restricted Funds	-0-	239,230,900	240,851,000
Federal Funds	-0-	10,000	10,000
Road Fund	-0-	3,842,300	3,887,400
TOTAL	2,438,400	938,980,600	970,157,600

G. HEALTH AND FAMILY SERVICES CABINET

Budget Units

1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT

	2018-19	2019-20
General Fund	35,784,800	36,475,900
Restricted Funds	21,369,500	21,410,100
Federal Funds	54,073,100	54,457,500
TOTAL	111,227,400	112,343,500

(1) Debt Service: Included in the above General Fund appropriation is \$102,500 in fiscal year 2018-2019 and \$307,500 in fiscal year 2019-2020 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(2) Reallocation of Appropriations Among Budget Units: The Secretary of the Cabinet for Health and Family Services shall operate the Cabinet within the appropriations for the Cabinet authorized in this Act. The Secretary may request a revision or reallocation among the departments and offices of the Cabinet up to ten percent of the General Fund or Restricted Funds appropriations contained in Part I, Operating Budget, of this Act for fiscal years 2018-2019 and 2019-2020 for approval by the State Budget Director. No request shall relate to moneys in a fiduciary fund account. A request shall explain the need and use for the transfer authority under this subsection.

(3) Human Services Transportation Delivery: Notwithstanding KRS 281.010,

the Kentucky Works Program shall not participate in the Human Services Transportation Delivery Program or the Coordinated Transportation Advisory Committee.

(4) Federally Funded Positions: Notwithstanding KRS 18A.010(2) and any provisions of this Act to the contrary, direct service units of the Office of Inspector General, Department for Income Support, Commission for Children with Special Health Care Needs, Department for Community Based Services, Department for Behavioral Health, Developmental and Intellectual Disabilities, Family Resource Centers and Volunteer Services, Department for Aging and Independent Living, and the Department for Public Health shall be authorized to establish and fill such positions that are 100 percent federally funded for salary and fringe benefits.

2. COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS

	2018-19	2019-20
General Fund	5,249,000	5,249,000
Restricted Funds	11,285,500	11,477,400
Federal Funds	4,566,100	4,566,100
TOTAL	21,100,600	21,292,500

3. MEDICAID SERVICES

a. Medicaid Administration

	2018-19	2019-20
General Fund	56,622,700	59,367,300
Restricted Funds	19,027,200	10,266,400
Federal Funds	214,031,000	164,474,200
TOTAL	289,680,900	234,107,900

(1) Transfer of Excess Administrative Funds for Medicaid Benefits: If any portion of the above General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the Department, the amount may

be used for Medicaid Benefits in accordance with statutes governing the functions and activities of the Department for Medicaid Services. In no instance shall these excess funds be used without prior written approval of the State Budget Director to:

- (a) Establish a new program;
- (b) Expand the services of an existing program; or
- (c) Increase rates or payment levels in an existing program.

Any transfer authorized under this subsection shall be approved by the Secretary of the Finance and Administration Cabinet upon recommendation of the State Budget Director.

(2) Medicaid Service Category Expenditure Information: No Medicaid managed care contract shall be valid and no payment to a Medicaid managed care vendor by the Finance and Administration Cabinet or the Cabinet for Health and Family Services shall be made, unless the Medicaid managed care contract contains a provision that the contractor shall collect Medicaid expenditure data by the categories of services paid for by the Medicaid Program. Actual statewide Medicaid expenditure data by all categories of Medicaid services, including mandated and optional Medicaid services, special expenditures/offsets, and Disproportionate Share Hospital payments by type of hospital, shall be compiled by the Department for Medicaid Services for all Medicaid providers and forwarded to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis. Projections of Medicaid expenditures by categories of Medicaid services shall be provided to the Interim Joint Committee on Appropriations and Revenue upon request.

b. Medicaid Benefits

	2018-19	2019-20
General Fund	1,825,369,800	1,983,649,500
Restricted Funds	536,245,100	521,341,800
Federal Funds	8,920,198,300	9,298,956,300

1	TOTAL	11,281,813,200	11,803,947,600
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(1) Transfer of Medicaid Benefits Funds: Any portion of the General Fund appropriation in either fiscal year that is deemed to be necessary for the administration of the Medicaid Program may be transferred from the Medicaid Benefits budget unit to the Medicaid Administration budget unit in accordance with statutes governing the functions and activities of the Department for Medicaid Services. The Secretary shall recommend any proposed transfer to the State Budget Director for approval prior to transfer. Such action shall be reported by the Cabinet for Health and Family Services to the Interim Joint Committee on Appropriations and Revenue.

(2) **Intergovernmental Transfers (IGTs):** Any funds received through an Intergovernmental Transfer (IGT) agreement between the Department for Medicaid Services and other governmental entities, in accordance with a federally approved State Plan amendment, shall be used to provide for the health and welfare of the citizens of the Commonwealth through the provision of Medicaid Benefits. Revenues from IGTs are contingent upon agreement by the parties, including but not limited to the Cabinet for Health and Family Services, Department for Medicaid Services, and the appropriate providers. The Secretary of the Cabinet for Health and Family Services shall make the appropriate interim appropriations increase requests pursuant to KRS 48.630.

19 **(3) Medicaid Benefits Budget Deficit:** If Medicaid Benefits expenditures are
20 projected to exceed available funds, the Secretary of the Cabinet for Health and Family
21 Services may recommend and implement that reimbursement rates, optional services,
22 eligibles, or programs be reduced or maintained at levels existing at the time of the
23 projected deficit in order to avoid a budget deficit. The projected deficit shall be
24 confirmed and approved by the Office of State Budget Director. No service, eligible, or
25 program reductions shall be implemented by the Cabinet for Health and Family Services
26 without written notice of such action to the Interim Joint Committee on Appropriations
27 and Revenue and the State Budget Director. Such actions taken by the Cabinet for Health

1 and Family Services shall be reported, upon request, at the next meeting of the Interim
2 Joint Committee on Appropriations and Revenue.

3 **(4) Medicaid Pharmacy:** Notwithstanding KRS 205.6312(4), a pharmacy
4 provider participating in the Medical Assistance Program or a pharmacy provider serving
5 Kentucky Medicaid recipients through a Medicaid Managed Care Organization shall not
6 be required to serve an eligible recipient if the recipient does not make the required
7 copayment at the time of service. An exception to this provision shall be an encounter
8 when a recipient presents a condition which could result in harm to the recipient if left
9 untreated, in which case the pharmacist shall dispense a 72-hour emergency supply of the
10 required medicine. The recipient may then return to the pharmacy with the necessary
11 copayment to obtain the remainder of the prescription. Only one dispensing fee shall be
12 paid by the Cabinet for the provision of both the emergency supply and the remainder of
13 the prescription. The Medicaid Managed Care Organization shall determine its policies
14 with respect to dispensing fees.

15 **(5) Disproportionate Share Hospital (DSH) Program:** Hospitals shall report
16 indigent inpatient and outpatient care for which, under federal law, the hospital is eligible
17 to receive disproportionate share payments. Disproportionate share payments shall equal
18 the maximum amounts established under federal law. Notwithstanding KRS 205.640(3)
19 to (5) and 205.641, the Medical Assistance Revolving Fund shall be used to compensate
20 acute care hospitals, private psychiatric hospitals, state mental hospitals, critical access
21 hospitals, comprehensive physical rehabilitation hospitals, long-term acute care hospitals,
22 and university hospitals for total uncompensated care costs, not to exceed the hospital's
23 hospital-specific DSH limit, if the hospital meets the disproportionate share requirements
24 pursuant to 42 U.S.C. sec. 1396r-4. "Total uncompensated care costs" means the same as
25 in 42 C.F.R. sec. 447.299(c)(16). "Hospital-specific DSH limit" means the limitation
26 required under 42 U.S.C. sec. 1396r-4(g) and corresponding regulations.

27 Notwithstanding KRS 205.640(3) to (5) and 205.641, disproportionate share funds

1 shall be divided into three pools for distribution as follows:

2 (a) An acute care pool, composed of critical access hospitals, comprehensive
3 physical rehabilitation hospitals, long-term acute hospitals, and acute care hospitals that
4 do not qualify as university hospitals, shall receive an initial and final allocation
5 determined by subtracting the allocation for the psychiatric pool and the initial or final, as
6 applicable, DSH payments to be made to hospitals in the university pool from the state's
7 total DSH allotment;

8 (b) A psychiatric pool, composed of private psychiatric hospitals and state mental
9 hospitals, shall receive the percentage allowable by federal law pursuant to 42 U.S.C. sec.
10 1396r-4(h) up to 19.08 percent of the total disproportionate share funds, with the
11 allocation between each respective group established for fiscal years 2018-2019 and
12 2019-2020; except that the allocation to state mental hospitals shall not exceed 92.3
13 percent of the total allotment to the psychiatric pool. If there are remaining funds within
14 the psychiatric pool after all private psychiatric hospitals reach their hospital-specific
15 DSH limit, state mental hospitals may exceed the 92.3 percent limit but may not exceed
16 their hospital-specific DSH limit. If there are any remaining disproportionate share funds
17 from the psychiatric pool, 54 percent of those funds shall be distributed to the acute care
18 pool and 46 percent shall be distributed to the university pool; and

19 (c) A university pool, composed of university hospitals, shall receive 37 percent
20 of the state's DSH allotment, except that initial and final DSH payments to university
21 hospitals shall be determined according to the hospitals' total uncompensated care costs
22 and shall not exceed the pool's overall allotment. If there are any remaining
23 disproportionate share funds from the university pool, or if university hospitals fail to
24 provide state matching funds necessary to secure federal financial participation for the
25 university pool, the portion of the funding remaining shall be made available to the acute
26 care pool.

27 Notwithstanding KRS 205.640(3) to (5) and 205.641, distributions shall be made as

1 follows:

2 (a) For fiscal year 2018-2019, the Department for Medicaid Services shall use the
3 examined fiscal year 2014-2015 DSH survey to calculate an initial DSH payment.
4 Hospitals that did not receive a DSH payment for fiscal year 2014-2015 shall be eligible
5 to submit data for the purpose of the 2019 payment, subject to limited review; and

6 (b) For state fiscal year 2019-2020, the Department for Medicaid Services shall
7 use the Medicaid DSH survey covering the hospital's fiscal year ending in the calendar
8 year preceding July 1 of the applicable state fiscal year to calculate an initial DSH
9 payment.

10 A hospital shall submit a Medicaid DSH survey corresponding to the hospital's cost
11 reporting period to the Department for Medicaid Services no later than 60 days following
12 the hospital's submission of its annual Medicaid cost report, unless one 30-day extension
13 has been granted by the Commissioner of the Department for Medicaid Services.
14 Hospitals found not to be in compliance with the filing deadline for a Medicaid DSH
15 survey shall not receive an initial DSH payment and shall have their final payment
16 reduced by 20 percent. The Department for Medicaid Services may establish, through
17 administrative regulations, a proxy method for making an initial DSH payment for a
18 hospital newly enrolled in the Medicaid Program which does not have at least six months
19 of cost report information necessary to calculate an initial DSH payment.

20 Initial DSH payments shall be calculated as follows:

21 (a) Each university hospital in the university pool shall receive an initial DSH
22 payment equal to 100 percent of the hospital's total uncompensated care costs if the total
23 initial DSH payments to all hospitals in the university pool do not exceed the maximum
24 allotment to the university pool; otherwise, the funds allocated to the university pool shall
25 be allocated on a pro rata basis in relation to each university hospital's total
26 uncompensated care costs;

27 (b) The initial uncompensated care factor for a private psychiatric or state mental

1 hospital shall be determined on a pro rata basis in relation to the percentage of each
2 hospital's total uncompensated care costs toward the sum of the total uncompensated care
3 costs for all private psychiatric or state mental hospitals, respectively; and

4 (c) The initial uncompensated care factor for each hospital in the acute care pool
5 shall be determined on a pro rata basis in relation to the percentage of each hospital's
6 total uncompensated care costs toward the sum of the total uncompensated care costs for
7 all hospitals in the acute care pool, except that the Department for Medicaid Services
8 shall use 200 percent of the total uncompensated care costs for calculating the initial
9 payment for essential hospitals. "Essential hospital" means an acute care hospital that
10 qualifies as a Medicaid inpatient utilization rate hospital, a low-income utilization rate
11 hospital, or a critical access hospital. "Medicaid inpatient utilization rate hospital" means
12 the hospital's Medicaid inpatient utilization rate (as calculated in accordance with 42
13 U.S.C. sec. 1396r-4(b)(2), except that the numerator shall be the number of in-state and
14 out-of-state inpatient Medicaid days where Medicaid is the primary payor) equals or
15 exceeds one standard deviation above the mean Medicaid inpatient utilization rate
16 rounded to the nearest hundredth for all acute care hospitals, critical access hospitals,
17 private psychiatric hospitals, and university hospitals combined, as determined from the
18 hospitals' Medicaid DSH surveys. The calculation for a pediatric teaching hospital as
19 defined in KRS 205.565 shall exclude from the numerator and denominator the hospital's
20 inpatient Medicaid days used in the calculation of an intensity operating allowance
21 payment. "Low-income utilization rate hospital" means an acute care hospital whose low-
22 income utilization rate exceeds 120 percent of the state average low income utilization
23 rate rounded to the nearest hundredth for all acute care hospitals, critical access hospitals,
24 private psychiatric hospitals, and university hospitals combined, as reported on the
25 hospitals' Medicaid DSH surveys and calculated in accordance with the methodology
26 defined under 42 U.S.C. sec. 1396r-4(b)(3).

27 The Department for Medicaid Services shall calculate an initial DSH payment by

1 September 30 of each fiscal year. Hospitals shall notify the Department for Medicaid
2 Services by October 31 of each fiscal year of any adjustments in the calculations. The
3 Department for Medicaid Services shall make any necessary adjustments and shall issue
4 an initial DSH payment to each hospital in one lump-sum payment on or before
5 November 30 of each fiscal year. An initial DSH payment shall not be subject to appeal.

6 Each hospital's total initial DSH payment shall be reconciled to a final DSH
7 payment using the examined Medicaid DSH surveys and shall correspond to the
8 applicable state fiscal year DSH payment year. The Department for Medicaid Services
9 shall make a final determination whether an acute care hospital qualifies as an essential
10 hospital.

11 The Department for Medicaid Services shall calculate a final DSH payment as
12 follows:

13 (a) Each university hospital shall receive a final DSH payment equal to 100
14 percent of the hospital's total uncompensated costs so long as the total of final DSH
15 payments to all university hospitals does not exceed the maximum allotment to the
16 university pool; otherwise, the funds allocated to the university pool shall be allocated on
17 a pro rata basis in relation to each university hospital's total uncompensated care costs;

18 (b) For hospitals in the acute care pool and the psychiatric pool, the Department
19 for Medicaid Services shall calculate the pro rata distribution within each respective pool
20 based on each hospital's relative proportion of total uncompensated care costs using
21 examined data. The calculation for an essential hospital shall be computed using 200
22 percent of the hospital's total uncompensated care costs;

23 (c) If a hospital has a negative uncompensated care cost, its costs will be excluded
24 in the calculation of the pro rata distribution; and

25 (d) The Department for Medicaid Services shall compare each hospital's initial
26 DSH payment with the hospital's final DSH payment and the hospital's hospital-specific
27 DSH limit to determine if an underpayment or an overpayment exists.

1 Disproportionate share payments remaining after reconciling each hospital's initial
2 and final DSH payment shall be first distributed to other hospitals in the same pool as the
3 hospitals from which the overpayments were recovered and then to other pools.

4 **(6) Hospital Indigent Patient Billing:** Hospitals shall not bill patients for
5 services if the services have been reported to the Cabinet and the hospital has received
6 disproportionate share payments for the specific services.

7 **(7) Provider Tax Information:** Any provider who posts a sign or includes
8 information on customer receipts or any material distributed for public consumption
9 indicating that it has paid provider tax shall also post, in the same size typeset as the
10 provider tax information, the amount of payment received from the Department for
11 Medicaid Services during the same period the provider tax was paid. Providers who fail
12 to meet this requirement shall be excluded from the Disproportionate Share Hospital and
13 Medicaid Programs. The Cabinet for Health and Family Services shall include this
14 provision in facilities' annual licensure inspections.

15 **(8) Medicaid Budget Analysis Reports:** The Department for Medicaid Services
16 shall submit a quarterly budget analysis report to the Interim Joint Committee on
17 Appropriations and Revenue no later than 75 days after the quarter's end. The report shall
18 provide monthly detail of actual expenditures, eligibles, and average monthly cost per
19 eligible by eligibility category along with current trailing 12-month averages for each of
20 these figures. The report shall also provide actual figures for all categories of noneligible-
21 specific expenditures such as Supplemental Medical Insurance premiums, Kentucky
22 Patient Access to Care, nonemergency transportation, drug rebates, cost settlements, and
23 Disproportionate Share Hospital payments by type of hospital. The report shall compare
24 the actual expenditure experience with those underlying the enacted or revised enacted
25 budget and explain any significant variances which may occur.

26 **(9) Medicaid Managed Care Organization Reporting:** Except as provided by
27 KRS 61.878, all records and correspondence relating to Kentucky Medicaid, revenues

1 derived from Kentucky Medicaid funds, and expenditures utilizing Kentucky Medicaid
2 funds of a Medicaid managed care company operating within the Commonwealth shall be
3 subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. All records and
4 correspondence relating to Medicaid specifically prohibited from disclosure by the federal
5 Health Insurance Portability and Accountability Act privacy rules shall not be provided
6 under this Act.

7 No later than 60 days after the end of a quarter, each Medicaid managed care
8 company operating within the Commonwealth shall prepare and submit to the
9 Department for Medicaid Services sufficient information to allow the department to meet
10 the following requirements 90 days after the end of the quarter. The Department shall
11 forward to the Legislative Research Commission Budget Review Office a quarterly report
12 detailing monthly actual expenditures by service category, monthly eligibles, and average
13 monthly cost per eligible for Medicaid and the Kentucky Children's Health Insurance
14 Program (KCHIP) along with current trailing 12-month averages for each of these figures.
15 The report shall also provide actual figures for other categories such as pharmacy rebates
16 and reinsurance. Finally, the Department shall include in this report the most recent
17 information or report available regarding the amount withheld to meet Department of
18 Insurance reserve requirements, and any distribution of moneys received or retained in
19 excess of these reserve requirements.

20 **(10) Critical Access Hospitals:** Beginning with the effective date of this Act
21 through June 30, 2020, no acute care hospital shall convert to a critical access hospital
22 unless the hospital has either received funding for a feasibility study from the Kentucky
23 State Office of Rural Health or filed a written request by January 1, 2018, with the
24 Kentucky State Office of Rural Health requesting funding for conducting a feasibility
25 study.

26 **(11) Appeals:** An appeal from denial of a service or services provided by a
27 Medicaid managed care organization for medical necessity, or denial, limitation, or

1 termination of a health care service in a case involving a medical or surgical specialty or
2 subspecialty, shall, upon request of the recipient, authorized person, or provider, include a
3 review by a board-eligible or board-certified physician in the appropriate specialty or
4 subspecialty area; except in the case of a health care service rendered by a chiropractor or
5 optometrist, for which the denial shall be made respectively by a chiropractor or
6 optometrist duly licensed in Kentucky as specified in KRS 304.17A-607(1)(b). The
7 physician reviewer shall not have participated in the initial review and denial of service
8 and shall not be the provider of the service or services under consideration in the appeal.

9 Notwithstanding KRS 205.646(2) to (4), a provider may submit multiple claims to
10 be appealed in a single external independent third-party review if the provider alleges that
11 a Medicaid managed care organization has implemented a policy or practice that results
12 in the denial, in whole or in part, of those claims. Any appeal by a Medicaid managed
13 care organization or provider of a final decision of an external independent third-party
14 review involving the submission of multiple claims shall be conducted as a single
15 administrative hearing.

16 **(12) Supports for Community Living Reimbursement Increase:** Included in the
17 above appropriation is \$10,529,000 in General Fund moneys in each fiscal year and
18 \$24,567,800 in Federal Funds in each fiscal year to be expended by the Department for
19 Medicaid Services to increase provider reimbursements for Supports for Community
20 Living Waiver Program services. From these funds, the Department shall increase the
21 upper payment limit dollar amount for each Supports for Community Living Waiver
22 Program service by ten percent from the dollar amount in effect on December 31, 2017,
23 as established by the Department. The funds directed under this subsection shall not be
24 reallocated, except as expressly permitted in this subsection, and are contingent upon
25 approval by the U.S. Centers for Medicare and Medicaid Services and the receipt of
26 federal financial participation. In the event the Supports for Community Living Waiver
27 Program encounters a material change based upon a new or amended federal waiver that

1 is approved by the U.S. Centers for Medicare and Medicaid Services, then the amounts
2 appropriated under this subsection may be reallocated so long as the upper payment limit
3 dollar amount for each Supports for Community Living Waiver Program service is not
4 less than the dollar amount established under this subsection.

5 **(13) Acquired Brain Injury Waiver Slots:** Included in the above appropriation is
6 \$2,550,400 in General Fund in fiscal year 2019-2020 and \$6,330,500 in Federal Funds in
7 fiscal year 2019-2020 to support 118 additional long-term care slots.

8 **(14) Kentucky Children's Health Insurance Program (KCHIP):** Included in the
9 above appropriation is \$12,000,000 in General Fund in fiscal year 2019-2020 and
10 \$188,077,282 in Federal Funds in fiscal year 2019-2020 to support the continuation of
11 KCHIP services.

12 **(15) Medicaid Prescription Benefits Reporting:** Notwithstanding KRS 205.647,
13 the Department for Medicaid Services shall submit a report to the Interim Joint
14 Committee on Appropriations and Revenue by December 1 of each fiscal year on the
15 dispensing of prescription medications to persons eligible under KRS 205.560. The report
16 shall include:

17 (a) The total Medicaid dollars paid to the pharmacy benefit manager by a
18 managed care organization;

19 (b) The total amount of Medicaid dollars paid to the pharmacy benefit manager by
20 a managed care organization which were not subsequently paid to a pharmacy licensed in
21 Kentucky;

22 (c) The average reimbursement by drug ingredient cost, dispensing fee, and any
23 other fee paid by a pharmacy benefit manager to licensed pharmacies with which the
24 pharmacy benefit manager shares common ownership, management, or control; or which
25 are owned, managed, or controlled by any of the pharmacy benefit manager's
26 management companies, parent companies, subsidiary companies, jointly held
27 companies, or companies otherwise affiliated by a common owner, manager, or holding

1 company; or which share any common members on the board of directors; or which share
2 managers in common;

3 (d) The average reimbursement by drug ingredient cost, dispensing fee, or any
4 other fee paid by a pharmacy benefit manager to pharmacies licensed in Kentucky which
5 operate 10 locations, 10 or fewer locations, or 10 or more locations;

6 (e) Any direct or indirect fees, charges, or any kind of assessments imposed by
7 the pharmacy benefit manager on pharmacies licensed in Kentucky with which the
8 pharmacy benefit manager shares common ownership, management, or control; or which
9 are owned, managed, or controlled by any of the pharmacy benefit manager's
10 management companies, parent companies, subsidiary companies, jointly held
11 companies, or companies otherwise affiliated by a common owner, manager, or holding
12 company; or which share any common members on the board of directors; or which share
13 managers in common;

14 (f) Any direct or indirect fees, charges, or any kind of assessments imposed by
15 the pharmacy benefit manager on pharmacies licensed in Kentucky which operate 10
16 locations, 10 or fewer locations, or 10 or more locations; and

17 (g) All common ownership, management, common members of a board of
18 directors, shared managers, or control of a pharmacy benefit manager, or any of the
19 pharmacy benefit manager's management companies, parent companies, subsidiary
20 companies, jointly held companies, or companies otherwise affiliated by a common
21 owner, manager, or holding company with any managed care organization contracted to
22 administer Kentucky Medicaid benefits, any entity which contracts on behalf of a
23 pharmacy, or any pharmacy services administration organization, or any common
24 ownership management, common members of a board of directors, shared managers, or
25 control of a pharmacy services administration organization that is contracted with a
26 pharmacy benefit manager, with any drug wholesaler or distributor or any of the
27 pharmacy services administration organizations, management companies, parent

companies, subsidiary companies, jointly held companies, or companies otherwise affiliated by a common owner, common members of a board of directors, manager, or holding company.

(16) Medicaid Prescription Drug Dispensing Reimbursement Rate: Included in the above General Fund appropriation is \$12,000,000 in fiscal year 2018-2019 to provide an increase in the reimbursement rate for the dispensing of prescription medications to Medicaid enrollees who receive services through a managed care organization. Any increase in the reimbursement rate for the dispensing of prescription medications to Medicaid enrollees in a managed care organization for fiscal year 2019-2020 shall be funded with savings realized by the cost-saving measures implemented in the Medicaid pharmacy program.

TOTAL - MEDICAID SERVICES

	2018-19	2019-20
General Fund	1,881,992,500	2,043,016,800
Restricted Funds	555,272,300	531,608,200
Federal Funds	9,134,229,300	9,463,430,500
TOTAL	11,571,494,100	12,038,055,500

4. BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES

	2018-19	2019-20
General Fund (Tobacco)	1,500,800	1,500,800
General Fund	172,406,600	173,286,700
Restricted Funds	209,582,900	203,459,900
Federal Funds	49,131,100	39,703,000
TOTAL	432,621,400	417,950,400

(1) Disproportionate Share Hospital Funds: Mental health disproportionate share funds are budgeted at the maximum amounts permitted by Section 1923(f) of the

1 Social Security Act. Upon publication in the Federal Register of the Annual Institutions
2 for Mental Disease (IMD) Disproportionate Share Hospital (DSH) limit, 92.3 percent of
3 the federal IMD DSH limit goes to the state-operated mental hospitals.

4 **(2) Lease Payments for Eastern State Hospital:** Included in the above General
5 Fund appropriation is \$11,257,500 in fiscal year 2018-2019 and \$11,256,200 in fiscal
6 year 2019-2020 to make lease payments to the Lexington-Fayette Urban County
7 Government to retire its debt for the construction of the new facility.

8 **(3) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
9 appropriation is \$1,500,800 in each fiscal year of the 2018-2020 biennium for substance
10 abuse prevention and treatment for pregnant women with a history of substance abuse
11 problems.

12 **(4) Debt Service:** Included in the above General Fund appropriation is \$71,000 in
13 fiscal year 2018-2019 and \$737,000 in fiscal year 2019-2020 for new debt service to
14 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

15 **(5) Regional Mental Health/Mental Retardation Boards Retirement Cost:**
16 Included in the above General Fund appropriation is \$23,274,100 in each fiscal year for
17 Regional Mental Health/Mental Retardation Boards to assist them with employer
18 contributions for the Kentucky Employees Retirement System. In July and January of
19 each year, the Department for Behavioral Health, Developmental and Intellectual
20 Disabilities shall obtain the total creditable compensation reported by each Regional
21 Mental Health/Mental Retardation Board to the Kentucky Retirement System and utilize
22 that number to determine how much of this total appropriation shall be distributed to each
23 Regional Mental Health/Mental Retardation Board. Payments to the Mental
24 Health/Mental Retardation Boards shall be made on September 1 and April 1 of each
25 fiscal year.

26 **(6) Delivery of Services for Intermediate Care Facilities for Individuals with**
27 **Intellectual Disability (ICF/ID):** The General Assembly directs the Cabinet for Health

1 and Family Services to transition all qualified individuals from the ICF/ID care model to
 2 the community living model demonstrated by the Supports for Community Living Waiver
 3 Program. For those qualified individuals who need an additional, higher level of
 4 supervision, such as one-on-one staffing and increased behavioral support services, an
 5 enhanced rate shall be applied for successful transition to the Supports for Community
 6 Living Waiver Program. In continuance of the transitions, from any cost savings realized
 7 by the Cabinet for Health and Family Services, 50 percent shall be utilized to increase the
 8 reimbursement rates for Supports for Community Living Waiver Program slots and the
 9 remaining balance shall be transferred to the Budget Reserve Trust Fund Account (KRS
 10 48.705). The Cabinet shall provide a quarterly report on transition progress, including
 11 identification of cost savings, to the Interim Joint Committee on Health and Welfare and
 12 Family Services.

13 **5. PUBLIC HEALTH**

14		2018-19	2019-20
15	General Fund (Tobacco)	15,653,000	15,472,100
16	General Fund	76,360,000	76,481,200
17	Restricted Funds	86,878,400	86,987,400
18	Federal Funds	190,380,300	190,607,100
19	TOTAL	369,271,700	369,547,800

20 **(1) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
 21 appropriation is \$9,000,000 in each fiscal year for the Health Access Nurturing
 22 Development Services (HANDS) Program, \$1,000,000 in each fiscal year for Healthy
 23 Start initiatives, \$80,000 in each fiscal year for the Folic Acid Program, \$1,000,000 in
 24 each fiscal year for Early Childhood Mental Health, \$1,050,000 in each fiscal year for
 25 Early Childhood Oral Health, and \$3,523,000 in fiscal year 2018-2019 and \$3,342,100 in
 26 fiscal year 2019-2020 for Smoking Cessation.

27 **(2) Local and District Health Department Retirement Cost:** Included in the

1 above General Fund appropriation is \$25,394,600 in each fiscal year of the 2018-2020
 2 biennium for Local and District Health Departments to assist them with employer
 3 contributions for the Kentucky Employees Retirement System. In July and January of
 4 each year, the Department for Public Health shall obtain the total creditable compensation
 5 reported by each Local and District Health Department Board to the Kentucky Retirement
 6 System and utilize that number to determine how much of this total appropriation shall be
 7 distributed to each department. Payments to the Local and District Health Departments
 8 shall be made on September 1 and April 1 of each fiscal year.

9 **(3) Local and District Health Department Payments:** The Department for
 10 Public Health shall not interfere with the ability of a local or district health department to
 11 receive reimbursement for services provided. The Department for Public Health shall
 12 submit to the Department for Medicaid Services and the Medicaid Managed Care
 13 Organizations all requests for payment for services received from a local or district health
 14 department.

15 **(4) Kentucky Poison Control Center:** Included in the above General Fund
 16 appropriation is \$750,000 in each fiscal year for the Kentucky Poison Control Center.

17 **(5) Kentucky Colon Cancer Screening Program:** Included in the above General
 18 Fund appropriation is \$500,000 in each fiscal year to support the Kentucky Colon Cancer
 19 Screening Program.

20 **(6) Kentucky Pediatric Cancer Research Trust Fund:** Included in the above
 21 General Fund appropriation is \$2,500,000 in each fiscal year to the Kentucky Pediatric
 22 Cancer Research Trust Fund for general pediatric cancer research and support of
 23 expansion of clinical trials at the University of Kentucky and University of Louisville.

24 **6. HEALTH POLICY**

25		2018-19	2019-20
26	General Fund	471,600	476,900
27	Restricted Funds	818,600	649,100

1	Federal Funds	1,013,100	1,013,100
2	TOTAL	2,303,300	2,139,100

3 **7. FAMILY RESOURCE CENTERS AND VOLUNTEER SERVICES**

4		2018-19	2019-20
5	General Fund	1,526,400	1,544,700
6	Federal Funds	7,042,200	7,053,300
7	TOTAL	8,568,600	8,598,000

8 **8. INCOME SUPPORT**

9		2018-19	2019-20
10	General Fund	7,116,600	7,116,600
11	Restricted Funds	12,550,900	12,550,900
12	Federal Funds	85,212,900	85,736,600
13	TOTAL	104,880,400	105,404,100

14 **9. COMMUNITY BASED SERVICES**

15		2017-18	2018-19	2019-20
16	General Fund (Tobacco)	-0-	13,211,100	12,000,000
17	General Fund	2,500,000	471,974,100	473,960,500
18	Restricted Funds	-0-	201,316,100	202,239,400
19	Federal Funds	-0-	572,881,400	577,870,100
20	TOTAL	2,500,000	1,259,382,700	1,266,070,000

21 **(1) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
 22 appropriation is \$10,711,100 in fiscal year 2018-2019 and \$9,500,000 in fiscal year 2019-
 23 2020 for the Early Childhood Development Program. Included in the above General Fund
 24 (Tobacco) appropriation is \$2,500,000 in each fiscal year for the Early Childhood
 25 Adoption and Foster Care Supports Program.

26 **(2) Contracted Entities Retirement Cost:** Included in the above General Fund
 27 appropriation is \$1,498,900 in each fiscal year for domestic violence shelters, rape crisis

1 centers, and child advocacy centers to assist them with employer contribution rates for the
2 Kentucky Employees Retirement System. In the interim, the contracted entities shall
3 evaluate the feasibility of continued participation in the Kentucky Employees Retirement
4 System as provided in KRS 61.522.

5 **(3) Fostering Success:** Included in the above General Fund appropriation is
6 \$375,000 in each fiscal year for the Fostering Success Program. The Cabinet for Health
7 and Family Services shall submit a report containing the results of the program, including
8 but not limited to the number of participants, number and type of job placements, job
9 training provided, and any available information pertaining to individual outcomes to the
10 Interim Joint Committee on Appropriations and Revenue by July 1 of each fiscal year.

11 **(4) Relative Placement Support Benefit:** Included in the above General Fund
12 appropriation is \$1,000,000 in each fiscal year for start-up costs associated with placing
13 children with non-parental relatives.

14 **(5) Domestic Violence Shelters:** Included in the above General Fund
15 appropriation is \$250,000 in each fiscal year for operational costs.

16 **(6) Rape Crisis Centers:** Included in the above General Fund appropriation is
17 \$250,000 in each fiscal year for operational costs.

18 **(7) Dually Licensed Pediatric Facilities:** Included in the above General Fund
19 appropriation is \$550,000 in each fiscal year to provide supplemental payments to dually
20 licensed pediatric facilities for emergency shelter services for children.

21 **(8) Child Care Assistance Program:** Included in the above General Fund
22 appropriation is \$10,600,000 in each fiscal year to provide services to families at or
23 below 160 percent of the federal poverty level as determined annually by the U.S.
24 Department of Health and Human Services.

25 **(9) Family Dependent Exchange and Visitation Services:** Included in the
26 above General Fund appropriation is \$50,000 in each fiscal year to continue family
27 dependent exchange and visitation services primarily in Jefferson County and

1 surrounding Kentucky counties.

2 **(10) Private Child Caring Agencies Reimbursement Rates:** Included in the
3 above appropriations is \$3,893,000 in General Fund, \$21,900,000 in Restricted Funds,
4 and \$2,200,500 in Federal Funds in each fiscal year to increase reimbursement rates to
5 private child caring agencies.

6 **(11) Salary Adjustments:** Included in the above General Fund appropriation is
7 \$11,148,100 in each fiscal year to provide up to a 10 percent increase in the base salary or
8 wages in the Social Services Worker I, Social Services Worker II, Social Service
9 Clinician I, Social Service Clinician II, and Family Services Office Supervisor personnel
10 classifications within the Department for Community Based Services effective July 1,
11 2018.

12 **10. AGING AND INDEPENDENT LIVING**

13	2018-19	2019-20
14 General Fund	43,742,400	43,937,800
15 Restricted Funds	3,298,500	3,308,800
16 Federal Funds	24,829,300	24,829,300
17 TOTAL	71,870,200	72,075,900

18 **(1) Local Match Requirements:** Notwithstanding KRS 205.460, entities
19 contracting with the Cabinet for Health and Family Services to provide essential services
20 under KRS 205.455 and 205.460 shall provide local match equal to or greater than the
21 amount in effect during fiscal year 2017-2018. Local match may include any combination
22 of materials, commodities, transportation, office space, personal services, or other types
23 of facility services or funds. The Secretary of the Cabinet for Health and Family Services
24 shall prescribe the procedures to certify the local match compliance.

25 **11. HEALTH BENEFIT EXCHANGE**

26	2018-19	2019-20
27 Restricted Funds	5,063,900	5,100,500

(1) Kentucky Access Fund: Notwithstanding KRS 304.17B-021, excess Restricted Funds not needed for the operations and maintenance cost for the Health Benefit Exchange in fiscal year 2018-2019 and in fiscal year 2019-2020 shall be transferred to the Department for Medicaid Services from the Kentucky Access Fund.

TOTAL - HEALTH AND FAMILY SERVICES CABINET

	2017-18	2018-19	2019-20
General Fund (Tobacco)	-0-	30,364,900	28,972,900
General Fund	2,500,000	2,696,624,000	2,861,546,100
Restricted Funds	-0-	1,107,436,600	1,078,791,700
Federal Funds	-0-	10,123,358,800	10,449,266,600
TOTAL	2,500,000	13,957,784,300	14,418,577,300

H. JUSTICE AND PUBLIC SAFETY CABINET

Budget Units

1. JUSTICE ADMINISTRATION

	2018-19	2019-20
General Fund (Tobacco)	7,831,000	7,362,800
General Fund	29,945,900	30,104,200
Restricted Funds	4,297,100	4,302,800
Federal Funds	51,629,900	76,643,600
TOTAL	93,703,900	118,413,400

(1) Operation UNITE: Notwithstanding KRS 48.005(4), included in the above Restricted Funds appropriation is \$1,500,000 in each fiscal year for the Operation UNITE Program from settlement funds resulting from the suit against Purdue Pharma, et al.

(2) Office of Drug Control Policy: Included in the above General Fund (Tobacco) appropriation is \$7,831,000 in fiscal year 2018-2019 and \$7,362,800 in fiscal year 2019-2020 for the Office of Drug Control Policy to support opioid prevention, treatment, and recovery initiatives.

(3) **Court Appointed Special Advocate Funding:** (a) Included in the above General Fund appropriation is \$1,406,300 in each fiscal year for grants to support Court Appointed Special Advocate (CASA) funding programs.

(b) No administrative costs shall be paid from the appropriation provided in paragraph (a) of this subsection.

2. CRIMINAL JUSTICE TRAINING

	2018-19	2019-20
Restricted Funds	86,001,100	82,834,500
Federal Funds	120,200	120,200
TOTAL	86,121,300	82,954,700

(1) **Kentucky Law Enforcement Foundation Program Fund:** Included in the above Restricted Funds appropriation is \$84,488,600 in fiscal year 2018-2019 and \$80,366,500 in fiscal year 2019-2020 for the Kentucky Law Enforcement Foundation Program Fund.

(2) **Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in the above Restricted Funds appropriation is \$4,000 in each fiscal year for each participant for training incentive payments.

(3) Training Incentive Stipends Expansion to Other Peace Officers:

(a) Notwithstanding KRS 15.410, 15.420(2), 15.460(1), 15.470(2) and (4), and any statute to the contrary, included in the above Restricted Funds appropriation is sufficient funding for a \$4,000 annual training incentive stipend for Kentucky state troopers, Kentucky State Police arson investigators, Kentucky State Police hazardous devices investigators, Kentucky State Police legislative security specialists, Kentucky vehicle enforcement officers, Horse Park mounted patrol officers, Parks rangers, Agriculture investigators, Charitable Gaming investigators, Alcoholic Beverage Control investigators, Insurance Fraud investigators, and Attorney General investigators from the Kentucky Law Enforcement Foundation Program Fund. Employers of these officers shall

1 be reimbursed for the Federal Insurance Contributions Act tax and retirement
2 contributions employers are required to make to defined benefit pension plans.

3 (b) Notwithstanding KRS 15.410, 15.420(2), 15.460(1), 15.470(2) and (4), and
4 any other statute to the contrary, included in the above Restricted Funds appropriation is
5 sufficient funding for a \$4,000 annual training incentive stipend for School Security
6 officers employed by an eligible local unit of government, plus an amount equal to the
7 required employer's contribution on the supplement to the defined benefit plan to which
8 the officer belongs, but no more than the required employer's contribution to the County
9 Employees Retirement System hazardous duty category.

10 **(4) Support for Statewide Law Enforcement Purposes:**

11 (a) Notwithstanding KRS 15.470 and any other statute to the contrary, included in
12 the above Restricted Funds appropriation is \$1,442,500 in each fiscal year to be
13 transferred to the Department of Kentucky State Police for the laboratory updates capital
14 project set forth in Part II, H., 3., 002. of this Act.

15 (b) Notwithstanding KRS 15.470 and any other statute to the contrary, included in
16 the above Restricted Funds appropriation is \$3,305,800 in fiscal year 2018-2019 and
17 \$872,800 in fiscal year 2019-2020 to be transferred to the Department of Kentucky State
18 Police for the sole purpose of purchasing marked and unmarked vehicles.

19 (c) Any unexpended balance from the appropriations set forth in paragraphs (a)
20 and (b) of this subsection shall lapse to the Kentucky Law Enforcement Foundation
21 Program Fund.

22 **(5) Administrative Costs:** Notwithstanding KRS 15.470 and any other statute to
23 the contrary, the Department of Criminal Justice Training is authorized to transfer
24 Restricted Funds to the Department of Justice Administration to support the Criminal
25 Justice Training attorney positions in each fiscal year of the biennium.

26 **3. JUVENILE JUSTICE**

27 **2017-18**

2018-19

2019-20

1	General Fund	600,000	103,935,700	105,397,200
2	Restricted Funds	-0-	10,360,000	10,027,400
3	Federal Funds	-0-	10,542,300	10,421,300
4	TOTAL	600,000	124,838,000	125,845,900

5 **4. STATE POLICE**

6		2018-19	2019-20
7	General Fund	129,540,200	121,147,800
8	Restricted Funds	34,128,900	31,357,800
9	Federal Funds	11,097,100	11,097,100
10	Road Fund	105,278,800	106,762,100
11	TOTAL	280,045,000	270,364,800

12 **(1) Call to Extraordinary Duty:** There is appropriated from the General Fund to
 13 the Department of Kentucky State Police, subject to the conditions and procedures
 14 provided in this Act, funds which are required as a result of the Governor's call of the
 15 Kentucky State Police to extraordinary duty when an emergency situation has been
 16 declared to exist by the Governor. Funding is authorized to be provided from the General
 17 Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS
 18 48.705).

19 **(2) State Police and Vehicle Enforcement Personnel Training Incentive:**
 20 Included in the above Restricted Funds appropriation is sufficient funding for a \$4,000
 21 annual training incentive stipend for state troopers, arson investigators, hazardous devices
 22 investigators, legislative security specialists, and vehicle enforcement officers from the
 23 Kentucky Law Enforcement Foundation Program Fund.

24 **(3) Restricted Funds Uses:** Notwithstanding KRS 24A.179, 42.320(2)(h),
 25 65.7631, 189A.050(3)(a), 237.110(18), and 281A.160(2)(b), funds are included in the
 26 above Restricted Funds appropriation to maintain the operations and administration of the
 27 Kentucky State Police.

(4) Dispatcher Training Incentive: Included in the above General Fund appropriation is sufficient funding for a \$3,100 annual training incentive stipend for dispatchers.

(5) Debt Service: Included in the above General Fund appropriation is \$1,125,300 in fiscal year 2019-2020 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(6) Transfers for Statewide Law Enforcement Purposes: (a) Included in the above Restricted Funds appropriation is \$1,442,500 in each fiscal year to be transferred from the Department of Criminal Justice Training for the laboratory updates capital project set forth in Part II, H., 3., 002. of this Act.

(b) Included in the above Restricted Funds appropriation is \$3,305,800 in fiscal year 2018-2019 and \$872,800 in fiscal year 2019-2020 for the sole purpose of purchasing marked and unmarked vehicles.

(c) Any unexpended balance from the appropriations set forth in paragraphs (a) and (b) of this subsection shall lapse to the Kentucky Law Enforcement Foundation Program Fund.

(7) Forensic Laboratory Technician Salary Increases: Included in the above General Fund appropriation is \$1,000,000 in each fiscal year for salary increases for forensic laboratory technicians.

5. CORRECTIONS

a. Corrections Management

	2018-19	2019-20
General Fund	11,744,800	11,890,700
Restricted Funds	300,000	300,000
Federal Funds	75,000	75,000
TOTAL	12,119,800	12,265,700

(1) Appropriations Adjustments: The General Assembly has determined that

1 the Department of Corrections shall be permitted to adjust appropriations between the
2 Community Services and Local Facilities budget unit and the Adult Correctional
3 Institutions budget unit in each fiscal year only if such transfers do not create a deficit
4 resulting in a necessary government expense. Only adjustments necessary to manage the
5 diverse mix of inmate classifications, custody levels, probation and parole caseloads, and
6 population increases or decreases shall be permitted. Any appropriations transferred or
7 otherwise directed between these appropriation units shall be documented and justified in
8 writing. No adjustments shall be made except upon the prior written concurrence of the
9 State Budget Director. The State Budget Director shall report the adjustments and the
10 necessity of the adjustments to the Interim Joint Committee on Appropriations and
11 Revenue.

12 **(2) Local Correctional Facilities:** Notwithstanding KRS 441.420, no funds are
13 provided for reimbursement to counties for design fees for architectural and engineering
14 services associated with any new local correctional facility approved by the Local
15 Correctional Facilities Construction Authority.

16 **(3) Management of State Inmate Population:** (a) Notwithstanding KRS
17 532.100 and any other provision of law to the contrary, the Department of Corrections is
18 authorized to adjust inmate custody levels as necessary to house Class C and Class D
19 felons beyond the scope of KRS 532.100 in county jails. These provisions shall exclude
20 offenders convicted of a sex crime as defined in KRS 17.500.

21 (b) Notwithstanding KRS 532.100 and 501 KAR 2:040, counties may not obtain a
22 waiver to be noncompliant with paragraph (a) of this subsection without written approval
23 from the Department of Corrections.

24 (c) Pursuant to KRS 532.100, counties shall prioritize the placement of state
25 inmates over federal inmates to maximize efficient management of the state inmate
26 population.

27 (d) The Department of Corrections is authorized to compel county jail compliance

1 of this subsection, including any reporting requirements deemed necessary by the
2 Department.

3 **b. Adult Correctional Institutions**

4	2017-18	2018-19	2019-20
5 General Fund	4,501,800	311,464,000	324,718,900
6 Restricted Funds	-0-	17,909,200	17,947,200
7 Federal Funds	-0-	272,500	272,500
8 TOTAL	4,501,800	329,645,700	342,938,600

9 **(1) Debt Service:** Included in the above General Fund appropriation is \$149,000
10 in fiscal year 2018-2019 and \$544,000 in fiscal year 2019-2020 for new debt service to
11 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

12 **(2) Transfer to State Institutions:** Notwithstanding KRS 532.100(7), state
13 prisoners, excluding the Class C and Class D felons qualifying to serve time in county
14 jails, may be transferred to a state institution within 90 days of final sentencing, if the
15 county jail does not object to the additional 45 days.

16 **(3) Operational Costs for Inmate Population:** In the event that actual
17 operational costs exceed the amounts appropriated to support the budgeted average daily
18 population of state felons for each fiscal year, the additional payments shall be deemed
19 necessary government expenses and shall be paid from the General Fund Surplus Account
20 (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705), subject to
21 notification as to necessity and amount by the State Budget Director who shall report any
22 certified expenditure to the Interim Joint Committee on Appropriations and Revenue.

23 **c. Community Services and Local Facilities**

24	2018-19	2019-20
25 General Fund	244,656,300	245,505,700
26 Restricted Funds	10,000,000	9,876,100
27 Federal Funds	695,500	695,500

1	TOTAL	255,351,800	256,077,300
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(1) **Excess Local Jail Per Diem Costs:** In the event that actual local jail per diem payments exceed the amounts appropriated to support the budgeted average daily population of state felons in county jails for each fiscal year, the payments shall be deemed necessary government expenses and may be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705), subject to notification as to necessity and amount by the State Budget Director who shall report any certified expenditure to the Interim Joint Committee on Appropriations and Revenue.

9 **(2) Local Jails Funding:** Notwithstanding KRS 441.605 to 441.695, funds in the
10 amount of \$2,000,000 in each fiscal year shall be expended from the Kentucky Local
11 Correctional Facilities Construction Authority for local correctional facility and
12 operational support.

13 **(3) Parole for Infirm Inmates:** (a) The Commissioner of the Department of
14 Corrections shall certify and notify the Parole Board when a prisoner meets the
15 requirements of paragraph (c) of this subsection for parole.

(b) Notwithstanding any statute to the contrary, within 30 days of receiving notification as prescribed by paragraph (a) of this subsection, the Parole Board shall grant parole.

(c) A prisoner who has been determined by the Department of Corrections to be physically or mentally debilitated, incapacitated, or infirm as a result of advanced age, chronic illness, disease, or any other qualifying criteria that constitutes an infirm prisoner shall be eligible for parole if:

23 1. The prisoner was not convicted of a capital offense and sentenced to death or
24 was not convicted of a sex crime as defined in KRS 17.500;

25 2. The prisoner has reached his or her parole eligibility date;

26 3. The prisoner is substantially dependent on others for the activities of daily
27 living; and

1 4. There is a low risk of the prisoner presenting a threat to society if paroled.

2 (d) Unless a new offense is committed that results in a new conviction subsequent
3 to a prisoner being paroled, paroled prisoners shall not be considered to be under the
4 custody of the state in any way.

5 (e) Prisoners paroled under this subsection shall be paroled to a licensed long-
6 term-care facility in the Commonwealth.

7 (f) The Cabinet for Health and Family Services and the Justice and Public Safety
8 Cabinet shall provide all needed assistance and support in seeking and securing approval
9 from the United States Department of Health and Human Services for federal assistance,
10 including Medicaid funds, for the provision of long-term-care services to those eligible
11 for parole under paragraph (c) of this subsection.

12 (g) The Cabinet for Health and Family Services and the Justice and Public Safety
13 Cabinet shall have the authority to contract with community providers that meet the
14 requirements of paragraph (e) of this subsection and that are willing to house any inmates
15 deemed to meet the requirements of this subsection so long as contracted rates do not
16 exceed current expenditures related to the provisions of this subsection.

17 (h) The Cabinet for Health and Family Services and the Justice and Public Safety
18 Cabinet are encouraged to corroborate with other states that are engaged in similar efforts
19 so as to achieve the mandates of this subsection.

20 (i) The Cabinet for Health and Family Services and the Justice and Public Safety
21 Cabinet shall provide a report to the Interim Joint Committee on Appropriations and
22 Revenue by December 15 of each fiscal year concerning these provisions. The report shall
23 include the number of persons paroled, the identification of the residential facilities
24 utilized, an estimate of cost savings as a result of the project, and any other relevant
25 material to assist the General Assembly in assessing the value of continuing and
26 expanding the project.

27 **(4) Participation in Transparent Governing - Full Disclosure of Inmate**

1 **Population Forecasts and Related Materials:** The Office of State Budget Director shall
 2 provide the methodology, assumptions, data, and all other related materials used to
 3 project biennial offender population forecasts conducted by the Office of State Budget
 4 Director, the Kentucky Department of Corrections, and any consulting firms, to the
 5 Interim Joint Committee on Appropriations and Revenue by November 1, 2018. This
 6 submission shall include but not be limited to the projected state, county, and community
 7 offender populations for the 2018-2020 fiscal biennium and must coincide with the
 8 budgeted amount for these populations. This submission shall clearly divulge the
 9 methodology and reasoning behind the budgeted and projected offender population in a
 10 commitment to participate in transparent governing.

11 **(5) Participation in Transparent Governing - Calculating Avoided Costs**
 12 **Relating to Legislative Action:** The Office of State Budget Director shall provide the
 13 methodology, assumptions, data, and all other related materials used to calculate any
 14 avoided costs pursuant to the implementation of 2011 Ky. Acts ch. 2 by November 1,
 15 2018. This submission shall clearly divulge the methodology and reasoning behind the
 16 projected costs avoided in a commitment to participate in transparent governing.

17 **(6) Jail Capacity Reporting and Certification:** The Department of Corrections
 18 shall file annual reports with the Interim Joint Committee on Appropriations and Revenue
 19 certifying that, prior to the issuance of any private prison contract, all available jail beds
 20 have been utilized to the fullest extent possible, based on classification level. The report
 21 certifying this information shall be due September 1 of each fiscal year.

22 **d. Local Jail Support**

	2018-19	2019-20
24 General Fund	15,463,600	15,463,600

25 **(1) Local Corrections Assistance Fund Allocation:** Notwithstanding KRS
 26 196.288(5)(a), included in the above General Fund appropriation is \$4,630,200 in each
 27 fiscal year for the Local Corrections Assistance Fund. Moneys in the fund shall be

distributed to the counties each year. Amounts distributed from the fund shall be used to support local correctional facilities and programs, including the transportation of prisoners, as follows:

(a) In each fiscal year, the first \$3,000,000 received by the fund, or, if the fund receives less than \$3,000,000, the entire balance of the fund, shall be divided equally among all counties; and

(b) Any moneys remaining after making the distributions required by paragraph (a) of this subsection shall be distributed to each county based on a ratio, the numerator of which shall be the county's county inmate population on the second Thursday in January during the prior fiscal year, and the denominator of which shall be the total counties' county inmate population for the entire state on the second Thursday in January during the prior fiscal year.

(2) Jailers' Allowance: Notwithstanding KRS 441.115, or any statute to the contrary, no funding is provided for the Jailers' Allowance Program.

(3) Inmate Medical Care Expenses: Included in the above General Fund appropriation is \$792,800 in each fiscal year for medical care contracts to be distributed, upon approval of the Department of Corrections, to counties by the formula codified in KRS 441.206, and \$851,800 in each fiscal year, on a partial reimbursement basis, for medical claims in excess of the statutory threshold pursuant to KRS 441.045. The funding support for medical contracts and catastrophic medical expenses for indigents shall be maintained in discrete accounts. Any medical claim that exceeds the statutory threshold may be reimbursed for that amount in excess of the statutory threshold.

TOTAL - CORRECTIONS

	2017-18	2018-19	2019-20
General Fund	4,501,800	583,328,700	597,578,900
Restricted Funds	-0-	28,209,200	28,123,300
Federal Funds	-0-	1,043,000	1,043,000

1	TOTAL	4,501,800	612,580,900	626,745,200
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2 **6. PUBLIC ADVOCACY**

3		2017-18	2018-19	2019-20
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4	General Fund	3,800,000	65,412,600	66,170,800
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5	Restricted Funds	-0-	4,608,100	4,504,300
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6	Federal Funds	-0-	1,422,100	1,422,100
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7	TOTAL	3,800,000	71,442,800	72,097,200
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8 **(1) Compensatory Leave Conversion to Sick Leave:** If the Department of
 9 Public Advocacy determines that internal budgetary pressures warrant further austerity
 10 measures, the Public Advocate may institute a policy to suspend payment of 50-hour
 11 blocks of compensatory time for those attorneys who have accumulated 240 hours of
 12 compensatory time and instead convert those hours to sick leave.

13 **TOTAL - JUSTICE AND PUBLIC SAFETY CABINET**

14		2017-18	2018-19	2019-20
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15	General Fund (Tobacco)	-0-	7,831,000	7,362,800
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16	General Fund	8,901,800	912,163,100	920,398,900
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17	Restricted Funds	-0-	167,604,400	161,150,100
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18	Federal Funds	-0-	75,854,600	100,747,300
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19	Road Fund	-0-	105,278,800	106,762,100
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20	TOTAL	8,901,800	1,268,731,900	1,296,421,200
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21 **I. LABOR CABINET**

22 **Budget Units**

23 **1. SECRETARY**

24		2018-19	2019-20
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25	Restricted Funds	6,792,900	6,484,200
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26	Federal Funds	139,800	139,800
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27	TOTAL	6,932,700	6,624,000
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1	2. GENERAL ADMINISTRATION AND PROGRAM SUPPORT		
2		2018-19	2019-20
3	General Fund	3,528,000	3,573,600
4	Restricted Funds	3,366,500	3,370,000
5	Federal Funds	74,900	73,400
6	TOTAL	6,969,400	7,017,000
7	3. WORKPLACE STANDARDS		
8		2018-19	2019-20
9	General Fund	2,233,000	2,263,100
10	Restricted Funds	8,732,800	8,873,300
11	Federal Funds	3,671,300	3,671,300
12	TOTAL	14,637,100	14,807,700
13	4. WORKERS' CLAIMS		
14		2018-19	2019-20
15	Restricted Funds	75,004,600	75,227,500
16	5. OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION		
17		2018-19	2019-20
18	Restricted Funds	745,700	752,600
19	6. WORKERS' COMPENSATION FUNDING COMMISSION		
20		2018-19	2019-20
21	Restricted Funds	117,306,600	116,826,000
22	7. WORKERS' COMPENSATION NOMINATING COMMITTEE		
23		2018-19	2019-20
24	Restricted Funds	1,100	1,100
25	TOTAL - LABOR CABINET		
26		2018-19	2019-20
27	General Fund	5,761,000	5,836,700

1	Restricted Funds	211,950,200	211,534,700
2	Federal Funds	3,886,000	3,884,500
3	TOTAL	221,597,200	221,255,900

J. PERSONNEL CABINET

Budget Units

1. GENERAL OPERATIONS

7		2018-19	2019-20
8	Restricted Funds	31,449,800	31,707,400

9 **(1) Pro Rata Assessment:** Included in the above Restricted Funds appropriation
10 is \$2,869,000 in fiscal year 2018-2019 and \$2,693,800 in fiscal year 2019-2020 to be
11 transferred to the General Fund to support debt service on bonds previously issued for the
12 Kentucky Human Resources Information System.

2. PUBLIC EMPLOYEES DEFERRED COMPENSATION AUTHORITY

14		2018-19	2019-20
15	Restricted Funds	9,227,800	9,269,300

3. WORKERS' COMPENSATION BENEFITS AND RESERVE

17		2018-19	2019-20
18	Restricted Funds	25,497,000	25,510,100

TOTAL - PERSONNEL CABINET

20		2018-19	2019-20
21	Restricted Funds	66,174,600	66,486,800
22	TOTAL	66,174,600	66,486,800

K. POSTSECONDARY EDUCATION

Budget Units

1. COUNCIL ON POSTSECONDARY EDUCATION

26		2018-19	2019-20
27	General Fund (Tobacco)	7,000,000	6,686,500

1	General Fund	40,133,200	40,198,800
2	Restricted Funds	5,368,000	5,273,300
3	Federal Funds	12,772,000	12,322,000
4	TOTAL	65,273,200	64,480,600

5 **(1) Carry Forward of General Fund Appropriation Balance:** Notwithstanding
6 KRS 45.229, the General Fund appropriation in fiscal year 2017-2018 and fiscal year
7 2018-2019 to the Adult Education and Literacy Program shall not lapse and shall carry
8 forward.

9 Notwithstanding KRS 45.229, the General Fund appropriation in fiscal year 2017-
10 2018 and fiscal year 2018-2019 to the Science and Technology Program shall not lapse
11 and shall carry forward.

12 **(2) Interest Earnings Transfer from the Strategic Investment and Incentive**
13 **Trust Fund Accounts:** Notwithstanding KRS 164.7911, 164.7913, 164.7915, 164.7917,
14 164.7919, 164.7921, 164.7923, 164.7925, and 164.7927, any expenditures from the
15 Strategic Investment and Incentive Trust Fund accounts in excess of appropriated
16 amounts by the Council on Postsecondary Education shall be subject to KRS 48.630.

17 **(3) Program Elimination:** Notwithstanding KRS 164.028 to 164.0282, no
18 General Fund is provided for Professional Education Preparation.

19 **(4) Optometry Slots:** Included in the above General Fund appropriation is
20 \$776,000 in each fiscal year to fund 44 Optometry Slots.

21 **(5) Postsecondary Education Debt:** Notwithstanding KRS 45.750 to 45.810, in
22 order to lower the cost of borrowing, any university that has issued or caused to be issued
23 debt obligations through a not-for-profit corporation or a municipality or county
24 government for which the rental or use payments of the university substantially meet the
25 debt service requirements of those debt obligations is authorized to refinance those debt
26 obligations if the principal amount of the debt obligations is not increased and the rental
27 payments of the university are not increased. Any funds used by a university to meet debt

1 obligations issued by a university pursuant to this subsection shall be subject to
2 interception of state-appropriated funds pursuant to KRS 164A.608.

3 **(6) Adult Education:** Included in the above General Fund appropriation are
4 funds in each fiscal year for the Kentucky Adult Education Funding Program.

5 **(7) Veterinary Medicine Contract Spaces:** Included in the above General Fund
6 appropriation is \$5,084,000 in each fiscal year to fund 164 Veterinary Slots.

7 **(8) Ovarian Cancer Screening:** Notwithstanding KRS 164.476, included in the
8 above General Fund appropriation is \$500,000 in each fiscal year for the Ovarian Cancer
9 Screening Outreach Program at the University of Kentucky.

10 **(9) Cancer Research and Screening:** Included in the above General Fund
11 (Tobacco) appropriation is \$7,000,000 in fiscal year 2018-2019 and \$6,686,500 in fiscal
12 year 2019-2020 for cancer research and screening. The appropriation each fiscal year
13 shall be equally shared between the University of Louisville and the University of
14 Kentucky.

15 **(10) Veterinary Contract Spaces Working Group:** Having determined that there
16 is a need to study the effects of both the establishment of a forgivable loan program for
17 the students of the Veterinary Contract Spaces Program and the projected return of large
18 animal veterinary graduates to practice in Kentucky, the Kentucky Council on
19 Postsecondary Education is hereby directed to establish a working group composed of the
20 following:

21 (a) The President of the Council on Postsecondary Education or his
22 representative;

23 (b) The Speaker of the House or his representative;

24 (c) The President of the Senate or his representative;

25 (d) The Kentucky Commissioner of Agriculture or his representative;

26 (e) The Executive Director of the Governor's Office of Agricultural Policy or his
27 representative;

- 1 (f) A representative of the Kentucky Veterinary Medical Association;
- 2 (g) A representative of the Kentucky Farm Bureau; and
- 3 (h) A representative of the Thoroughbred Owners and Breeders Association.

4 The working group shall report to the Interim Joint Committee on Appropriations
5 and Revenue no later than December 1, 2018.

6 **2. KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY**

7		2018-19	2019-20
8	General Fund	233,800,000	240,800,000
9	Restricted Funds	33,492,100	34,756,500
10	Federal Funds	33,800	33,800
11	TOTAL	267,325,900	275,590,300

12 **(1) College Access Program:** Notwithstanding KRS 154A.130(4), included in
13 the above General Fund appropriation is \$72,505,900 in fiscal year 2018-2019 and
14 \$76,691,600 in fiscal year 2019-2020 for the College Access Program.

15 **(2) Kentucky Tuition Grant Program:** Notwithstanding KRS 154A.130(4),
16 included in the above General Fund appropriation is \$38,876,300 in fiscal year 2018-
17 2019 and \$40,670,500 in fiscal year 2019-2020 for the Kentucky Tuition Grant Program.

18 **(3) Kentucky National Guard Tuition Award Program:** Notwithstanding KRS
19 154A.130(4), included in the above General Fund appropriation is \$7,398,100 in each
20 fiscal year for the National Guard Tuition Award Program.

21 **(4) Kentucky Educational Excellence Scholarships (KEES):** Notwithstanding
22 KRS 154A.130(4), included in the above General Fund appropriation is \$107,519,700 in
23 fiscal year 2018-2019 and \$108,539,800 in fiscal year 2019-2020 for the Kentucky
24 Educational Excellence Scholarships (KEES). Included in the above Restricted Funds
25 appropriation is \$11,367,300 in fiscal year 2018-2019 and \$12,600,000 in fiscal year
26 2019-2020 for KEES.

27 **(5) Work Ready Scholarship Program:** Notwithstanding KRS 154A.130(4),

included in the above General Fund appropriation is \$2,500,000 in each fiscal year for the Work Ready Scholarship Program.

(6) Dual Credit Scholarship Program: Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$5,000,000 in each fiscal year for the Dual Credit Scholarship Program.

(7) Use of Lottery Revenues: Notwithstanding KRS 154A.130(3)(a) and (4), lottery revenues in the amount of \$233,800,000 in fiscal year 2018-2019 and \$240,800,000 in fiscal year 2019-2020 are appropriated to the Kentucky Higher Education Assistance Authority. If lottery receipts received by the Commonwealth, excluding any unclaimed prize money received under Part III, Section 21. of this Act, exceed \$249,000,000 in fiscal year 2018-2019 or \$256,000,000 in fiscal year 2019-2020, the excess shall be transferred to the Kentucky Higher Education Assistance Authority and appropriated in accordance with KRS 154A.130(4)(b).

(8) Program Elimination: Notwithstanding KRS 164.518, 164.740 to 164.764, 164.769, 164.7890(11)(c), 164.7891(11)(b), and 164.7894, no General Fund is provided for Early Childhood Development Scholarships, Work Study, the Teacher Scholarship Program, Coal County Pharmacy Scholarships, Osteopathic Medicine Scholarships, and Coal County College Completion Scholarships.

3. EASTERN KENTUCKY UNIVERSITY

	2018-19	2019-20
General Fund	60,651,700	60,025,200
Restricted Funds	207,001,200	207,314,400
Federal Funds	127,500,000	135,500,600
TOTAL	395,152,900	402,840,200

4. KENTUCKY STATE UNIVERSITY

	2018-19	2019-20
General Fund	26,219,000	26,019,100

1	Restricted Funds	19,220,000	19,220,000
2	Federal Funds	19,000,000	19,000,000
3	TOTAL	64,439,000	64,239,100

4 **(1) Land Grant Match:** Included in the above General Fund appropriation is
5 \$4,460,000 in each fiscal year to fund the state match payments required of land-grant
6 universities under federal law.

7 **5. MOREHEAD STATE UNIVERSITY**

8		2018-19	2019-20
9	General Fund	38,852,400	38,466,800
10	Restricted Funds	113,211,900	114,991,300
11	Federal Funds	50,205,200	51,499,100
12	TOTAL	202,269,500	204,957,200

13 **6. MURRAY STATE UNIVERSITY**

14		2018-19	2019-20
15	General Fund	45,014,500	44,581,400
16	Restricted Funds	129,986,300	130,419,400
17	Federal Funds	18,902,300	18,902,300
18	TOTAL	193,903,100	193,903,100

19 **(1) Breathitt Veterinary Center:** Included in the above General Fund
20 appropriation is \$3,200,000 in each fiscal year for the Breathitt Veterinary Center.

21 **7. NORTHERN KENTUCKY UNIVERSITY**

22		2018-19	2019-20
23	General Fund	53,577,500	53,074,500
24	Restricted Funds	182,462,200	189,381,700
25	Federal Funds	13,075,600	13,075,600
26	TOTAL	249,115,300	255,531,800

27 **(1) Kentucky Center for Mathematics:** Included in the above General Fund

1 appropriation is \$1,323,900 in each fiscal year for the Kentucky Center for Mathematics.

2 **8. UNIVERSITY OF KENTUCKY**

3		2018-19	2019-20
4	General Fund	247,425,800	245,613,900
5	Restricted Funds	3,412,380,500	3,698,123,000
6	Federal Funds	253,980,300	270,764,400
7	TOTAL	3,913,786,600	4,214,501,300

8 **(1) Veterinary Diagnostic Laboratory and Division of Regulatory Services:**

9 Included in the above General Fund appropriation is \$3,900,000 in each fiscal year to
 10 support the operations of the Veterinary Diagnostic Laboratory and the Division of
 11 Regulatory Services.

12 **(2) Center for Applied Energy Research:** Included in the above General Fund
 13 appropriation is \$2,670,000 in each fiscal year for the Center for Applied Energy
 14 Research.

15 **(3) University Press:** Notwithstanding KRS 164.165, no General Fund is
 16 provided for the University Press.

17 **9. UNIVERSITY OF LOUISVILLE**

18		2018-19	2019-20
19	General Fund (Tobacco)	150,000	150,000
20	General Fund	124,460,600	123,140,400
21	Restricted Funds	1,018,178,700	1,037,241,100
22	Federal Funds	98,456,500	98,456,500
23	TOTAL	1,241,245,800	1,258,988,000

24 **(1) Autism Training:** Included in the above General Fund (Tobacco)
 25 appropriation is \$150,000 in each fiscal year for autism training.

26 **10. WESTERN KENTUCKY UNIVERSITY**

27		2018-19	2019-20
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1	General Fund	72,334,800	71,644,200
2	Restricted Funds	311,690,200	316,874,200
3	Federal Funds	32,340,000	32,340,000
4	TOTAL	416,365,000	420,858,400

5 **(1) Kentucky Mesonet:** Included in the above General Fund appropriation is
6 \$750,000 in each fiscal year for the Kentucky Mesonet at the Kentucky Climate Center.

7 **11. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

8		2018-19	2019-20
9	General Fund	167,729,000	166,034,000
10	Restricted Funds	426,692,100	426,692,100
11	Federal Funds	244,555,000	244,555,000
12	TOTAL	838,976,100	837,281,100

13 **(1) Firefighters Foundation Program Fund:** Included in the above Restricted
14 Funds appropriation is \$46,962,000 in fiscal year 2018-2019 and \$48,136,400 in fiscal
15 year 2019-2020 for the Firefighters Foundation Program Fund. Notwithstanding KRS
16 95A.250(1), supplemental payments for each qualified professional firefighter under the
17 Firefighters Foundation Program Fund shall be \$4,000 in each fiscal year.
18 Notwithstanding KRS 95A.262(2), the aid payment for each qualified volunteer fire
19 department shall be \$11,000 in each fiscal year. Notwithstanding KRS 95A.200 to
20 95A.300, \$3,600,000 in fiscal year 2018-2019 shall be transferred to support projects as
21 set forth in Part II, Capital Projects Budget, of this Act.

22 **(2) Firefighters Training Center Fund:** Notwithstanding KRS 95A.262(3),
23 \$500,000 in Restricted Funds is provided in each fiscal year for the Firefighters Training
24 Center Fund.

25 **(3) Guaranteed Energy Savings Performance Contracts:** Notwithstanding
26 KRS 56.770 and 56.774, guaranteed energy savings performance contracts may be
27 executed for buildings operated by the Kentucky Community and Technical College

1 System under agreements governed by KRS 164.593.

2 **(4) Adult Agriculture Program:** Included in the above General Fund
3 appropriation is \$1,000,000 in each fiscal year for the Adult Agriculture Program.

4 **12. POSTSECONDARY EDUCATION PERFORMANCE FUND**

5		2018-19	2019-20
6	General Fund	23,600,000	31,265,800

7 **TOTAL - POSTSECONDARY EDUCATION**

8		2018-19	2019-20
9	General Fund (Tobacco)	7,150,000	6,836,500
10	General Fund	1,133,798,500	1,140,864,100
11	Restricted Funds	5,859,683,200	6,180,287,000
12	Federal Funds	870,820,700	896,449,300
13	TOTAL	7,871,452,400	8,224,436,900

14 **L. PUBLIC PROTECTION CABINET**

15 **Budget Units**

16 **1. SECRETARY**

17		2018-19	2019-20
18	Restricted Funds	6,494,100	6,581,000

19 **2. KENTUCKY CLAIMS COMMISSION**

20		2018-19	2019-20
21	General Fund	1,371,000	1,390,000
22	Restricted Funds	968,000	968,000
23	Federal Funds	157,200	157,200
24	TOTAL	2,496,200	2,515,200

25 **3. PROFESSIONAL LICENSING**

26		2018-19	2019-20
27	Restricted Funds	5,768,800	5,819,200

1	4. BOXING AND WRESTLING AUTHORITY		
2		2018-19	2019-20
3	Restricted Funds	178,100	179,600
4	5. ALCOHOLIC BEVERAGE CONTROL		
5		2018-19	2019-20
6	Restricted Funds	8,198,500	8,257,500
7	6. CHARITABLE GAMING		
8		2018-19	2019-20
9	Restricted Funds	4,292,800	4,333,900
10	7. FINANCIAL INSTITUTIONS		
11		2018-19	2019-20
12	Restricted Funds	14,523,000	14,688,700
13	8. HORSE RACING COMMISSION		
14		2018-19	2019-20
15	General Fund	3,092,300	3,147,700
16	Restricted Funds	29,736,000	29,745,400
17	TOTAL	32,828,300	32,893,100
18	9. HOUSING, BUILDINGS AND CONSTRUCTION		
19		2018-19	2019-20
20	General Fund	2,610,800	2,640,400
21	Restricted Funds	25,483,400	24,063,700
22	TOTAL	28,094,200	26,704,100
23	(1) Funding Flexibility: Notwithstanding KRS 198B.090(10), 198B.095(2),		
24	198B.4037(2), (3), and (4), 198B.6674, 227.620(5), 227A.050(1) and (2), 227.715,		
25	236.130(3), and 318.136, the Department of Housing, Buildings and Construction may		
26	expend, with the approval of any affected boards, any Restricted Funds for programs		
27	administered by the Department. The Department shall return any funds transferred		

1 within the fiscal biennium.

2 **10. INSURANCE**

3		2018-19	2019-20
4	Restricted Funds	20,145,900	20,300,800
5	Federal Funds	703,500	-0-
6	TOTAL	20,849,400	20,300,800

7 **TOTAL - PUBLIC PROTECTION CABINET**

8		2018-19	2019-20
9	General Fund	7,074,100	7,178,100
10	Restricted Funds	115,788,600	114,937,800
11	Federal Funds	860,700	157,200
12	TOTAL	123,723,400	122,273,100

13 **M. TOURISM, ARTS AND HERITAGE CABINET**

14 **Budget Units**

15 **1. SECRETARY**

16		2018-19	2019-20
17	General Fund	3,158,700	3,213,700
18	Restricted Funds	14,703,200	14,703,200
19	TOTAL	17,861,900	17,916,900

20 **2. ARTISANS CENTER**

21		2018-19	2019-20
22	General Fund	477,900	486,900
23	Restricted Funds	1,605,900	1,601,300
24	Road Fund	544,000	553,000
25	TOTAL	2,627,800	2,641,200

26 **3. TOURISM**

27		2018-19	2019-20
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1	General Fund	3,118,000	3,157,900
2	Restricted Funds	29,100	29,100
3	TOTAL	3,147,100	3,187,000

4 **(1) Whitehaven Welcome Center:** Included in the above General Fund
5 appropriation is \$130,000 in each fiscal year to support the Whitehaven Welcome Center.

6 **4. PARKS**

7		2017-18	2018-19	2019-20
8	General Fund	8,831,600	46,442,500	48,004,300
9	Restricted Funds	-0-	51,840,600	51,840,600
10	TOTAL	8,831,600	98,283,100	99,844,900

11 **(1) Park Capital Maintenance and Renovation Fund:** Notwithstanding KRS
12 148.810, no transfer to the Park Capital Maintenance and Renovation Fund shall be made.

13 **(2) Debt Service:** Included in the above General Fund appropriation is \$424,500
14 in fiscal year 2018-2019 and \$1,273,500 in fiscal year 2019-2020 for new debt service to
15 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

16 **5. HORSE PARK COMMISSION**

17		2018-19	2019-20
18	General Fund	1,673,700	1,708,100
19	Restricted Funds	10,880,000	11,084,400
20	TOTAL	12,553,700	12,792,500

21 **6. STATE FAIR BOARD**

22		2018-19	2019-20
23	General Fund	4,214,000	4,730,900
24	Restricted Funds	47,212,100	47,207,100
25	TOTAL	51,426,100	51,938,000

26 **(1) Debt Service:** Included in the above General Fund appropriation is \$142,500
27 in fiscal year 2018-2019 and \$617,000 in fiscal year 2019-2020 for new debt service to

1 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

2 **7. FISH AND WILDLIFE RESOURCES**

3		2018-19	2019-20
4	Restricted Funds	42,071,700	42,599,400
5	Federal Funds	18,880,200	19,030,900
6	TOTAL	60,951,900	61,630,300

7 **(1) Fish and Wildlife Resources Peace Officers' Stipend:** Included in the above
 8 Restricted Funds appropriation is sufficient funding for a \$4,000 annual training incentive
 9 stipend for Fish and Wildlife Resources conservation officers from the Fish and Game
 10 Fund.

11 **(2) Fees-in-Lieu-of Stream Mitigation Reporting:** The Department of Fish and
 12 Wildlife Resources shall develop a report of all projects managed by the Fees-in-Lieu-of
 13 Stream Mitigation Program. The Department shall present this report to the Interim Joint
 14 Committee on Tourism, Small Business, and Information Technology by August 1 of
 15 each year.

16 **(3) Kentucky Hunters for the Hungry:** Included in the above Restricted Funds
 17 appropriation is \$100,000 in each fiscal year for the Kentucky Hunters for the Hungry
 18 Program.

19 **8. HISTORICAL SOCIETY**

20		2018-19	2019-20
21	General Fund	5,893,700	5,952,400
22	Restricted Funds	457,800	457,800
23	Federal Funds	180,000	170,000
24	TOTAL	6,531,500	6,580,200

25 **9. ARTS COUNCIL**

26		2018-19	2019-20
27	General Fund	1,708,700	1,728,900

1	Restricted Funds	151,600	151,600
2	Federal Funds	708,500	708,500
3	TOTAL	2,568,800	2,589,000

4 **10. HERITAGE COUNCIL**

5		2018-19	2019-20
6	General Fund	715,900	719,000
7	Restricted Funds	278,700	278,700
8	Federal Funds	863,800	863,800
9	TOTAL	1,858,400	1,861,500

10 **11. KENTUCKY CENTER FOR THE ARTS**

11		2018-19	2019-20
12	General Fund	558,300	558,300

13 **TOTAL - TOURISM, ARTS AND HERITAGE CABINET**

14		2017-18	2018-19	2019-20
15	General Fund	8,831,600	67,961,400	70,260,400
16	Restricted Funds	-0-	169,230,700	169,953,200
17	Federal Funds	-0-	20,632,500	20,773,200
18	Road Fund	-0-	544,000	553,000
19	TOTAL	8,831,600	258,368,600	261,539,800

20 **N. BUDGET RESERVE TRUST FUND**

21 **Budget Units**

22 **1. BUDGET RESERVE TRUST FUND**

23		2018-19	2019-20
24	General Fund	62,414,100	183,761,200

25 **PART II**

26 **CAPITAL PROJECTS BUDGET**

27 **(1) Capital Construction Fund Appropriations and Reauthorizations:**

1 Moneys in the Capital Construction Fund are appropriated for the following capital
2 projects subject to the conditions and procedures in this Act. Items listed without
3 appropriated amounts are previously authorized for which no additional amount is
4 required. These items are listed in order to continue their current authorization into the
5 2018-2020 fiscal biennium. Unless otherwise specified, reauthorized projects shall
6 conform to the original authorization enacted by the General Assembly.

7 **(2) Expiration of Existing Line-Item Capital Construction Projects:** All
8 appropriations to existing line-item capital construction projects expire on June 30, 2018,
9 unless reauthorized in this Act with the following exceptions: (a) A construction or
10 purchase contract for the project shall have been awarded by June 30, 2018; (b)
11 Permanent financing or a short-term line of credit sufficient to cover the total authorized
12 project scope shall have been obtained in the case of projects authorized for bonds, if the
13 authorized project completes an initial draw on the line of credit within the fiscal
14 biennium immediately subsequent to the original authorization; and (c) Grant or loan
15 agreements, if applicable, shall have been finalized and properly signed by all necessary
16 parties by June 30, 2018. Notwithstanding the criteria set forth in this subsection, the
17 disposition of 2018-2020 fiscal biennium nonstatutory appropriated maintenance pools
18 funded from Capital Construction Investment Income shall remain subject to the
19 provisions of KRS 45.770(5)(c).

20 **(3) Bond Proceeds Investment Income:** Investment income earned from bond
21 proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage
22 rebates and penalties and excess bond proceeds upon the completion of a bond-financed
23 capital project shall be used to pay debt service according to the Internal Revenue Service
24 Code and accompanying regulations.

25 **(4) Appropriations for Projects Not Line-Itemized:** Inasmuch as the
26 identification of specific projects in a variety of areas of the state government cannot be
27 ascertained with absolute certainty at this time, amounts are appropriated for specific

purposes to projects which are not individually identified in this Act in the following areas: Kentucky Infrastructure Authority Water and Sewer projects; Repair of State-Owned Dams; Guaranteed Energy Savings Performance Contract projects; Wetland and Stream Mitigation projects; Flood Control projects; Bond-funded and Restricted Fund maintenance pools; and Commonwealth Office of Technology Infrastructure Upgrades. Notwithstanding any statute to the contrary, projects estimated to cost over \$1,000,000 and equipment estimated to cost over \$200,000 shall be reported to the Capital Projects and Bond Oversight Committee.

(5) Capital Construction and Equipment Purchase Contingency Account: If funds in the Capital Construction and Equipment Purchase Contingency Account are not sufficient, then expenditures of the fund are to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act.

(6) Emergency Repair, Maintenance, and Replacement Account: If funds in the Emergency Repair, Maintenance, and Replacement Account are not sufficient, then expenditures of the fund are to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act.

A. GENERAL GOVERNMENT

Budget Units	2018-19	2019-20
1. DEPARTMENT OF VETERANS' AFFAIRS		
001. Nurse Call System		
Investment Income	1,550,000	-0-
002. Maintenance Pool - 2018-2020		
Investment Income	400,000	400,000
003. Construct Bowling Green Veterans' Center Reauthorization		
(\$19,500,000 Federal Funds and \$10,500,000 Bond Funds)		

1 **(1) Reauthorization:** The above project from 2017 Ky. Acts ch. 194, sec. 1 shall
 2 be reauthorized for the 2018-2020 fiscal biennium.

3 **2. KENTUCKY INFRASTRUCTURE AUTHORITY**

4 **001. KIA Fund A - Federally Assisted Wastewater Program - 2018-2020**

5	Federal Funds	17,005,000	17,005,000
6	Bond Funds	3,401,000	3,401,000
7	Agency Bonds	30,000,000	-0-
8	TOTAL	50,406,000	20,406,000

9 **(1) Permitted Use of Funds:** The Bond Funds shall be used to meet the state
 10 match requirement for federal funds for the Wastewater State Revolving Loan Fund
 11 Program.

12 **002. KIA Fund F - Drinking Water Revolving Loan Program - 2018-2020**

13	Federal Funds	12,941,000	12,941,000
14	Bond Funds	2,588,000	2,588,000
15	Agency Bonds	30,000,000	-0-
16	TOTAL	45,529,000	15,529,000

17 **(1) Permitted Use of Funds:** The Bond Funds shall be used to meet the state
 18 match requirement for federal funds for the Safe Drinking Water State Revolving Loan
 19 Fund Program.

20 **3. MILITARY AFFAIRS**

21 **001. Construct Two AC 130 Hangars Bluegrass Station**

22	Other Funds	21,000,000	-0-
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23 **(1) Authorization:** The above authorization is approved pursuant to KRS 45.763.

24 **002. Construct Industrial Building at Bluegrass Station**

25	Other Funds	15,000,000	-0-
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26 **(1) Authorization:** The above authorization is approved pursuant to KRS 45.763.

27 **003. Construct Multi-purpose Building Bluegrass Station**

1	Other Funds	15,000,000	-0-
2	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
3	004. Bluegrass Station Facility Maintenance Pool - 2018-2020		
4	Restricted Funds	6,000,000	6,000,000
5	005. Armory Modernization Pool - 2018-2020		
6	Federal Funds	6,000,000	-0-
7	Bond Funds	2,000,000	-0-
8	TOTAL	8,000,000	-0-
9	006. Construct Response Group Building KyANG Phase 1		
10	Federal Funds	7,200,000	-0-
11	007. Construct WHFRTC Qualification Training Range		
12	Federal Funds	6,515,000	-0-
13	008. Maintenance Pool - 2018-2020		
14	Investment Income	1,000,000	1,000,000
15	009. Install Solar Panels at Armories Statewide		
16	Restricted Funds	413,000	-0-
17	Federal Funds	1,238,000	-0-
18	TOTAL	1,651,000	-0-
19	010. Construct Addition Armory 4 Frankfort		
20	Restricted Funds	300,000	-0-
21	Federal Funds	902,000	-0-
22	TOTAL	1,202,000	-0-
23	011. Demolish Combined Support Maintenance Building		
24	Federal Funds	825,000	-0-
25	012. Construct Structural Repairs Harrodsburg Armory Reauthorization		
26	(\$330,000 Restricted Funds, \$330,000 Federal Funds)		
27	013. Construct Structural Repairs Walton Armory Reauthorization		

- 1 (\$330,000 Restricted Funds, \$330,000 Federal Funds)
- 2 **014.** Construct Building 352 - Bluegrass Station Reauthorization
- 3 (\$7,000,000 Other Funds)
- 4 **4. ATTORNEY GENERAL**
- 5 **001.** Franklin County - Lease
- 6 **5. UNIFIED PROSECUTORIAL SYSTEM**
- 7 **a. Commonwealth's Attorneys**
- 8 **001.** Jefferson County - Lease
- 9 **6. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS**
- 10 **a. Nursing**
- 11 **001.** Jefferson County - Lease
- 12 **7. KENTUCKY RIVER AUTHORITY**
- 13 **001.** Design and Repair Lock and Dam 5
- 14 Restricted Funds 1,000,000 2,250,000
- 15 **002.** Design and Repair Dam 7 - Additional Reauthorization (\$3,081,000
- 16 Agency Bonds)
- 17 Restricted Funds 779,000 -0-
- 18 **003.** Design and Repair Dam 6 - Additional Reauthorization (\$2,299,000
- 19 Agency Bonds)
- 20 Restricted Funds 301,000 -0-
- 21 **8. SCHOOL FACILITIES CONSTRUCTION COMMISSION**
- 22 **001.** Offers of Assistance - 2016-2018
- 23 Bond Funds 58,000,000 -0-
- 24 **002.** School Facilities Construction Commission Reauthorization
- 25 (\$91,400,000 Bond Funds)
- 26 **9. TEACHERS' RETIREMENT SYSTEM**
- 27 **001.** Pension Management System Modifications

1	Restricted Funds	4,000,000	1,000,000
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2 **B. ECONOMIC DEVELOPMENT CABINET**

3 **(1) Economic Development Bond Issues:** Before any economic development
 4 bonds are issued, the proposed bond issue shall be approved by the Secretary of the
 5 Finance and Administration Cabinet and the State Property and Buildings Commission
 6 under KRS 56.440 to 56.590. In addition to the terms and conditions of KRS 154.12-100,
 7 administration of the Economic Development Bond Program by the Secretary of the
 8 Cabinet for Economic Development is subject to the following guideline: project
 9 selection shall be documented when presented to the Secretary of the Finance and
 10 Administration Cabinet. Included in the documentation shall be the rationale for selection
 11 and expected economic development impact.

12 **(2) Use of New Economy Funds:** Notwithstanding KRS 154.12-100, 154.12-
 13 278(4) and (5), and 154.20-035, the Secretary of the Cabinet for Economic Development
 14 may use funds appropriated in the Economic Development Bond Program, High-Tech
 15 Construction/Investment Pool, and the Kentucky Economic Development Finance
 16 Authority Loan Pool interchangeably for economic development projects.

17 **(3) Economic Development Projects:** The Cabinet for Economic Development
 18 may use unobligated or uncommitted bonds that have been previously authorized in 2014
 19 Ky. Acts ch. 117, Pt. II, B., 1. and 2016 Ky. Acts ch. 149, Pt. II, B., 1. for economic
 20 development projects in the 2018-2020 fiscal biennium.

21 **(4) General Aviation Economic Development Projects:** The Cabinet for
 22 Economic Development may use up to \$9,375,000 in each fiscal year of unobligated or
 23 uncommitted bonds that have been previously authorized in 2014 Ky. Acts ch. 117, Pt. II,
 24 B., 1. and 2016 Ky. Acts ch. 149, Pt. II, B., 1. to support the development, rehabilitation,
 25 and maintenance of publicly owned or operated aviation facilities.

26 **C. DEPARTMENT OF EDUCATION**

27	Budget Units	2018-19	2019-20
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1	1. OPERATIONS AND SUPPORT SERVICES		
2	001. Maintenance Pool - 2018-2020		
3	Investment Income	675,000	675,000
4	D. EDUCATION AND WORKFORCE DEVELOPMENT CABINET		
5	Budget Units	2018-19	2019-20
6	1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT		
7	001. Maintenance Pool - 2018-2020		
8	Investment Income	400,000	400,000
9	2. KENTUCKY EDUCATIONAL TELEVISION		
10	001. Transmitter and Repack		
11	Bond Funds	2,100,000	-0-
12	002. Maintenance Pool - 2018-2020		
13	Investment Income	300,000	300,000
14	3. LIBRARIES AND ARCHIVES		
15	a. General Operations		
16	001. Franklin County - Lease		
17	4. EMPLOYMENT AND TRAINING		
18	001. Replace Unemployment Insurance System		
19	Restricted Funds	5,440,000	5,000,000
20	002. Hardin County - Lease		
21	003. Kenton County - Lease		
22	E. ENERGY AND ENVIRONMENT CABINET		
23	Budget Units	2018-19	2019-20
24	1. SECRETARY		
25	001. Maintenance Pool - 2018-2020		
26	Investment Income	200,000	200,000
27	2. ENVIRONMENTAL PROTECTION		

1 **001. State-Owned Dam Repair - 2018-2020**

2	Bond Funds	10,000,000	-0-
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3 **F. FINANCE AND ADMINISTRATION CABINET**

4	Budget Units	2018-19	2019-20
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5 1. FACILITIES AND SUPPORT SERVICES

6 **001. L&N Building Security and Structural Upgrades**

7	Bond Funds	9,800,000	-0-
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8 **002. Maintenance Pool - 2018-2020**

9	Restricted Funds	2,000,000	2,000,000
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10	Bond Funds	2,850,000	2,850,000
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11	TOTAL	4,850,000	4,850,000
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12 **003.** Upgrade Capitol Mechanical and Electrical System, Phase I

13	Bond Funds	4,500,000	-0-
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14 **004. Emergency Generator Repair or Replacement, COT/CHR**

15	Bond Funds	2,600,000	-0-
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16 **005. Guaranteed Energy Savings Performance Contracts**

17 2. COMMONWEALTH OFFICE OF TECHNOLOGY

(1) **Transfer of Restricted Funds from Operating Budget:** For the major equipment purchases displayed in this section funded from Restricted Funds, it is anticipated that these funds shall be transferred from the Operating Budget as funds are available and needed.

22 **001.** Legacy System Retirement

23	Bond Funds	10,000,000	10,000,000
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24 **002. Enterprise Infrastructure - 2018-2020**

25	Restricted Funds	4,000,000	4,000,000
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26 **003. Boone County - Lease**

27 **004. Franklin County - Lease**

1	3. REVENUE		
2	001. Integrated Tax System		
3	Bond Funds	90,800,000	1,700,000
4	4. KENTUCKY LOTTERY CORPORATION		
5	001. IBM iSeries System Upgrades		
6	Other Funds	-0-	2,400,000
7	002. Data Processing, Telecommunications, and Related Equipment		
8	Other Funds	-0-	1,000,000
9	003. Enterprise Resource Planning Upgrade		
10	Other Funds	700,000	-0-
11	G. HEALTH AND FAMILY SERVICES CABINET		
12	Budget Units	2018-19	2019-20
13	1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT		
14	001. Maintenance Pool - 2018-2020		
15	Bond Funds	2,375,000	2,375,000
16	002. Fayette County - Lease		
17	003. Clay County - Lease		
18	004. Greenup County - Lease		
19	005. Marshall County - Lease		
20	006. Muhlenberg County - Lease		
21	007. Perry County - Lease		
22	2. HEALTH BENEFIT EXCHANGE		
23	001. Franklin County - Lease		
24	3. COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE		
25	NEEDS		
26	001. Jefferson County - Lease		
27	4. BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL		

1	DISABILITIES		
2	001. HVAC System Replacement - Hazelwood		
3	Bond Funds	8,000,000	-0-
4	002. Renovate/Replace Cottages - Oakwood, Phase I		
5	Bond Funds	4,000,000	-0-
6	003. Electrical and Telecommunications Upgrade - Western State Hospital		
7	Phase II		
8	Bond Funds	3,410,000	-0-
9	5. PUBLIC HEALTH		
10	001. Scan and Image Historical Records		
11	Restricted Funds	5,000,000	-0-
12	002. Budget, Accounting, and Reporting System		
13	Restricted Funds	4,220,000	-0-
14	003. Vital Statistics Digitized System		
15	Restricted Funds	2,700,000	-0-
16	004. Electronic Health Record System		
17	Restricted Funds	2,400,000	-0-
18	6. INCOME SUPPORT		
19	001. Franklin County - Lease		
20	7. COMMUNITY BASED SERVICES		
21	001. Boone County - Lease		
22	002. Boyd County - Lease		
23	003. Campbell County - Lease		
24	004. Daviess County - Lease		
25	005. Fayette County - Lease		
26	006. Hardin County - Lease		
27	007. Johnson County - Lease		

1 **008.** Kenton County - Lease

2 **009.** Madison County - Lease

3 **010.** Shelby County - Lease

4 **011.** Warren County - Lease

5 **H. JUSTICE AND PUBLIC SAFETY CABINET**

6	Budget Units	2018-19	2019-20
7	1. CRIMINAL JUSTICE TRAINING		
8	001. Maintenance Pool - 2018-2020		
9	Restricted Funds	3,559,000	3,000,000
10	2. JUVENILE JUSTICE		
11	001. Maintenance Pool - 2018-2020		
12	Investment Income	1,000,000	1,000,000
13	3. STATE POLICE		
14	001. Two-Way Radio System Replacement, Phase I		
15	Bond Funds	-0-	35,100,000
16	002. Laboratory Updates		
17	Restricted Funds	1,442,500	1,442,500
18	003. Maintenance Pool - 2018-2020		
19	Investment Income	750,000	750,000
20	4. CORRECTIONS		
21	a. Adult Correctional Institutions		
22	001. Maintenance Pool - 2018-2020		
23	Bond Funds	3,000,000	3,000,000
24	002. Replace Perimeter Fence, Kentucky State Reformatory		
25	Bond Funds	3,116,000	-0-
26	003. Demolish and Repair Tower Kentucky State Reformatory		
27	Reauthorization and Reallocation (\$7,871,000 Bond Funds)		

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the projects set forth in 2016 Ky. Acts ch. 149, Part II, H., 4., a., 002. and 003..

5. COMMUNITY SERVICES AND LOCAL FACILITIES

001. Fayette County - Lease

6. PUBLIC ADVOCACY

001. Franklin County - Lease

002. Fayette County - Lease

I. LABOR CABINET

Budget Units	2018-19	2019-20
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1. SECRETARY

001. Claims Payment Management System

Restricted Funds	1,418,000	1,042,000
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002. Franklin County - Lease

2. WORKERS' CLAIMS

001. Franklin County - Lease

J. POSTSECONDARY EDUCATION

Budget Units	2017-18	2018-19	2019-20
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1. COUNCIL ON POSTSECONDARY EDUCATION

001. Franklin County - Lease

2. KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION

001. Jefferson County - Lease

3. EASTERN KENTUCKY UNIVERSITY

001. Replace and Renovate Student Housing

Other Funds	-0-	50,000,000	-0-
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(1) Authorization: The above authorization is approved pursuant to KRS 45.763.

002. Construct Regional Health Facility

1	Federal Funds	-0-	15,000,000	-0-
2	003. Construct Alumni and Welcome Center			
3	Other Funds	-0-	13,000,000	-0-
4	004. Campus Data Network Pool			
5	Restricted Funds	-0-	5,000,000	5,000,000
6	005. Miscellaneous Maintenance Pool - 2018-2020			
7	Restricted Funds	-0-	5,000,000	5,000,000
8	006. Renovate Mechanical Systems Pool			
9	Restricted Funds	-0-	5,000,000	5,000,000
10	007. Academic Computing Pool			
11	Restricted Funds	-0-	4,000,000	4,000,000
12	008. Improve Campus Pedestrian, Parking, and Transport			
13	Restricted Funds	-0-	27,000,000	-0-
14	Other Funds	-0-	3,000,000	-0-
15	TOTAL	-0-	30,000,000	-0-
16	009. Upgrade and Improve Residence Halls			
17	Restricted Funds	-0-	5,000,000	3,000,000
18	010. Scientific and Research Equipment Pool			
19	Restricted Funds	-0-	3,000,000	-0-
20	Federal Funds	-0-	2,200,000	-0-
21	Other Funds	-0-	2,200,000	-0-
22	TOTAL	-0-	7,400,000	-0-
23	011. Administrative Computing Pool			
24	Restricted Funds	-0-	3,250,000	3,250,000
25	012. Aviation Acquisition			
26	Restricted Funds	-0-	5,000,000	-0-
27	013. Innovation and Commercialization Pool			

1	Restricted Funds	-0-	5,000,000	-0-
2	Other Funds	-0-	10,000,000	-0-
3	TOTAL	-0-	15,000,000	-0-
4	014. Repair/Replace Infrastructure/Building Systems			
5	Restricted Funds	-0-	5,000,000	-0-
6	015. Construct ECU Early Childhood Center			
7	Restricted Funds	-0-	4,200,000	-0-
8	016. Renovate Women's Softball and Soccer Complex			
9	Other Funds	-0-	3,000,000	-0-
10	017. Upgrade and Improve Athletics Facilities			
11	Restricted Funds	-0-	3,000,000	-0-
12	018. Construct Student Health Center			
13	Other Funds	-0-	2,705,000	-0-
14	019. Chemistry and Translational Research Pool			
15	Restricted Funds	-0-	675,000	-0-
16	Other Funds	-0-	350,000	-0-
17	TOTAL	-0-	1,025,000	-0-
18	020. Natural Areas Improvement Pool			
19	Restricted Funds	-0-	825,000	-0-
20	021. Guaranteed Energy Savings Performance Contracts			
21	022. Lease - Aviation			
22	023. New Housing Space - Lease			
23	024. Madison County - Student Housing - Lease			
24	025. Comprehensive Aviation Expansion			
25	Restricted Funds	-0-	10,000,000	-0-
26	026. Campus Infrastructure Upgrade			
27	Other Funds	-0-	35,000,000	-0-

1	027. Renovate and Upgrade Heat Plant			
2	Restricted Funds	-0-	5,500,000	-0-
3	028. Upgrade Steam Lines			
4	Other Funds	-0-	10,000,000	-0-
5	029. Property Acquisitions Pool			
6	Restricted Funds	-0-	3,000,000	-0-
7	Other Funds	-0-	3,000,000	-0-
8	TOTAL	-0-	6,000,000	-0-
9	4. KENTUCKY STATE UNIVERSITY			
10	001. Renovation and Renewal Projects Pool - 2018-2020			
11	Restricted Funds	-0-	5,000,000	-0-
12	002. Replace Enterprise Resource Planning System			
13	Restricted Funds	-0-	5,000,000	-0-
14	003. Upgrade Information Technology Infrastructure 2018-2020			
15	Restricted Funds	-0-	5,000,000	-0-
16	004. Expand Campus Communications Infrastructure			
17	Restricted Funds	-0-	2,354,000	-0-
18	005. Comprehensive Master Facility Plan			
19	Restricted Funds	-0-	250,000	-0-
20	006. Emergency Security System			
21	Restricted Funds	-0-	254,000	-0-
22	5. MOREHEAD STATE UNIVERSITY			
23	001. Construct University Welcome Center/Alumni House			
24	Restricted Funds	-0-	1,927,000	-0-
25	Other Funds	-0-	6,000,000	-0-
26	TOTAL	-0-	7,927,000	-0-
27	002. Capital Renewal and Maintenance Pool E&G			

1	Restricted Funds	-0-	3,100,000	3,100,000
2	003. Upgrade Instructional PCs/LANS/Peripherals			
3	Restricted Funds	-0-	4,000,000	-0-
4	004. Renovate Howell-McDowell			
5	Restricted Funds	-0-	3,985,000	-0-
6	005. Capital Renewal and Maintenance Pool - Auxiliary			
7	Restricted Funds	-0-	3,961,000	-0-
8	006. Comply with ADA - E&G			
9	Restricted Funds	-0-	3,837,000	-0-
10	007. Renovate Alumni Tower Ground Floor			
11	Restricted Funds	-0-	3,812,000	-0-
12	008. Reconstruct Central Campus			
13	Restricted Funds	-0-	3,075,000	-0-
14	009. Replace Exterior Precast Panels - Nunn Hall			
15	Restricted Funds	-0-	3,075,000	-0-
16	010. Enhance Network/Infrastructure Resources - Additional			
17	Reauthorization (\$8,945,000 Restricted Funds)			
18	Restricted Funds	-0-	3,000,000	-0-
19	011. Upgrade Administrative Office Systems			
20	Restricted Funds	-0-	3,000,000	-0-
21	012. Renovate Third Street Eats			
22	Restricted Funds	-0-	2,982,000	-0-
23	013. Construct New Volleyball Facility - Phase 2			
24	Restricted Funds	-0-	2,761,000	-0-
25	014. Upgrade Campus Fire and Security Systems			
26	Restricted Funds	-0-	2,670,000	-0-
27	015. Comply with ADA - Auxiliary			

1	Restricted Funds	-0-	1,991,000	-0-
2	016. Construct Kentucky Center for Traditional Music Phase II			
3	Restricted Funds	-0-	1,975,000	-0-
4	017. Water Plant Sediment Basin			
5	Restricted Funds	-0-	1,880,000	-0-
6	018. Replace Electrical Switchgear B			
7	Restricted Funds	-0-	1,845,000	-0-
8	019. Enhance Library Automation Resources			
9	Restricted Funds	-0-	1,539,000	-0-
10	020. Capital Renewal and Maintenance Pool - University Farm			
11	Restricted Funds	-0-	1,209,000	-0-
12	021. Replace Turf on Jacobs Field			
13	Restricted Funds	-0-	1,060,000	-0-
14	022. Guaranteed Energy Savings Performance Contracts			
15	023. Renovate Cartmell Residence Hall Reauthorization (\$15,200,000			
16	Agency Bonds)			
17	6. MURRAY STATE UNIVERSITY			
18	001. Construct Sorority Suites - Additional Reauthorization (\$13,500,000			
19	Other Funds)			
20	Other Funds	-0-	19,700,000	-0-
21	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
22	002. Construct Residential Suite-Style Housing-Additional Reauthorization			
23	(\$20,000,000 Other Funds)			
24	Other Funds	-0-	13,000,000	-0-
25	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
26	003. Provide Alternate Dining Facility - Additional Reauthorization			
27	(\$4,000,000 Other Funds)			

1	Other Funds	-0-	8,000,000	-0-
2	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
3	004. Renovate Winslow Cafeteria			
4	Restricted Funds	-0-	4,673,000	-0-
5	005. Replace Campus Communications Infrastructure			
6	Restricted Funds	-0-	4,640,000	-0-
7	006. College of Science Instructional/Research Equipment Pool			
8	Restricted Funds	-0-	3,500,000	-0-
9	007. Demolish Woods Hall			
10	Restricted Funds	-0-	2,364,000	-0-
11	008. Renovate White Hall HVAC System			
12	Restricted Funds	-0-	2,130,000	-0-
13	009. Install Solar Panels and/or Geothermal Power			
14	Restricted Funds	-0-	2,054,000	-0-
15	010. Construct Student Meeting Buildings			
16	Restricted Funds	-0-	2,000,000	-0-
17	011. Repairs of Biology Building			
18	Restricted Funds	-0-	2,000,000	-0-
19	012. Renovate White Hall Interior			
20	Restricted Funds	-0-	1,601,000	-0-
21	013. Install CFSB Center Generator			
22	Restricted Funds	-0-	1,541,000	-0-
23	014. Replace CFSB Center Seating			
24	Restricted Funds	-0-	1,541,000	-0-
25	015. Renovate Regents Hall Electrical System			
26	Restricted Funds	-0-	1,486,000	-0-
27	016. Renovate White Hall Electrical System			

1	Restricted Funds	-0-	1,373,000	-0-
2	017. Renovate Hart Hall Electrical System			
3	Restricted Funds	-0-	1,321,000	-0-
4	018. Replace White Hall Domestic Water Piping			
5	Restricted Funds	-0-	1,143,000	-0-
6	019. Agriculture Instructional Laboratory and Technology Equipment			
7	Restricted Funds	-0-	800,000	-0-
8	020. Broadcasting Education Laboratory Equipment			
9	Restricted Funds	-0-	225,000	-0-
10	021. Provide Bookstore - Additional Reauthorization (\$8,000,000 Other			
11	Funds)			
12	Other Funds	-0-	216,000	-0-
13	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
14	022. Renovate White Hall Reauthorization (\$16,299,000 Agency Bonds)			
15	023. Complete ADA Compliance Pool - Housing and Dining			
16	Reauthorization (\$1,957,000 Agency Bonds)			
17	024. Guaranteed Energy Savings Performance Contracts			
18	7. NORTHERN KENTUCKY UNIVERSITY			
19	001. Renovate Albright Health Center Phase II			
20	Restricted Funds	10,500,000	-0-	-0-
21	Other Funds	6,000,000	-0-	-0-
22	TOTAL	16,500,000	-0-	-0-
23	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
24	002. Construct Basketball Practice Facility			
25	Other Funds	-0-	10,000,000	-0-
26	003. Renew E&G Building Systems Projects Pool			
27	Restricted Funds	-0-	20,000,000	-0-

1	004. Enhance Softball and Tennis Complex			
2	Other Funds	-0-	6,500,000	-0-
3	005. Renovate/Expand Baseball Field			
4	Other Funds	-0-	6,000,000	-0-
5	006. Renovate Brown Building			
6	Restricted Funds	-0-	3,000,000	-0-
7	Other Funds	-0-	1,500,000	-0-
8	TOTAL	-0-	4,500,000	-0-
9	007. Replace Water and Sewer Mains			
10	Restricted Funds	-0-	3,900,000	-0-
11	008. New Generation Digital Campus			
12	Restricted Funds	-0-	3,000,000	-0-
13	009. Replace Underground Gas Mains			
14	Restricted Funds	-0-	2,500,000	-0-
15	010. Replace Soccer Stadium Turf			
16	Other Funds	-0-	1,000,000	-0-
17	011. Upgrade Infrastructure for Administrative Systems - Additional			
18	Reauthorization (\$1,500,000 Restricted Funds)			
19	Restricted Funds	-0-	500,000	-0-
20	012. Campus Telecommunications Upgrade Reauthorization (\$1,500,000			
21	Restricted Funds)			
22	013. Enhance/Upgrade Cyber Security System Reauthorization (\$1,500,000			
23	Restricted Funds)			
24	014. Scientific/Technology Equipment Pool Reauthorization (\$5,000,000			
25	Restricted Funds)			
26	015. Upgrade Instructional Technology Pool Reauthorization (\$3,500,000			
27	Restricted Funds)			

1	016.	Academic and Office Space - Lease			
2	017.	Guaranteed Energy Savings Performance Contracts			
3	018.	Renew/Renovate Fine Arts Center Phase II			
4		Restricted Funds	-0-	45,000,000	-0-
5		Other Funds	-0-	5,000,000	-0-
6		TOTAL	-0-	50,000,000	-0-
7	019.	Renew Nunn Hall			
8		Restricted Funds	-0-	12,000,000	-0-
9	020.	Repair Structural Heaving Landrum/Fine Arts			
10		Restricted Funds	-0-	7,000,000	-0-
11	021.	Renovate Campbell Hall			
12		Restricted Funds	-0-	6,000,000	-0-
13	022.	Renovate Civic Center Building			
14		Restricted Funds	-0-	6,000,000	-0-
15	023.	Renew/Renovate Steely Library			
16		Restricted Funds	-0-	37,000,000	-0-
17	024.	Expand Herrmann Science Center			
18		Restricted Funds	-0-	92,000,000	-0-
19	8.	UNIVERSITY OF KENTUCKY			
20	001.	Improve Clinical/Ambulatory Service Pool - Additional			
21		Reauthorization (\$50,000,000 Restricted Funds)			
22		Restricted Funds	-0-	50,000,000	-0-
23		Other Funds	-0-	50,000,000	-0-
24		TOTAL	-0-	100,000,000	-0-
25	(1) Authorization:	The above authorization is approved pursuant to KRS 45.763.			
26	002.	Improve UK HealthCare Facilities			
27		Restricted Funds	-0-	50,000,000	-0-

1	003. Construct Greek Housing			
2	Restricted Funds	-0-	36,000,000	-0-
3	Other Funds	-0-	36,000,000	-0-
4	TOTAL	-0-	72,000,000	-0-
5	004. Improve Memorial Coliseum			
6	Other Funds	-0-	30,000,000	-0-
7	005. Expand/Renovate/Improve Wildcat Coal Lodge			
8	Other Funds	-0-	21,000,000	-0-
9	006. Capital Renewal Maintenance Pool - 2018-2020			
10	Restricted Funds	-0-	20,000,000	-0-
11	007. Construct Agriculture Research Facility 1			
12	Restricted Funds	-0-	20,000,000	-0-
13	008. Construct/Expand/Renovate Ambulatory Care - UK HealthCare			
14	Restricted Funds	-0-	20,000,000	-0-
15	009. Expand/Improve Lexington Theological Seminary Facility			
16	Restricted Funds	-0-	20,000,000	-0-
17	010. Improve Building Systems - UK HealthCare - Good Samaritan			
18	Restricted Funds	-0-	20,000,000	-0-
19	011. Improve Center for Applied Energy Research Facilities			
20	Restricted Funds	-0-	20,000,000	-0-
21	012. Improve UK HealthCare IT Systems			
22	Restricted Funds	-0-	20,000,000	-0-
23	013. Improve Markey Cancer Center			
24	Restricted Funds	-0-	20,000,000	-0-
25	014. Improve Pence Hall			
26	Restricted Funds	-0-	20,000,000	-0-
27	015. Improve Moloney Building			

1	Restricted Funds	-0-	17,000,000	-0-
2	016. Renovate/Upgrade Academic Facility 1			
3	Restricted Funds	-0-	16,000,000	-0-
4	017. Renovate/Upgrade Academic Facility 2			
5	Restricted Funds	-0-	16,000,000	-0-
6	018. Acquire Data Center Hardware			
7	Restricted Funds	-0-	15,000,000	-0-
8	019. Construct Library Depository Facility			
9	Restricted Funds	-0-	15,000,000	-0-
10	020. Construct/Improve Clinical/Administrative Facilities - UK HealthCare			
11	Restricted Funds	-0-	15,000,000	-0-
12	021. Construct/Improve Recreation Quad			
13	Restricted Funds	-0-	15,000,000	-0-
14	022. Improve Life Safety			
15	Restricted Funds	-0-	15,000,000	-0-
16	023. Improve Spindletop Hall Facilities			
17	Restricted Funds	-0-	15,000,000	-0-
18	024. Improve Student Center Space 1			
19	Restricted Funds	-0-	15,000,000	-0-
20	025. Improve Student Center Space 2			
21	Restricted Funds	-0-	15,000,000	-0-
22	026. Upgrade Dining Facilities - Additional Reauthorization (\$70,000,000			
23	Other Funds)			
24	Other Funds	-0-	15,000,000	-0-
25	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
26	027. Design Library - Knowledge Center			
27	Restricted Funds	-0-	14,000,000	-0-

1	028. Improve Memorial Hall			
2	Restricted Funds	-0-	13,000,000	-0-
3	029. Expand Patterson Hall			
4	Restricted Funds	-0-	12,000,000	-0-
5	030. Expand/Renovate Storage Facility			
6	Restricted Funds	-0-	12,000,000	-0-
7	031. Improve Medical Center Library			
8	Restricted Funds	-0-	12,000,000	-0-
9	032. Improve Synthetic Field			
10	Other Funds	-0-	12,000,000	-0-
11	033. Renovate/Upgrade Medical Facility			
12	Restricted Funds	-0-	12,000,000	-0-
13	034. Construct Equine Campus - Phase II			
14	Restricted Funds	-0-	11,000,000	-0-
15	035. Renovate Frazee Hall			
16	Restricted Funds	-0-	11,000,000	-0-
17	036. Acquire Telemedicine/Virtual ICU			
18	Restricted Funds	-0-	10,000,000	-0-
19	037. Acquire/Improve Senior Center			
20	Restricted Funds	-0-	10,000,000	-0-
21	038. Acquire/Renovate Administrative Facility 1			
22	Restricted Funds	-0-	10,000,000	-0-
23	039. Acquire/Renovate Administrative Facility 2			
24	Restricted Funds	-0-	10,000,000	-0-
25	040. Acquire/Upgrade IT System - UK HealthCare			
26	Restricted Funds	-0-	10,000,000	-0-
27	041. Construct Agriculture Machine Research Laboratory			

1	Restricted Funds	-0-	10,000,000	-0-
2	042. Construct Agriculture Research Facility 2			
3	Restricted Funds	-0-	10,000,000	-0-
4	043. Construct Childcare Center Facility			
5	Restricted Funds	-0-	10,000,000	-0-
6	044. Construct Fit-Up Retail Space			
7	Other Funds	-0-	10,000,000	-0-
8	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
9	045. Construct/Renovate Gymnastic Practice Facility			
10	Other Funds	-0-	10,000,000	-0-
11	046. Decommission Facilities			
12	Restricted Funds	-0-	10,000,000	-0-
13	Other Funds	-0-	20,000,000	-0-
14	TOTAL	-0-	30,000,000	-0-
15	047. Fit-Up Academic/Administrative Space 1			
16	Restricted Funds	-0-	10,000,000	-0-
17	048. Fit-Up Academic/Administrative Space 2			
18	Restricted Funds	-0-	10,000,000	-0-
19	049. Implement Patient Communication System - UK HealthCare			
20	Restricted Funds	-0-	10,000,000	-0-
21	050. Improve Building Electrical Systems			
22	Restricted Funds	-0-	10,000,000	-0-
23	051. Improve Dentistry Facility			
24	Restricted Funds	-0-	10,000,000	-0-
25	052. Improve DLAR Facilities			
26	Restricted Funds	-0-	10,000,000	-0-
27	053. Lease - Purchase Campus Infrastructure			

1	Restricted Funds	-0-	10,000,000	-0-
2	054. Lease - Purchase Campus IT Systems			
3	Restricted Funds	-0-	10,000,000	-0-
4	055. Renovate/Upgrade Academic/Administrative Space 1			
5	Restricted Funds	-0-	10,000,000	-0-
6	056. Renovate/Upgrade Academic/Administrative Space 2			
7	Restricted Funds	-0-	10,000,000	-0-
8	057. Renovate/Upgrade Academic/Administrative Space 3			
9	Restricted Funds	-0-	10,000,000	-0-
10	058. Renovate/Upgrade Academic/Administrative Space 4			
11	Restricted Funds	-0-	10,000,000	-0-
12	059. Renovate/Upgrade Academic/Administrative Space 5			
13	Restricted Funds	-0-	10,000,000	-0-
14	060. Construct/Renovate Space for Rifle Team			
15	Other Funds	-0-	9,000,000	-0-
16	061. Improve Carnahan House			
17	Restricted Funds	-0-	8,000,000	-0-
18	062. Lease - Purchase High Performance Computer			
19	Restricted Funds	-0-	7,000,000	-0-
20	063. Renovate Multi-Disciplinary Science Building			
21	Restricted Funds	-0-	7,000,000	-0-
22	064. Renovate Nursing Units - UK HealthCare			
23	Restricted Funds	-0-	7,000,000	-0-
24	065. Acquire/Renovate Golf Facility			
25	Other Funds	-0-	6,000,000	-0-
26	066. College of Medicine - Furnishings and Equipment Pool			
27	Restricted Funds	-0-	6,000,000	-0-

1	067. Construct Agriculture Showcase and Sales			
2	Restricted Funds	-0-	6,000,000	-0-
3	068. Construct Transit Center			
4	Restricted Funds	-0-	6,000,000	-0-
5	069. Expand Kentucky Geological Survey Well Sample and Core Repository			
6	Restricted Funds	-0-	6,000,000	-0-
7	070. Improve Anderson Tower			
8	Restricted Funds	-0-	6,000,000	-0-
9	071. Improve Athletics Facility 1			
10	Other Funds	-0-	6,000,000	-0-
11	072. Improve Football Stadium			
12	Other Funds	-0-	6,000,000	-0-
13	073. Improve Seaton Center			
14	Restricted Funds	-0-	6,000,000	-0-
15	074. Renovate Mineral Industries Building			
16	Restricted Funds	-0-	6,000,000	-0-
17	075. Upgrade/Expand Campus Security Platform			
18	Restricted Funds	-0-	6,000,000	-0-
19	076. Acquire Equipment/Furnishings Pool			
20	Other Funds	-0-	5,000,000	-0-
21	077. ADA Compliance Pool			
22	Restricted Funds	-0-	5,000,000	-0-
23	078. Construct Hospice Facility - UK HealthCare			
24	Restricted Funds	-0-	5,000,000	-0-
25	079. Construct and Fit-Up Retail Space			
26	Other Funds	-0-	10,000,000	-0-
27	080. Construct/Improve Campus Recreation Field 1			

1	Restricted Funds	-0-	5,000,000	-0-
2	081. Construct/Improve Campus Recreation Field 2			
3	Restricted Funds	-0-	5,000,000	-0-
4	082. Construct/Improve Campus Recreation Field 3			
5	Restricted Funds	-0-	5,000,000	-0-
6	083. Improve Athletics Facility 2			
7	Other Funds	-0-	5,000,000	-0-
8	084. Improve Baseball Facility			
9	Other Funds	-0-	5,000,000	-0-
10	085. Improve Elevator Systems			
11	Restricted Funds	-0-	5,000,000	-0-
12	086. Improve Joe Craft Center			
13	Other Funds	-0-	5,000,000	-0-
14	087. Improve W.T. Young Facility			
15	Restricted Funds	-0-	5,000,000	-0-
16	088. Lease - Purchase Campus Call Center System			
17	Restricted Funds	-0-	5,000,000	-0-
18	089. Lease - Purchase Network Security			
19	Restricted Funds	-0-	5,000,000	-0-
20	090. Renovate King Library			
21	Restricted Funds	-0-	5,000,000	-0-
22	091. Renovate Nutter Facility			
23	Other Funds	-0-	5,000,000	-0-
24	092. Renovate Warehouse Space			
25	Restricted Funds	-0-	5,000,000	-0-
26	093. Expand/Improve Cooper House			
27	Restricted Funds	-0-	4,000,000	-0-

1	094. Improve Football Practice Facility			
2	Other Funds	-0-	4,000,000	-0-
3	095. Improve Sturgill Development Building			
4	Restricted Funds	-0-	4,000,000	-0-
5	096. Improve/Upgrade Campus Communications Infrastructure			
6	Restricted Funds	-0-	4,000,000	-0-
7	097. Repair/Replace Campus Cable Infrastructure			
8	Restricted Funds	-0-	4,000,000	-0-
9	098. Relocate Motor Pool			
10	Restricted Funds	-0-	3,500,000	-0-
11	099. Construct Cross Country Trail			
12	Other Funds	-0-	3,000,000	-0-
13	100. Improve Enterprise Networking 1			
14	Restricted Funds	-0-	3,000,000	-0-
15	101. Improve Enterprise Networking 2			
16	Restricted Funds	-0-	3,000,000	-0-
17	102. Improve UK Radio Communications System			
18	Restricted Funds	-0-	3,000,000	-0-
19	103. Lease - Purchase Voice Infrastructure			
20	Restricted Funds	-0-	3,000,000	-0-
21	104. Relocate/Replace Greenhouses			
22	Restricted Funds	-0-	3,000,000	-0-
23	105. Renovate Space for a Testing Center			
24	Restricted Funds	-0-	3,000,000	-0-
25	106. Renovate/Upgrade Athletics Playing Fields 1			
26	Other Funds	-0-	3,000,000	-0-
27	107. Renovate/Upgrade Athletics Playing Fields 2			

1	Other Funds	-0-	3,000,000	-0-
2	108. Construct North Farm Agriculture Research Facility			
3	Restricted Funds	-0-	2,000,000	-0-
4	109. Improve Administrative and Support Space			
5	Restricted Funds	-0-	2,000,000	-0-
6	110. Improve Building Systems - UK HealthCare			
7	Restricted Funds	-0-	20,000,000	-0-
8	111. Purchase Transport Buses			
9	Restricted Funds	-0-	2,000,000	-0-
10	112. Renovate Dickey Hall			
11	Restricted Funds	-0-	2,000,000	-0-
12	113. Renovate Nursing Building			
13	Restricted Funds	-0-	2,000,000	-0-
14	114. Purchase Parking Access Equipment			
15	Restricted Funds	-0-	1,500,000	-0-
16	115. UK Mobile Communication Center			
17	Restricted Funds	-0-	400,000	-0-
18	116. Construct Student Housing Pool Reauthorization (\$100,000,000 Other			
19	Funds, \$50,000,000 Restricted Funds)			
20	Restricted Funds	-0-	50,000,000	-0-
21	Other Funds	-0-	100,000,000	-0-
22	TOTAL	-0-	150,000,000	-0-
23	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
24	117. Guaranteed Energy Savings Performance Contracts			
25	Restricted Funds	-0-	1,000,000	-0-
26	118. Guaranteed Energy Savings Performance Contracts - UK HealthCare			
27	Restricted Funds	-0-	1,000,000	-0-

- 1 **119.** Lease - Administrative Space
- 2 **120.** Lease - College of Medicine 1
- 3 **121.** Lease - College of Medicine 2
- 4 **122.** Lease - College of Medicine 3
- 5 **123.** Lease - College of Medicine 4
- 6 **124.** Lease - College of Medicine 5
- 7 **125.** Lease - College of Medicine 6
- 8 **126.** Lease - Good Samaritan - UK HealthCare
- 9 **127.** Lease - Grant Projects 1
- 10 **128.** Lease - Grant Projects 2
- 11 **129.** Lease - Grant Projects 3
- 12 **130.** Lease - Health Affairs Office
- 13 **131.** Lease - Health Affairs Office 10
- 14 **132.** Lease - Health Affairs Office 11
- 15 **133.** Lease - Health Affairs Office 12
- 16 **134.** Lease - Health Affairs Office 13
- 17 **135.** Lease - Health Affairs Office 14
- 18 **136.** Lease - Health Affairs Office 15
- 19 **137.** Lease - Health Affairs Office 2
- 20 **138.** Lease - Health Affairs Office 3
- 21 **139.** Lease - Health Affairs Office 4
- 22 **140.** Lease - Health Affairs Office 5
- 23 **141.** Lease - Health Affairs Office 6
- 24 **142.** Lease - Health Affairs Office 7
- 25 **143.** Lease - Health Affairs Office 8
- 26 **144.** Lease - Health Affairs Office 9
- 27 **145.** Lease - Off Campus 1

- 1 **146.** Lease - Off Campus 2
- 2 **147.** Lease - Off Campus 3
- 3 **148.** Lease - Off Campus 4
- 4 **149.** Lease - Off Campus 5
- 5 **150.** Lease - Off Campus 6
- 6 **151.** Lease - Off Campus 7
- 7 **152.** Lease - Off Campus 8
- 8 **153.** Lease - Off Campus 9
- 9 **154.** Lease - Off Campus 10
- 10 **155.** Lease - Off Campus 11
- 11 **156.** Lease - Off Campus 12
- 12 **157.** Lease - Off Campus 13
- 13 **158.** Lease - Off Campus Athletics 1
- 14 **159.** Lease - Off Campus Athletics 2
- 15 **160.** Lease - Off Campus Housing 1
- 16 **161.** Lease - Off Campus Housing 2
- 17 **162.** Lease - Rural Health Expansion - Perry County
- 18 **163.** Lease - UK HealthCare Grant Project 1
- 19 **164.** Lease - UK HealthCare Grant Project 2
- 20 **165.** Lease - UK HealthCare Off Campus Facility 1
- 21 **166.** Lease - UK HealthCare Off Campus Facility 2
- 22 **167.** Lease - UK HealthCare Off Campus Facility 3
- 23 **168.** Lease - UK HealthCare Off Campus Facility 4
- 24 **169.** Lease - UK HealthCare Off Campus Facility 5
- 25 **170.** Lease - UK HealthCare Off Campus Facility 6
- 26 **171.** Lease - UK HealthCare Off Campus Facility 7
- 27 **172.** Lease - UK HealthCare Off Campus Facility 8

1	173. Lease - UK HealthCare Off Campus Facility 9			
2	174. Lease - UK HealthCare Off Campus Facility 10			
3	175. Lease - UK HealthCare Off Campus Facility 11			
4	176. Lease - UK HealthCare Off Campus Facility 12			
5	177. Renovate/Upgrade HealthCare Facilities			
6	Agency Bonds	-0-	75,000,000	-0-
7	178. Construct Digital Village Building #3			
8	Restricted Funds	-0-	55,000,000	-0-
9	Other Funds	-0-	55,000,000	-0-
10	TOTAL	-0-	110,000,000	-0-
11	179. Construct Engineering Center Building			
12	Restricted Funds	-0-	110,000,000	-0-
13	180. Renovate Chemistry/Physics Building			
14	Restricted Funds	-0-	54,000,000	-0-
15	181. Upgrade/Renovate/Expand Research Labs			
16	Restricted Funds	-0-	50,000,000	-0-
17	182. Construct Retail/Parking Facility 1			
18	Other Funds	-0-	75,000,000	-0-
19	183. Construct Tennis Facility			
20	Other Funds	-0-	35,000,000	-0-
21	184. Improve Funkhouser Building			
22	Restricted Funds	-0-	60,000,000	-0-
23	185. Repair/Upgrade/Expand Central Plants			
24	Restricted Funds	-0-	112,000,000	-0-
25	186. Improve McVey Hall			
26	Restricted Funds	-0-	35,000,000	-0-
27	187. Improve Barnhart Building			

1	Restricted Funds	-0-	34,000,000	-0-
2	188. Improve Jacobs Science Bldg.			
3	Restricted Funds	-0-	32,000,000	-0-
4	189. Expand/Improve Kastle Hall			
5	Restricted Funds	-0-	43,000,000	-0-
6	190. Renovate Campus Core Quadrangle Facilities			
7	Restricted Funds	-0-	52,000,000	-0-
8	191. Improve Reynolds Building 1			
9	Restricted Funds	-0-	52,000,000	-0-
10	Other Funds	-0-	52,000,000	-0-
11	TOTAL	-0-	104,000,000	-0-
12	192. Renovate Taylor Education Building			
13	Restricted Funds	-0-	40,000,000	-0-
14	193. Construct School of Music Instrumental Hall			
15	Restricted Funds	-0-	30,000,000	-0-
16	194. Expand/Improve Johnson Center			
17	Restricted Funds	-0-	30,000,000	-0-
18	195. Improve Grehan Building			
19	Restricted Funds	-0-	23,000,000	-0-
20	196. Improve Scovell Hall			
21	Restricted Funds	-0-	40,000,000	-0-
22	197. Research Equipment Replacement			
23	Restricted Funds	-0-	30,000,000	-0-
24	198. Acquire Land			
25	Restricted Funds	-0-	50,000,000	-0-
26	199. Construct New Alumni Center			
27	Other Funds	-0-	38,000,000	-0-

1	200.	Improve Coldstream Research Campus		
2		Restricted Funds	-0-	40,000,000
3	201.	Construct/Improve Facilities Office Building		
4		Restricted Funds	-0-	55,000,000
5	202.	Construct Facilities Shops & Storage Facility		
6		Restricted Funds	-0-	27,000,000
7	203.	Improve Campus Parking and Transportation System		
8		Restricted Funds	-0-	50,000,000
9		Other Funds	-0-	100,000,000
10		TOTAL	-0-	150,000,000
11	204.	Construct Retail/Parking Facility 2		
12		Other Funds	-0-	75,000,000
13	205.	Improve Parking Garage 2		
14		Restricted Funds	-0-	30,000,000
15	206.	Improve Parking Garage 1		
16		Restricted Funds	-0-	30,000,000
17	207.	Improve Civil/Site Infrastructure		
18		Restricted Funds	-0-	25,000,000
19		Other Funds	-0-	25,000,000
20		TOTAL	-0-	50,000,000
21	208.	Improve Electrical Infrastructure		
22		Restricted Funds	-0-	28,000,000
23	209.	Improve Mechanical Infrastructure		
24		Restricted Funds	-0-	26,000,000
25	210.	Improve Building Mechanical Systems		
26		Restricted Funds	-0-	35,000,000
27	211.	Repair Emergency Infrastructure/Bldg. Systems		

1	Restricted Funds	-0-	25,000,000	-0-
2	212. Improve Building Shell Systems			
3	Restricted Funds	-0-	40,000,000	-0-
4	213. Construct Police Headquarters			
5	Restricted Funds	-0-	27,000,000	-0-
6	214. Renovate/Upgrade Academic/Administrative Space			
7	Restricted Funds	-0-	25,000,000	-0-
8	215. Construct Research/Incubator Facility			
9	Other Funds	-0-	15,000,000	-0-
10	216. Construct/Improve Recreation Quad 2			
11	Other Funds	-0-	15,000,000	-0-
12	217. Construct/Relocate Data Center			
13	Restricted Funds	-0-	40,000,000	-0-
14	218. Improve Wildcat Coal Lodge			
15	Other Funds	-0-	4,000,000	-0-
16	219. Replace UKHC IT Systems 2 (Administrative)			
17	Restricted Funds	-0-	70,000,000	-0-
18	220. Replace UKHC IT Systems 1			
19	Restricted Funds	-0-	280,000,000	-0-
20	221. Improve IT Systems - UKHC			
21	Restricted Funds	-0-	130,000,000	-0-
22	222. Improve Good Samaritan Hospital Facilities			
23	Restricted Funds	-0-	25,000,000	-0-
24	223. Improve Parking Structures			
25	Restricted Funds	-0-	25,000,000	-0-
26	224. Implement Land Use Plan - UKHC			
27	Restricted Funds	-0-	20,000,000	-0-

1	225. Construct Data Center - UKHC			
2	Restricted Funds	-0-	45,000,000	-0-
3	226. Construct Ambulatory Facility - UKHC			
4	Restricted Funds	-0-	50,000,000	-0-
5	227. Acquire Hospital Facility			
6	Restricted Funds	-0-	250,000,000	-0-
7	228. Renovate/Upgrade Hospital Facility			
8	Restricted Funds	-0-	50,000,000	-0-
9	229. Improve HealthCare IT Systems 1			
10	Restricted Funds	-0-	50,000,000	-0-
11	230. Acquire Medical Facility 1			
12	Restricted Funds	-0-	50,000,000	-0-
13	231. Acquire Medical Facility 2			
14	Restricted Funds	-0-	25,000,000	-0-
15	232. Renovate/Upgrade Medical Facility 1			
16	Restricted Funds	-0-	25,000,000	-0-
17	233. Improve HealthCare IT Systems 2			
18	Restricted Funds	-0-	30,000,000	-0-
19	9. UNIVERSITY OF LOUISVILLE			
20	001. Public/Private Partnership Residence Hall			
21	Other Funds	-0-	51,000,000	-0-
22	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
23	002. Construct Speed School Utility Infrastructure Upgrade			
24	Restricted Funds	-0-	20,000,000	-0-
25	003. Renovate Health Sciences Center Instructional and Student Services			
26	Space			
27	Restricted Funds	-0-	20,000,000	-0-

1	004.	Renovate and Expand J.B. Speed Building		
2		Restricted Funds	-0-	18,700,000
3	005.	Construct Television Broadcast and Production Studio		
4		Other Funds	-0-	10,000,000
5	006.	Improve Housing Facilities Pool		
6		Restricted Funds	-0-	10,000,000
7	007.	Renovate Chemistry Fume Hood Redesign - Phase II		
8		Restricted Funds	-0-	9,750,000
9	008.	Expand Jim Patterson Stadium		
10		Other Funds	-0-	9,500,000
11	009.	Purchase Networking System		
12		Restricted Funds	-0-	8,000,000
13	010.	Construct Athletics Office Building		
14		Other Funds	-0-	7,500,000
15	011.	Purchase Research Computing Infrastructure		
16		Restricted Funds	-0-	7,000,000
17	012.	Replace Papa John's Stadium Seats		
18		Other Funds	-0-	5,460,000
19	013.	Construct Belknap Stormwater Improvements		
20		Restricted Funds	-0-	5,000,000
21	014.	Regional Biocontainment Laboratory Pressurization Upgrade		
22		Restricted Funds	-0-	5,000,000
23	015.	Renovate Vivarium Facilities		
24		Restricted Funds	-0-	5,000,000
25	016.	Expand Auto Book Storage and Retrieval System		
26		Restricted Funds	-0-	4,900,000
27	017.	Purchase Content Management System		

1	Restricted Funds	-0-	4,000,000	-0-
2	018. Renovate Parking Structures			
3	Restricted Funds	-0-	3,600,000	-0-
4	019. Purchase Fiber Instructure			
5	Restricted Funds	-0-	3,500,000	-0-
6	020. Purchase Security and Firewall Infrastructure			
7	Restricted Funds	-0-	3,000,000	-0-
8	021. Replace Parking Services Hardware and Software			
9	Restricted Funds	-0-	2,600,000	-0-
10	022. Renovate Flexner Way Mall			
11	Restricted Funds	-0-	2,500,000	-0-
12	023. Resurface and Repair Parking Lot			
13	Restricted Funds	-0-	2,500,000	-0-
14	024. Renovate Chemistry Teaching Laboratories and Auditorium			
15	Restricted Funds	-0-	2,200,000	-0-
16	025. Construct Belknap 3rd Street Improvements			
17	Restricted Funds	-0-	2,180,000	-0-
18	026. Purchase Computer Processing System and Storage			
19	Restricted Funds	-0-	2,000,000	-0-
20	027. Purchase Identity Management Solution			
21	Restricted Funds	-0-	2,000,000	-0-
22	028. Renovate Belknap Physical Plant Building			
23	Restricted Funds	-0-	2,000,000	-0-
24	029. Renovate College of Business Classrooms			
25	Restricted Funds	-0-	2,000,000	-0-
26	030. Renovate Kosair Charities Pediatric Center			
27	Restricted Funds	-0-	2,000,000	-0-

1	031.	Replace Electronic Video Boards			
2		Other Funds	-0-	2,000,000	-0-
3	032.	Construct College of Business Courtyard and Café			
4		Restricted Funds	-0-	1,800,000	-0-
5	033.	Construct Plant-Based Pharmaceutical Research Facility			
6		Restricted Funds	-0-	1,700,000	-0-
7	034.	Construct Athletic Grounds Building			
8		Other Funds	-0-	1,550,000	-0-
9	035.	Renovate Life Sciences Building Vivarium			
10		Restricted Funds	-0-	1,500,000	-0-
11	036.	Renovate Miller Hall Infrastructure			
12		Restricted Funds	-0-	1,500,000	-0-
13	037.	Renovate Threlkeld Hall Infrastructure			
14		Restricted Funds	-0-	1,500,000	-0-
15	038.	New Football Practice Field Lighting			
16		Other Funds	-0-	1,330,000	-0-
17	039.	Construct Belknap Century Corridor Improvement			
18		Restricted Funds	-0-	1,250,000	-0-
19	040.	Replace Artificial Turf Field III			
20		Other Funds	-0-	1,250,000	-0-
21	041.	Replace Artificial Turf Field IV			
22		Other Funds	-0-	1,250,000	-0-
23	042.	Construct Artificial Turf Field for Intramurals			
24		Restricted Funds	-0-	1,215,000	-0-
25	043.	Construct Athletic Equipment and Apparel Storage Facility			
26		Other Funds	-0-	1,200,000	-0-
27	044.	Renovate College of Business Green Roof			

1	Restricted Funds	-0-	1,150,000	-0-
2	045. Academic Space 1 - Lease			
3	046. Academic Space 2 - Lease			
4	047. Housing 1 - Lease			
5	048. Housing 2 - Lease			
6	049. Housing 3 - Lease			
7	050. Housing 4 - Lease			
8	051. Jefferson County - Clinic Space 1 - Lease			
9	052. Jefferson County - Clinic Space 2 - Lease			
10	053. Jefferson County - Clinic Space 3 - Lease			
11	054. Clinic Space - State of Kentucky - Lease			
12	055. Jefferson County - Office Space 1 - Lease			
13	056. Jefferson County - Office Space 2 - Lease			
14	057. Jefferson County - Office Space 3 - Lease			
15	058. Jefferson County - Office Space 4 - Lease			
16	059. Medical Center One - Lease			
17	060. Medical Center One - 2 - Lease			
18	061. Nucleus 1 Building - Lease			
19	062. Nucleus 1 Building - 2 - Lease			
20	063. Master of Fine Arts - Lease			
21	064. University Pointe and Cardinal Towne - Lease			
22	065. Arthur Street - Lease			
23	066. Support Space 1 - Lease			
24	067. Guaranteed Energy Savings Performance Contracts			
25	068. Upgrade STEM Instruction Building			
26	Restricted Funds	-0-	50,000,000	-0-
27	069. Renovation & Adaption Projects for Various Buildings			

1	Restricted Funds	-0-	50,000,000	-0-
2	070. Renovate School of Medicine Building 55A			
3	Restricted Funds	-0-	42,000,000	-0-
4	071. Construct College of Business Building			
5	Restricted Funds	-0-	120,000,000	-0-
6	072. Renovate Natural Science Building			
7	Restricted Funds	-0-	30,000,000	-0-
8	073. Construct Institute for Product Realization			
9	Other Funds	-0-	35,980,000	-0-
10	074. Renovate Dental School Administrative Space			
11	Restricted Funds	-0-	1,000,000	-0-
12	075. Demolish and Replace Miller Resident Hall			
13	Restricted Funds	-0-	70,600,000	-0-
14	076. Construct Multidisciplinary Engineering Building #1			
15	Restricted Funds	-0-	65,000,000	-0-
16	077. Renovate and Expand Threlkeld Resident Hall			
17	Restricted Funds	-0-	33,275,000	-0-
18	078. Renovate Ekstrom Library			
19	Restricted Funds	-0-	57,200,000	-0-
20	079. Land Purchase			
21	Restricted Funds	-0-	15,000,000	-0-
22	10. WESTERN KENTUCKY UNIVERSITY			
23	001. Renovate or Replace Garrett Conference Center			
24	Restricted Funds	-0-	3,500,000	-0-
25	Other Funds	-0-	35,000,000	-0-
26	TOTAL	-0-	38,500,000	-0-
27	002. Construct Indoor Athletic Training Facility			

1	Other Funds	-0-	18,000,000	-0-
2	003. Capital Renewal Pool - 2018-2020			
3	Restricted Funds	-0-	10,000,000	-0-
4	004. Renovate and Expand Clinical Education Complex			
5	Other Funds	-0-	8,000,000	-0-
6	005. Construct Football Pressbox			
7	Other Funds	-0-	5,200,000	-0-
8	006. Renovate Central Heat Plant			
9	Restricted Funds	-0-	5,000,000	-0-
10	007. Renovate South Campus			
11	Restricted Funds	-0-	5,000,000	-0-
12	008. Repair or Replace Roof at Center for Research and Development			
13	Restricted Funds	-0-	5,100,000	-0-
14	009. Upgrade IT Infrastructure			
15	Restricted Funds	-0-	6,000,000	-0-
16	010. Construct Track and Field Facilities Phase I			
17	Other Funds	-0-	4,700,000	-0-
18	011. Construct Baseball Grandstand			
19	Other Funds	-0-	4,500,000	-0-
20	012. Renovate and Improve Softball Complex			
21	Other Funds	-0-	3,500,000	-0-
22	013. Acquire Furnishings and Equipment for Diddle Arena			
23	Other Funds	-0-	3,000,000	-0-
24	014. Acquire Furnishings and Equipment Pool - 2018-2020			
25	Restricted Funds	-0-	3,000,000	-0-
26	015. Add Club Seating at Diddle Arena			
27	Other Funds	-0-	3,000,000	-0-

1	016.	Hilltopper Hall Furnishings and Equipment			
2		Other Funds	-0-	3,000,000	-0-
3	017.	Renovate/Construct College Heights Foundation Building			
4		Other Funds	-0-	3,000,000	-0-
5	018.	Construct Science Gallery			
6		Other Funds	-0-	2,500,000	-0-
7	019.	Construct South Plaza			
8		Other Funds	-0-	2,500,000	-0-
9	020.	Renovate Free Stall Horse Barns			
10		Restricted Funds	-0-	1,800,000	-0-
11	021.	Construct Tertiary Data Center			
12		Restricted Funds	-0-	1,500,000	-0-
13	022.	Remove and Replace Student Housing at Farm			
14		Other Funds	-0-	1,500,000	-0-
15	023.	Renovate State and Normal Street Properties			
16		Restricted Funds	-0-	1,500,000	-0-
17	024.	Renovate Tate Page Hall			
18		Restricted Funds	-0-	1,200,000	-0-
19	025.	Renovate Grise Hall Restrooms, ADA			
20		Restricted Funds	-0-	1,000,000	-0-
21	026.	Renovate Jones Jagers Interior			
22		Restricted Funds	-0-	1,000,000	-0-
23	027.	Alumni Center - Lease			
24	028.	Nursing and Physical Therapy - Lease			
25	029.	Parking Garage - Lease			
26	030.	Guaranteed Energy Savings Performance Contracts			
27	031.	Upgrade Underground Infrastructure			

1	Restricted Funds	-0-	55,000,000	-0-
2	032. Renovate Helm/Cravens Library			
3	Restricted Funds	-0-	68,300,000	-0-
4	033. Improve Life Safety Pool/Academic Facilities			
5	Restricted Funds	-0-	27,500,000	-0-
6	11. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM			
7	001. Construct Technology Drive Campus Expansion - Ashland CTC			
8	Restricted Funds	-0-	12,500,000	-0-
9	002. Capital Renewal and Deferred Maintenance Pool - 2018-2020			
10	Restricted Funds	-0-	5,000,000	5,000,000
11	003. KCTCS Information Technology Infrastructure Upgrade			
12	Restricted Funds	-0-	4,750,000	4,750,000
13	004. Construct Advanced Manufacturing Center - Jefferson CTC,			
14	Downtown - Additional			
15	Restricted Funds	-0-	5,000,000	-0-
16	005. Construct Advanced Manufacturing Center - Bluegrass CTC, Danville			
17	Restricted Funds	-0-	5,000,000	-0-
18	006. KCTCS Equipment Pool - 2018-2020			
19	Restricted Funds	-0-	5,000,000	-0-
20	007. Renovate Facilities Maysville Campus			
21	Restricted Funds	-0-	5,000,000	-0-
22	008. Renovate Falkenstine - Southeast CTC, Cumberland			
23	Restricted Funds	-0-	5,000,000	-0-
24	009. Renovate Learning Resource Center, Ashland CTC			
25	Restricted Funds	-0-	4,800,000	-0-
26	010. Renovate Sullivan Technology Center - Henderson CC			
27	Restricted Funds	-0-	4,600,000	-0-

1	011.	Construct Addition to Building 2 - Somerset CC South			
2		Restricted Funds	-0-	4,500,000	-0-
3	012.	Renovate Administration Building Newtown Campus - Bluegrass CTC			
4		Restricted Funds	-0-	4,500,000	-0-
5	013.	Replace HVAC System Phase I - Owensboro CTC			
6		Restricted Funds	-0-	4,400,000	-0-
7	014.	Acquisition of KCTCS System Office Building			
8		Restricted Funds	-0-	4,000,000	-0-
9	015.	Renovate Administration Building - Whitesburg - Southeast Kentucky			
10		CTC			
11		Restricted Funds	-0-	3,800,000	-0-
12	016.	Renovate Auditorium Building- Hopkinsville CC			
13		Restricted Funds	-0-	3,800,000	-0-
14	017.	Renovate Southeastern Campus - Owensboro CTC			
15		Restricted Funds	-0-	3,700,000	-0-
16	018.	Renovate Dental Hygiene Clinic - Big Sandy CTC - Mayo Campus			
17		Restricted Funds	-0-	3,000,000	-0-
18	019.	Renovate Technical Campus - Madisonville CC			
19		Restricted Funds	-0-	3,000,000	-0-
20	020.	Renovations Main Campus - West Kentucky CTC			
21		Restricted Funds	-0-	2,700,000	-0-
22	021.	Improve Parking Lots - Jefferson CTC			
23		Restricted Funds	-0-	2,500,000	-0-
24	022.	Renovate Downtown Campus – Owensboro CTC			
25		Restricted Funds	-0-	2,500,000	-0-
26	023.	Relocate Student Center - Henderson CC			
27		Restricted Funds	-0-	2,200,000	-0-

1	024. Replace HVAC Units - Somerset CC South Campus			
2	Restricted Funds	-0-	2,200,000	-0-
3	025. Construct National Responder Preparedness Center Parking Lot -Fire			
4	Commission			
5	Restricted Funds	-0-	2,000,000	-0-
6	026. KCTCS CEMCS Upgrades Pool			
7	Restricted Funds	-0-	2,000,000	-0-
8	027. Repair/Replace Roofs - Hazard CTC			
9	Restricted Funds	-0-	2,000,000	-0-
10	028. Replace Meece HVAC System - Somerset CC - North Campus			
11	Restricted Funds	-0-	2,000,000	-0-
12	029. Stabilize Soil Technical Campus - Hazard CTC			
13	Restricted Funds	-0-	2,000,000	-0-
14	030. Upgrade HVAC Systems - Big Sandy CTC - Collegewide			
15	Restricted Funds	-0-	2,000,000	-0-
16	031. Replace Roofs - Big Sandy CTC - Collegewide			
17	Restricted Funds	-0-	1,700,000	-0-
18	032. Soil Stabilization Godbey - Southeast - Cumberland			
19	Restricted Funds	-0-	1,500,000	-0-
20	033. Upgrade Sprinkler Systems - West Kentucky CTC			
21	Restricted Funds	-0-	1,500,000	-0-
22	034. Upgrade Welding Shop - Big Sandy CTC - Mayo Campus			
23	Restricted Funds	-0-	1,500,000	-0-
24	035. Fire Commission Driver Simulator			
25	Restricted Funds	-0-	1,000,000	-0-
26	036. Fire Commission Fire Trucks			
27	Restricted Funds	-0-	600,000	-0-

1	037. Jefferson CTC - Bullitt County Campus - Lease			
2	038. Jefferson CTC - Jefferson County - Lease			
3	039. Jefferson CTC - Jefferson Education Center - Lease			
4	040. KCTCS System Office - Lease			
5	041. Maysville CTC - Rowan Campus - Lease			
6	042. Maysville CTC - Rowan County - Lease			
7	043. Guaranteed Energy Savings Performance Contracts			
8	044. Improve Facilities - Bluegrass CTC, Winchester-Clark County Campus			
9	Restricted Funds	-0-	8,000,000	-0-

10 **K. PUBLIC PROTECTION CABINET**

11	Budget Units	2018-19	2019-20
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12 **1. FINANCIAL INSTITUTIONS**

13 **001.** Franklin County - Lease

14 **2. HOUSING, BUILDINGS AND CONSTRUCTION**

15 **001.** Online Jurisdiction Program

16	Restricted Funds	1,666,000	-0-
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17 **002.** Franklin County - Lease

18 **3. INSURANCE**

19 **001.** Franklin County - Lease

20 **L. TOURISM, ARTS AND HERITAGE CABINET**

21	Budget Units	2018-19	2019-20
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22 **1. PARKS**

23 **001.** Maintenance Pool - 2018-2020

24	Bond Funds	10,000,000	10,000,000
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25 **002.** Construct Lodge and/or Resort Facilities at Yatesville Lake

26 **(1) Authorization:** The above authorization is approved pursuant to KRS
27 45A.077.

1 **003. Construct or Renovate Lodge Facilities at Natural Bridge**

2 **(1) Authorization:** The above authorization is approved pursuant to KRS
3 45A.077.

4 **004.** Franklin County - Lease

5 **2. HORSE PARK COMMISSION**

6 **001. Campground Utility Infrastructure**

7	Restricted Funds	1,500,000	-0-
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8 **002. Maintenance Pool - 2018-2020**

9	Investment Income	600,000	600,000
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10 **3. STATE FAIR BOARD**

11 **001. Maintenance Pool - 2018-2020**

12	Bond Funds	3,000,000	3,000,000
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13 **002. Kentucky International Convention Center Roof Replacement**

14	Bond Funds	5,000,000	-0-
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15 **003.** Construct Agri-Plex at Kentucky Exposition Center

16 **(1) Authorization:** The above authorization is approved pursuant to KRS 45.763.

17 **004.** Construct Gate One Hotel at Kentucky Exposition Center

18 **(1) Authorization:** The above authorization is approved pursuant to KRS 45.763.

19 **005.** Construct Hotel Development at Kentucky Exposition Center

20 **(1) Authorization:** The above authorization is approved pursuant to KRS 45.763.

21 **4. FISH AND WILDLIFE RESOURCES**

22 **001. Fees-in-Lieu-of Stream Mitigation Projects Pool**

23	Restricted Funds	20,000,000	20,000,000
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24 5. KENTUCKY CENTER FOR THE ARTS

25 **001. Maintenance Pool - 2018-2020**

26	Investment Income	160,000	160,000
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27 **PART III**

GENERAL PROVISIONS

1. Funds Designations: Restricted Funds designated in the biennial budget bills are classified in the state financial records and reports as the Agency Revenue Fund, State Enterprise Funds (State Parks, State Fair Board, Insurance Administration, and Kentucky Horse Park), Internal Services Funds (Fleet Management, Computer Services, Correctional Industries, Central Printing, Risk Management, and Property Management), and selected Fiduciary Funds (Other Expendable Trust Funds). Separate fund records and reports shall be maintained in a manner consistent with the branch budget bills.

The sources of Restricted Funds appropriations in this Act shall include all fees (which includes fees for room and board, athletics, and student activities) and rentals, admittances, sales, bond proceeds, licenses collected by law, gifts, subventions, contributions, income from investments, and other miscellaneous receipts produced or received by a budget unit, except as otherwise specifically provided, for the purposes, use, and benefit of the budget unit as authorized by law. Restricted Funds receipts shall be credited and allotted to the respective fund or account out of which a specified appropriation is made in this Act. All receipts of Restricted Funds shall be deposited in the State Treasury and credited to the proper account as provided in KRS Chapters 12, 42, 45, and 48.

The sources of Federal Funds appropriations in this Act shall include federal subventions, grants, contracts, or other Federal Funds received, income from investments, other miscellaneous federal receipts received by a budget unit, and the Unemployment Compensation Fund, except as otherwise provided, for the purposes, use, and benefit of the budget unit as authorized by law. Federal Funds receipts shall be credited and allotted to the respective fund account out of which a specified appropriation is made in this Act. All Federal Funds receipts shall be deposited in the State Treasury and credited to the proper account as provided in KRS Chapters 12, 42, 45, and 48.

2. Expenditure of Excess Restricted Funds or Federal Funds Receipts: If

1 receipts received or credited to the Restricted Funds accounts or Federal Funds accounts
2 of a budget unit during fiscal year 2018-2019 or fiscal year 2019-2020, and any balance
3 forwarded to the credit of these same accounts from the previous fiscal year, exceed the
4 appropriation made by a specific sum for these accounts of the budget unit as provided in
5 Part I, Operating Budget, of this Act, for the fiscal year in which the excess occurs, the
6 excess funds in the accounts of the budget unit shall become available for expenditure for
7 the purpose of the account during the fiscal year only upon compliance with the
8 conditions and procedures specified in KRS 48.400, 48.500, 48.600, 48.605, 48.610,
9 48.620, 48.630, 48.730, and 48.800, and with the authorization of the State Budget
10 Director and approval of the Secretary of the Finance and Administration Cabinet.

11 Prior to authorizing the appropriation of any excess, unbudgeted Restricted Funds
12 pursuant to this section, the State Budget Director and the Secretary of the Finance and
13 Administration Cabinet shall review the adequacy of the General Fund Surplus Account
14 with respect to its availability to support authorized expenditures from the General Fund
15 Surplus Account, known as Necessary Government Expenses. If General Fund Surplus
16 Account moneys are determined by this review to be adequate to meet known or
17 anticipated Necessary Government Expenses during fiscal year 2018-2019 or fiscal year
18 2019-2020, respectively, then the appropriation increase may be approved. If the review
19 indicates that there are insufficient funds available or reasonably estimated to become
20 available to the General Fund Surplus Account to meet known or projected Necessary
21 Government Expenses for the fiscal years enumerated above, the State Budget Director
22 and the Secretary of the Finance and Administration Cabinet may disapprove the request
23 for additional Restricted Funds expenditure authority and may direct the excess Restricted
24 Funds identified to the General Fund Surplus Account in order to meet Necessary
25 Government Expense obligations. The results of any review shall be reported to the
26 Interim Joint Committee on Appropriations and Revenue in accordance with KRS
27 48.400, 48.500, 48.600, 48.605, 48.610, 48.620, 48.630, 48.730, and 48.800.

1 Any request made by a budget unit pursuant to KRS 48.630 that relates to
2 Restricted Funds or Federal Funds shall include documentation showing a comparative
3 statement of revised estimated receipts by fund source and the proposed expenditures by
4 proposed use, with the appropriated sums specified in the Budget of the Commonwealth,
5 and statements which explain the cause, source, and use for any variances which may
6 exist.

7 Each budget unit shall submit its reports in print and electronic format consistent
8 with the Restricted Funds and Federal Funds records contained in the fiscal biennium
9 2018-2020 Branch Budget Request Manual and according to the following schedule in
10 each fiscal year: (a) on or before the beginning of each fiscal year; (b) on or before
11 October 1; (c) on or before January 1; and (d) on or before April 1.

12 **3. Interim Appropriation Increases:** No appropriation from any fund source
13 shall exceed the sum specified in this Act until the agency has documented the necessity,
14 purpose, use, and source, and the documentation has been submitted to the Interim Joint
15 Committee on Appropriations and Revenue for its review and action in accordance with
16 KRS 48.630. Proposed revisions to an appropriation contained in the enacted Executive
17 Budget or allotment of an unbudgeted appropriation shall conform to the conditions and
18 procedures of KRS 48.630 and this Act.

19 Notwithstanding KRS 48.630(3), (4), and (5), any proposed and recommended
20 actions to increase appropriations for funds specified in Section 2. of this Part shall be
21 scheduled consistent with the timetable contained in that section in order to provide
22 continuous and timely budget information.

23 **4. Revision of Appropriation Allotments:** Allotments within appropriated
24 sums for the activities and purposes contained in the enacted Executive Budget shall
25 conform to KRS 48.610 and may be revised pursuant to KRS 48.605 and this Act.

26 **5. Permitted Appropriation Obligations:** No state agency, cabinet,
27 department, office, or program shall incur any obligation against the General Fund or

1 Road Fund appropriations contained in this Act unless the obligation may be reasonably
2 determined to have been contemplated in the enacted budget and is based upon
3 supporting documentation considered by the General Assembly and legislative and
4 executive records.

5 **6. Lapse of General Fund or Road Fund Appropriations Supplanted by**
6 **Federal Funds:** Any General Fund or Road Fund appropriation made in anticipation of a
7 lack, loss, or reduction of Federal Funds shall lapse to the General Fund or Road Fund
8 Surplus Account, respectively, to the extent the Federal Funds otherwise become
9 available.

10 **7. Federally Funded Agencies:** A state agency entitled to Federal Funds, which
11 would represent 100 percent of the cost of a program, shall conform to KRS 48.730.

12 **8. Lapse of General Fund or Road Fund Excess Debt Service**
13 **Appropriations:** Pursuant to KRS 48.720, any excess General Fund or Road Fund debt
14 service shall lapse to the respective surplus account unless otherwise directed in this Act.

15 **9. Statutes in Conflict:** All statutes and portions of statutes in conflict with any
16 of the provisions of this Act, to the extent of the conflict, are suspended unless otherwise
17 provided by this Act.

18 **10. Construction of Budget Provisions on Statutory Budget Administration**
19 **Powers and Duties:** Nothing in this Act is to be construed as amending or altering
20 Chapters 42, 45, and 48 of the Kentucky Revised Statutes pertaining to the duties and
21 powers of the Secretary of the Finance and Administration Cabinet except as otherwise
22 provided in this Act.

23 **11. Interpretation of Appropriations:** All questions that arise in interpreting any
24 appropriation in this Act as to the purpose or manner for which the appropriation may be
25 expended shall be decided by the Secretary of the Finance and Administration Cabinet
26 pursuant to KRS 48.500, and the decision of the Secretary of the Finance and
27 Administration Cabinet shall be final and conclusive.

1 **12. Publication of the Budget of the Commonwealth:** The State Budget
2 Director shall cause the Governor's Office for Policy and Management, within 60 days of
3 adjournment of the 2018 Regular Session of the General Assembly, to publish a final
4 enacted budget document, styled the Budget of the Commonwealth, based upon the
5 Legislative Budget, Executive Budget, Transportation Cabinet Budget, and Judicial
6 Budget as enacted by the 2018 Regular Session, as well as other Acts which contain
7 appropriation provisions for the 2018-2020 fiscal biennium, and based upon supporting
8 documentation and legislative records as considered by the 2018 Regular Session. This
9 document shall include, for each agency and budget unit, a consolidated budget summary
10 statement of available regular and continuing appropriated revenue by fund source,
11 corresponding appropriation allocations by program or subprogram as appropriate, budget
12 expenditures by principal budget class, and any other fiscal data and commentary
13 considered necessary for budget execution by the Governor's Office for Policy and
14 Management and oversight by the Interim Joint Committee on Appropriations and
15 Revenue. The enacted Executive Budget and Transportation Cabinet Budget shall be
16 revised or adjusted only upon approval by the Governor's Office for Policy and
17 Management as provided in each Part of this Act and by KRS 48.400, 48.500, 48.600,
18 48.605, 48.610, 48.620, 48.630, 48.700, 48.705, 48.710, 48.720, 48.730, 48.800, and
19 48.810, and upon review and approval by the Interim Joint Committee on Appropriations
20 and Revenue.

21 **13. State Financial Condition:** Pursuant to KRS 48.400, the State Budget
22 Director shall monitor and report on the financial condition of the Commonwealth.

23 **14. Prorating Administrative Costs:** The Secretary of the Finance and
24 Administration Cabinet is authorized to establish a system or formula or a combination of
25 both for prorating the administrative costs of the Finance and Administration Cabinet, the
26 Department of the Treasury, and the Office of the Attorney General relative to the
27 administration of programs in which there is joint participation by the state and federal

1 governments for the purpose of receiving the maximum amount of participation permitted
2 under the appropriate federal laws and regulations governing the programs. The receipts
3 and allotments under this section shall be reported to the Interim Joint Committee on
4 Appropriations and Revenue prior to any transfer of funds.

5 **15. Construction of Budget Provisions Regarding Executive Reorganization**
6 **Orders:** Nothing in this Act shall be construed to confirm or ratify, under KRS 12.027 or
7 12.028, any executive reorganization order unless the executive order was confirmed or
8 ratified by appropriate amendment to the Kentucky Revised Statutes in another Act of the
9 2018 Regular Session of the General Assembly.

10 **16. Budget Planning Report:** By August 15, 2019, the State Budget Director, in
11 conjunction with the Consensus Forecasting Group, shall provide to each branch of
12 government, pursuant to KRS 48.120, a budget planning report.

13 **17. Tax Expenditure Revenue Loss Estimates:** By November 30, 2019, the
14 Office of State Budget Director shall provide to each branch of government detailed
15 estimates for the General Fund and Road Fund for the current and next two fiscal years of
16 the revenue loss resulting from tax expenditures. The Department of Revenue shall
17 provide assistance and furnish data, which is not restricted by KRS 131.190. "Tax
18 expenditure" as used in this section means an exemption, exclusion, or deduction from
19 the base of a tax, a credit against the tax, a deferral of a tax, or a preferential tax rate. The
20 estimates shall include for each tax expenditure the amount of revenue loss, a citation of
21 the legal authority for the tax expenditure, the year in which it was enacted, and the tax
22 year in which it became effective.

23 **18. Duplicate Appropriations:** Any appropriation item and sum in Parts I to X of
24 this Act and in an appropriation provision in any Act of the 2018 Regular Session which
25 constitutes a duplicate appropriation shall be governed by KRS 48.312.

26 **19. Priority of Individual Appropriations:** KRS 48.313 shall control when a
27 total or subtotal figure in this Act conflicts with the sum of the appropriations of which it

1 consists.

2 **20. Severability of Budget Provisions:** Appropriation items and sums in Parts I
3 to X of this Act shall conform to KRS 48.311. If any section, any subsection, or any
4 provision is found by a court of competent jurisdiction in a final, unappealable order to be
5 invalid or unconstitutional, the decision of the courts shall not affect or impair any of the
6 remaining sections, subsections, or provisions.

7 **21. Unclaimed Lottery Prize Money:** For fiscal year 2018-2019 and fiscal year
8 2019-2020, all unclaimed lottery prize money under KRS 154A.110(3) shall be credited
9 to the Kentucky Educational Excellence Scholarship Reserve Account to be held as a
10 subsidiary account within the Finance and Administration Cabinet for the purpose of
11 funding the KEES Program as appropriated in this Act. If the Kentucky Higher Education
12 Assistance Authority certifies to the State Budget Director that the appropriations in this
13 Act for the KEES Program under the existing award schedule are insufficient to meet
14 funds required for eligible applicants, then the State Budget Director shall provide the
15 necessary allotment of funds in the balance of the KEES Reserve Account to fund the
16 KEES Program. Actions taken under this section shall be reported to the Interim Joint
17 Committee on Appropriations and Revenue on a timely basis.

18 **22. Workers' Compensation:** Notwithstanding KRS 342.340(1) and 803 KAR
19 25:021, Section 5, the Personnel Cabinet shall be exempt from procuring excess risk
20 insurance in fiscal year 2018-2019 and fiscal year 2019-2020 for the Workers'
21 Compensation Benefits and Reserve Program administered by the Cabinet.

22 **23. Carry Forward and Undesignated General Fund and Road Fund Carry**
23 **Forward:** Notwithstanding KRS 48.700 and 48.705, and other Parts of this Act, the
24 Secretary of the Finance and Administration Cabinet shall determine and certify, within
25 30 days of the close of fiscal year 2017-2018 and fiscal year 2018-2019, the actual
26 amount of undesignated balance of the General Fund and the Road Fund for the year just
27 ended. The amounts from the undesignated fiscal year 2017-2018 and fiscal year 2018-

1 2019 General Fund and Road Fund balances that are designated and carried forward for
2 budgeted purposes in the 2018-2020 fiscal biennium shall be determined by the State
3 Budget Director during the close of the respective fiscal year and shall be reported to the
4 Interim Joint Committee on Appropriations and Revenue within 30 days of the close of
5 the fiscal year. Any General Fund undesignated balance in excess of the amount
6 designated for budgeted purposes under this section shall be made available for the
7 General Fund Surplus Expenditure Plan contained in Part VII of this Act unless otherwise
8 provided in this Act. The Road Fund undesignated balance in excess of the amount
9 designated for budgeted purposes under this section shall be made available for the Road
10 Fund Surplus Expenditure Plan contained in Part IX of this Act unless otherwise provided
11 in this Act.

12 **24. Reallocation of Appropriations Among Budget Units:** The Executive
13 Branch shall operate within the appropriations authorized in this Act for each budget unit
14 as prescribed by KRS 48.400 to 48.730, subject to the conditions and procedures stated in
15 this section or other Parts of this Act.

16 The Secretary of a Cabinet, the Commissioner of the Department of Education, and
17 other agency heads may request a reallocation among budget units under his or her
18 administrative authority of up to ten percent of General Fund appropriations contained in
19 Part I, Operating Budget, of this Act for fiscal years 2018-2019 and 2019-2020 for
20 approval by the State Budget Director. A request shall explain the need and use for the
21 transfer authority under this section.

22 The amount of transfer of General Fund appropriations shall be separately recorded
23 and reported in the system of financial accounts and reports provided in KRS Chapter 45.

24 The State Budget Director shall report a transfer made under this section, in writing,
25 to the Interim Joint Committee on Appropriations and Revenue at least 30 days prior to
26 the proposed transfer. The Committee shall review the transfer in the same manner and
27 procedure as provided for an interim unbudgeted appropriation action under KRS 48.630.

1 **25. Local School District Expenditure Flexibility:** Notwithstanding KRS
2 160.470(6) or any statute to the contrary, during fiscal year 2018-2019 and fiscal year
3 2019-2020 local school districts may adopt and the Kentucky Board of Education may
4 approve a working budget that includes a minimum reserve less than two percent of the
5 total budget. The Kentucky Department of Education shall monitor the financial position
6 of any district that receives approval for a working budget with a reserve of less than two
7 percent and shall provide a financial report for those districts at each meeting of the
8 Kentucky Board of Education.

9 **26. Report on Local School District Administrative Expenditures:** It is the
10 intent of the General Assembly that, pursuant to its constitutional mandate to provide for
11 an efficient system of common schools, local school districts shall reduce their
12 administrative costs to the extent feasible in order to provide quality instruction for all
13 students in the Commonwealth.

14 Each local school district shall submit a report to the Legislative Research
15 Commission and the Department of Education no later than December 1 of each fiscal
16 year, which shall include:

17 (1) All expenses charged to the Instruction (1XXX), Student Support Services
18 (21XX), Instructional Staff Support Services (22XX), District Administrative Support
19 Services (23XX), School Administrative Support Services (24XX), and Business Support
20 Services (25XX) function codes in the "MUNIS Uniform Chart of Accounts" (revised
21 effective July 1, 2017), delineated by the relevant subfunction codes, for the previous
22 fiscal year;

23 (2) A comparison of the previous fiscal year's expenses, as detailed in subsection
24 (1) of this section, with the same expenses in the preceding fiscal year;

25 (3) A detailed section explaining steps taken to reduce administrative
26 expenditures while maintaining and expanding instructional expenditures; and

27 (4) A copy of the district's policy for maintaining a reserve fund balance in

1 compliance with appropriate government and accounting standards.

2 The Department of Education shall submit a report to the Legislative Research
3 Commission by December 31 of each fiscal year verifying the information submitted by
4 local school districts in subsections (1) and (2) of this section.

5 **27. Faculty Employment:** Notwithstanding KRS 164.230 and 164.360, each
6 Board of Regents or Board of Trustees of a state-funded university or the Kentucky
7 Community and Technical College System may reduce the number of faculty, including
8 tenured faculty, when the reduction is a result of the Board discontinuing or modifying an
9 academic program upon compelling evidence the program changes are in the university's
10 or college's best interest due to low utilization, financial feasibility, budgetary constraints,
11 or declaration of financial exigency.

12 Notwithstanding KRS 164.230 and 164.360, when a faculty reduction occurs
13 pursuant to this section, the board shall provide ten days' notice in writing to the faculty
14 member or members being removed as a result of the reduction stating the Board's
15 reasoning. The provisions of this section supersede any and all policies governing the
16 faculty employment approved by a Board of Regents or Board of Trustees.

17 **28. Employee Layoffs, Furloughs, and Reduced Hours:** Notwithstanding any
18 statute to the contrary, the following process and procedure is established for July 1,
19 2018, through June 30, 2020, in the event that the Commonwealth or any agency
20 determines that it is desirable for the Executive Branch to layoff, furlough, or reduce
21 hours of employees:

22 (1) For the purposes of this section:

23 (a) "Appointing authority" means the agency head or any person whom he has
24 authorized by law to designate to act on behalf of the agency with respect to employee
25 appointments, position establishments, payroll documents, register requests, waiver
26 requests, requests for certification, or other position actions;

27 (b) "Secretary" means the Secretary of the Personnel Cabinet as provided for in

1 KRS 18A.015;

2 (c) "Furlough" or "reduction in hours" means the temporary reduction of hours an
3 employee is scheduled to work by the appointing authority within a pay period;

4 (d) "Layoff" means discharge of employment subject to the rights contained in
5 this section; and

6 (e) "Employees" includes all persons employed by the Executive Branch,
7 including but not limited to employees of KRS Chapter 18A, KRS Chapter 16, KRS
8 Chapter 156, the Kentucky Teachers' Retirement System, the Kentucky Higher Education
9 Student Loan Corporation, the Kentucky Housing Corporation, and the Kentucky Lottery
10 Corporation;

11 (2) An appointing authority has the authority to layoff or furlough employees or
12 reduce hours of employment for any of the following reasons:

13 (a) Lack of funds or budgetary constraints;

14 (b) A reduction in the agency's spending authorization;

15 (c) Lack of work;

16 (d) Abolishment of a position;

17 (e) Efficiency; or

18 (f) Other material change in duties or organization;

19 (3) The appointing authority shall determine the job classifications affected and
20 the number of employees laid-off in each classification and each county to which a layoff
21 applies. In the same department or office, county, and job classification, interim and
22 probationary employees shall be laid-off before any full-time or part-time employees with
23 status are laid-off. For purposes of layoff, "probationary employee" does not include an
24 employee with status serving a promotional probation;

25 (4) The Secretary shall approve all actions taken under subsection (2) of this
26 section and no such layoff, furlough, or reduction of hours may begin until such approval
27 has been granted. The appointing authority with the approval of the Secretary has the

1 authority to determine the extent, effective dates, and length of any action taken under
2 subsection (2) of this section;

3 (5) In determining the employees to be laid-off, the appointing authority shall
4 consider all employees under the same appointing authority, within the job classification
5 affected, and within the county affected. Consideration shall be given to the following
6 relevant factors:

7 (a) Job performance evaluations;

8 (b) Seniority;

9 (c) Education, training, and experience; and

10 (d) Disciplinary record;

11 (6) Any employee whose position is subject to layoff, furlough, or reduction of
12 hours shall be provided written notice containing the reason for the action as set forth in
13 subsection (2) of this section at 15 days in advance of the effective date of the action;

14 (7) Any employee with status who is laid-off shall be eligible to apply as a
15 reemployment applicant for positions with the same job classification from which he or
16 she was laid-off, in the cabinet from which he or she was laid-off. For a period of two
17 years, a reemployment applicant shall be hired before any applicant except another
18 reemployment applicant with greater seniority who is on the same register. A
19 reemployment applicant shall not be removed from any register except as provided by
20 KRS 18A.032. When a reemployment applicant is removed from a register, he or she
21 shall be notified in writing. A reemployment applicant who accepts any classified
22 position, or who retires through the Kentucky Retirement Systems or Kentucky Teachers'
23 Retirement System, shall cease to have eligibility rights as a reemployment applicant;

24 (8) With the approval of the Secretary, the Personnel Cabinet may place
25 employees subject to a reduction in force;

26 (9) Furloughs or reduction of hours during a pay period shall not result in the loss
27 of eligibility for any benefit otherwise due the employee;

1 (10) The Secretary shall have the authority to promulgate comprehensive
2 administrative regulations governing this section; and

3 (11) A layoff, furlough, or reduction of hours implemented in accordance with this
4 section shall not be considered a penalization of the employee for the purposes of KRS
5 Chapters 16, 18A, and 156, and shall not be appealable to the State Personnel Board, the
6 Kentucky Technical Education Personnel Board, the Department of Kentucky State
7 Police Personnel Board, or other applicable administrative body.

8 **29. Kentucky Teachers' Retirement System's Personnel:** Notwithstanding
9 KRS 161.230, 161.340(2), or any other statute to the contrary, the Kentucky Teachers'
10 Retirement System Board of Trustees shall authorize the Executive Secretary to appoint
11 the employees deemed necessary to transact the business of the system. All employees of
12 the system, except for the Executive Secretary, shall be subject to the state personnel
13 system established pursuant to KRS 18A.005 to 18A.204 and shall have their salaries
14 determined by the Secretary of the Personnel Cabinet.

15 **30. Appropriations Expenditure Purpose and Transfer Restrictions:** Funds
16 appropriated in this Act shall not be expended for any purpose not specifically authorized
17 by the General Assembly in this Act nor shall funds appropriated in this Act be
18 transferred to or between any cabinet, department, board, commission, institution, agency,
19 or budget unit of state government unless specifically authorized by the General
20 Assembly in this Act and KRS 48.400, 48.500, 48.600, 48.605, 48.610, 48.620, 48.630,
21 48.700, 48.705, 48.710, 48.720, 48.730, 48.800, and 48.810. Compliance with the
22 provisions of this section shall be reviewed and determined by the Interim Joint
23 Committee on Appropriations and Revenue.

24 **31. Fiscal Year 2019-2020 Funds Expenditure Restriction:** Except in the case
25 of a declared emergency, the Governor, all agency heads, and all other constitutional
26 officers shall not expend or encumber in the aggregate more than 55 percent of the funds
27 appropriated by this Act during the first half of fiscal year 2019-2020.

1 **32. Budget Implementation:** The General Assembly directs that the Executive
2 Branch shall carry out all appropriations and budgetary language provisions as contained
3 in the State/Executive Budget. The Legislative Research Commission shall review
4 quarterly expenditure data to determine if an agency is out of compliance with this
5 directive. If the Legislative Research Commission suspects that any entity has acted in
6 non-conformity with this section, the Legislative Research Commission may order an
7 audit or review at the agency's expense. Such audit findings, reviews, and reports shall be
8 subject to the Kentucky Open Records Law.

9 **33. Information Technology:** All authorized computer information technology
10 projects shall submit a semiannual progress report to the Capital Projects and Bond
11 Oversight Committee. The reporting process shall begin six months after the project is
12 authorized and shall continue through completion of the project. The initial report shall
13 establish a timeline for completion and cash disbursement schedule. Each subsequent
14 report shall update the timeline and budgetary status of the project and explain in detail
15 any issues with completion date and funding.

16 **34. Equipment Service Contracts and Energy Efficiency Measures:** The
17 General Assembly mandates that the Finance and Administration Cabinet review all
18 equipment service contracts to maximize savings to the Commonwealth to strictly adhere
19 to the provisions of KRS 56.722, 56.782, and 56.784 in maximizing the use of energy
20 efficiency measures.

21 **35. Debt Restructuring:** Notwithstanding any other provision of the Kentucky
22 Revised Statutes, no General Fund or Road Fund debt restructuring transactions shall be
23 undertaken during the 2018-2020 fiscal biennium.

24 **36. Effects of Subsequent Legislation:** If any measure enacted during the 2018
25 Regular Session of the General Assembly subsequent to this Act contains an
26 appropriation or is projected to increase or decrease General Fund revenues, the amount
27 in the Budget Reserve Trust Fund shall be revised to accommodate the appropriation or

1 the reduction or increase in projected revenues. Notwithstanding any provision of KRS
2 48.120(4) and (5) to the contrary, the official enacted revenue estimates of the
3 Commonwealth described in KRS 48.120(5) shall be adjusted at the conclusion of the
4 2018 Regular Session of the General Assembly to incorporate any projected revenue
5 increases or decreases that will occur as a result of actions taken by the General Assembly
6 subsequent to the passage of this Act by both chambers.

7 **37. Permitted Use of Water and Sewer Bond Funds:** Notwithstanding Part II,
8 (3) of this Act and any statute to the contrary, any balances remaining for either closed or
9 open project grant agreements authorized pursuant to bond pools set forth in 2003 Ky.
10 Acts ch. 156, Part II, A., 3., d. Water and Sewer Resources Development Fund for
11 Tobacco Counties and e. Water and Sewer Resources Development Fund For Coal
12 Producing Counties; 2005 Ky. Acts ch. 173, Part II, A., 3., 003. Infrastructure for
13 Economic Development Fund for Coal-Producing Counties and 004. Infrastructure for
14 Economic Development Fund for Tobacco Counties; 2006 Ky. Acts ch. 252, Part II, A.,
15 2., 003. Infrastructure for Economic Development Fund for Non-Coal Producing
16 Counties and 004. Infrastructure for Economic Development Fund for Coal-Producing
17 Counties; 2008 Ky. Acts ch. 123, Section 3., 004. Infrastructure for Economic
18 Development Fund for Coal-Producing Counties and 005. Infrastructure for Economic
19 Development Fund for Non-Coal Producing Counties; and 2008 Ky. Acts ch. 174,
20 Section 2.; and 2009 Ky. Acts ch. 87, Section 2. shall not lapse and shall remain to the
21 credit of projects previously authorized by the General Assembly unless expressly
22 reauthorized and reallocated by action of the General Assembly.

23 **38. Approval of State Aircraft Travel:** Notwithstanding KRS 44.060, 45.101,
24 174.508, and any other statute or administrative regulation to the contrary, the use of state
25 aircraft by any secretary of any Executive Branch cabinet for out-of-state travel shall be
26 approved by the Secretary of the Finance and Administration Cabinet. The Secretary of
27 the Finance and Administration Cabinet shall only approve requests which document that

1 the use of state aircraft is the lowest cost option as measured by both travel costs and
2 travel time. The Secretary of the Finance and Administration Cabinet shall not designate
3 approval authority for out-of-state travel on state aircraft by Executive Branch cabinet
4 secretaries to any other person.

5 **PART IV**

6 **STATE SALARY/COMPENSATION, BENEFIT, AND EMPLOYMENT POLICY**

7 **1. Authorized Personnel Complement:** On July 1, 2018, and July 1, 2019, the
8 Personnel Cabinet and the Office of State Budget Director shall establish a record for
9 each budget unit of authorized permanent full-time and other positions based upon the
10 enacted Executive Budget of the Commonwealth and any adjustments authorized by
11 provisions in this Act. The total number of filled permanent full-time and all other
12 positions shall not exceed the authorized complements pursuant to this section. An
13 agency head may request an increase in the number of authorized positions to the State
14 Budget Director. Upon approval, the Secretary of the Personnel Cabinet may authorize
15 the employment of individuals in addition to the authorized complement. A report of the
16 actions authorized in this section shall be provided to the Interim Joint Committee on
17 Appropriations and Revenue on a monthly basis.

18 **2. Salary Adjustments:** Notwithstanding KRS 18A.355 and 156.808(6)(e) and
19 (12), no increment is provided in either fiscal year on the base salary or wages of each
20 eligible state employee on their anniversary date.

21 **3. Employee Cross-Reference:** The Personnel Cabinet may permit married
22 couples who are both eligible to participate in the state health insurance plan to be
23 covered under one family health benefit plan.

24 **4. Full-Time Positions:** Notwithstanding KRS 18A.005(18)(a), full-time
25 positions in the state parks, where the work assigned is dependent upon fluctuation in
26 tourism, may be assigned work hours from 25 hours per week and remain in full-time
27 positions.

1 **5. Employer Retirement Contribution Rates:** Pursuant to KRS 61.565 and
2 61.702, the employer contribution rates for Kentucky Employees Retirement Systems
3 from July 1, 2018, through June 30, 2020, shall be 83.43 percent, consisting of 71.03
4 percent for pension and 12.40 percent for health insurance for nonhazardous duty
5 employees and 36.85 percent, consisting of 34.39 percent for pension and 2.46 percent for
6 health insurance for hazardous duty employees; for the same period the employer
7 contribution for employees of the State Police Retirement System shall be 146.28 percent,
8 consisting of 119.05 percent for pension and 27.23 percent for health insurance. The rates
9 above apply to wages and salaries earned for work performed during the described period
10 regardless of when the employee is paid for the time worked.

11 **6. Issuance of Paychecks to State Employees:** Notwithstanding 101 KAR
12 2:095, Section 10, the state payroll that would normally be scheduled to be paid on June
13 30, 2019, and June 30, 2020, shall not be issued prior to July 1, 2019, and July 1, 2020.

14 **7. Health Care Spending Account:** Notwithstanding KRS 18A.2254(2)(a) and
15 (b), if a public employee waives coverage provided by his or her employer under the
16 Public Employee Health Insurance Program, the employer shall forward a monthly
17 amount to be determined by the Secretary of the Personnel Cabinet for that employee as
18 an employer contribution to a health reimbursement account or a health flexible spending
19 account, but not more than \$200 per month, subject to any conditions or limitations
20 imposed by the Secretary of the Personnel Cabinet to comply with applicable federal law.
21 The administrative fees associated with a health reimbursement account or health flexible
22 spending account shall be an authorized expense to be charged to the Public Employee
23 Health Insurance Trust Fund.

24 **8. State Group Health Insurance Plan – Plan Year Closure:** Notwithstanding
25 KRS 18A.2254, Plan Years 2010, 2011, 2012, 2013, 2014, and 2015 shall be considered
26 closed as of June 30, 2018, and all balances from those Plan Years shall be transferred to
27 Plan Year 2016. All other income and expenses attributable to the closed Plan Years shall

1 be deposited in or charged to the Plan Year 2016 account after that date.

2 **9. State Group Health Insurance Plan – Transfer Between Plan Years:**

3 Notwithstanding KRS 18A.2254, the Secretary of the Finance and Administration
4 Cabinet and the Secretary of the Personnel Cabinet are authorized to use the excess funds
5 from Plan Year 2016, Plan Year 2017, and Plan Year 2018 or any combination thereof to
6 satisfy claims or expenses in Plan Year 2019 and Plan Year 2020.

7 **PART V**

8 **FUNDS TRANSFER**

9 The General Assembly finds that the financial condition of state government
10 requires the following action.

11 Notwithstanding the statutes or requirements of the Restricted Funds enumerated
12 below, there is transferred to the General Fund the following amounts in fiscal year 2018-
13 2019 and fiscal year 2019-2020:

	2017-18	2018-19	2019-20
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15 **A. GENERAL GOVERNMENT**

16 **1. Secretary of State**

Agency Revenue Fund	-0-	1,500,000	1,500,000
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18 **2. School Facilities Construction Commission**

Agency Revenue Fund	-0-	26,000,000	-0-
(KRS 157.618)			

21 **B. ENERGY AND ENVIRONMENT CABINET**

22 **1. Secretary**

Kentucky Pride Trust Fund	-0-	2,006,300	2,006,300
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24 Notwithstanding KRS 224.43-505(2)(a)3., these funds transfers to the General Fund
25 support the General Fund debt service on the bonds sold as appropriated by 2003 Ky.
26 Acts ch. 156, Part II, A., 3., c..

27 **2. Environmental Protection**

1 Insurance Administration Fund -0- 11,500,000 11,500,000
 2 (KRS 224.60-130, 224.60-140, 224.60-145, and 224.60-150)

3 **3. Environmental Protection**

4 Waste Tire Trust Fund -0- 3,000,000 3,000,000
 5 (224.50-880)

6 **4. Kentucky Nature Preserves Commission**

7 Kentucky Heritage Land

8 Conservation Fund -0- 2,500,000 2,500,000
 9 (KRS 146.570)

10 **C. FINANCE AND ADMINISTRATION CABINET**

11 **1. General Administration**

12 Other Expendable Trust Fund -0- 75,000,000 75,000,000
 13 (KRS 42.205)

14 This funds transfer to the General Fund supports the unfunded pension liabilities of
 15 the Kentucky Retirement Systems in Part I, A., 24. of this Act.

16 **2. Commonwealth Office of Technology**

17 Computer Services Fund 2,800,000 2,800,000 2,800,000
 18 (KRS 45.253)

19 **D. HEALTH AND FAMILY SERVICES CABINET**

20 **1. General Administration and Program Support**

21 Malt Beverage Education Fund -0- 500,000 500,000

22 **E. PERSONNEL CABINET**

23 **1. General Operations**

24 Agency Revenue Fund -0- 2,689,000 2,693,800

25 These funds transfers to the General Fund support General Fund debt service on
 26 bonds for the new Personnel/Payroll system.

27 **2. General Operations**

1	Enterprise Fund	-0-	135,140,500	175,364,400
2	(KRS 18A.2254(3))			

3 This funds transfer to the General Fund supports the unfunded pension liabilities of
 4 the Kentucky Retirement Systems in Part 1, A., 24. of this Act.

5 **F. POSTSECONDARY EDUCATION**

6 **1. Kentucky Community and Technical College**
 7 **System**

8	Other Special Revenue Fund	-0-	2,000,000	2,000,000
9	(KRS 95A.262(14))			

10 **G. PUBLIC PROTECTION CABINET**

11 **1. Financial Institutions**

12	Agency Revenue Fund	-0-	3,000,000	3,000,000
13	(KRS 286.1-485)			

14 **2. Insurance**

15	Agency Revenue Fund	-0-	20,000,000	20,000,000
16	(KRS 304.2-300 and 304.2-400)			

17 **H. TOURISM, ARTS AND HERITAGE CABINET**

18 **1. Secretary**

19	Other Special Revenue Fund	-0-	1,000,000	-0-
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20	TOTAL - FUNDS TRANSFER	2,800,000	288,635,800	301,864,500
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21 **PART VI**

22 **GENERAL FUND BUDGET REDUCTION PLAN**

23 Pursuant to KRS 48.130 and 48.600, a General Fund Budget Reduction Plan is
 24 enacted for state government in the event of an actual or projected revenue shortfall in
 25 General Fund revenue receipts, excluding Tobacco Settlement – Phase I receipts, of
 26 \$11,005,900,000 in fiscal year 2018-2019 and \$11,290,000,000 in fiscal year 2019-2020,
 27 as determined by KRS 48.120 and modified by related Acts and actions of the General

1 Assembly in an extraordinary or regular session. Notwithstanding KRS 48.130, direct
2 services, obligations essential to the minimum level of constitutional functions, and other
3 items that may be specified in this Act, are exempt from the requirements of this Plan.
4 Each branch head shall prepare a specific plan to address the proportionate share of the
5 General Fund revenue shortfall applicable to the respective branch. No budget revision
6 action shall be taken by a branch head in excess of the actual or projected revenue
7 shortfall.

8 The Governor, Constitutional Officers, the Chief Justice, and the Legislative
9 Research Commission shall direct and implement reductions in allotments and
10 appropriations only for their respective branch budget units as may be necessary, as well
11 as take other measures which shall be consistent with the provisions of this Part and
12 biennial branch budget bills.

13 Notwithstanding KRS 48.130(4)(a) and (b), in the event of a revenue shortfall of
14 five percent or less, General Fund budget reduction actions shall be implemented in the
15 following sequence:

16 (1) The Local Government Economic Assistance and the Local Government
17 Economic Development Funds shall be adjusted by the Secretary of the Finance and
18 Administration Cabinet to equal revised estimates of receipts pursuant to KRS 42.4582 as
19 modified by the provisions of this Act;

20 (2) Transfers of excess unappropriated Restricted Funds, notwithstanding any
21 statutes to the contrary, other than fiduciary funds, to the General Fund shall be applied as
22 determined by the head of each branch for its respective budget units. No transfers to the
23 General Fund shall be made from the following:

24 (a) Local Government Economic Assistance and Local Government Economic
25 Development Funds;

26 (b) Unexpended debt service from the Tobacco-Settlement Phase I Funds,
27 including but not limited to unexpended debt service and the Tobacco Unbudgeted

- 1 Interest Income-Rural Development Trust Fund, in either fiscal year;
- 2 (c) Multi-County Coal Severance Fund; and
- 3 (d) The Kentucky Permanent Pension Fund;
- 4 (3) Unexpended debt service;
- 5 (4) Any unanticipated Phase I Master Settlement Agreement revenues in both
- 6 fiscal years shall be appropriated according to Part X of this Act and shall not be
- 7 transferred to the General Fund;
- 8 (5) Use of the unappropriated balance of the General Fund surplus shall be
- 9 applied;
- 10 (6) Any language provision that expresses legislative intent regarding a specific
- 11 appropriation shall not be reduced by a greater percentage than the reduction to the
- 12 General Fund appropriation for that budget unit;
- 13 (7) Reduce General Fund appropriations in Executive Branch agencies' operating
- 14 budget units by a sufficient amount to balance either fiscal year. No reductions of General
- 15 Fund appropriations shall be made from the Local Government Economic Assistance
- 16 Fund or the Local Government Economic Development Fund;
- 17 (8) Notwithstanding subsection (10) of this Part, no reductions shall be made to
- 18 the Constitutional Officers or their offices, Commonwealth's Attorneys or their offices, or
- 19 County Attorneys or their offices. The Governor may request their participation in a
- 20 budget reduction; however, the level of participation shall be at the discretion of the
- 21 Constitutional Officer, or the Prosecutors Advisory Council, and shall not exceed the
- 22 actual percentage of revenue shortfall;
- 23 (9) Excess General Fund appropriations which accrue as a result of personnel
- 24 vacancies and turnover, and reduced requirements for operating expenses, grants, and
- 25 capital outlay shall be determined and applied by the heads of the executive, judicial, and
- 26 legislative departments of state government for their respective branches. The branch
- 27 heads shall certify the available amounts which shall be applied to budget units within the

1 respective branches and shall promptly transmit the certification to the Secretary of the
2 Finance and Administration Cabinet and the Legislative Research Commission. The
3 Secretary of the Finance and Administration Cabinet shall execute the certified actions as
4 transmitted by the branch heads.

5 Branch heads shall take care, by their respective actions, to protect, preserve, and
6 advance the fundamental health, safety, legal and social welfare, and educational well-
7 being of the citizens of the Commonwealth;

8 (10) Funds available in the Budget Reserve Trust Fund shall be applied in an
9 amount not to exceed 25 percent of the Trust Fund balance in fiscal year 2018-2019 and
10 50 percent in fiscal year 2019-2020; and

11 (11) Pursuant to KRS 48.130 and 48.600, if the actions contained in subsections
12 (1) to (7) of this Part are insufficient to eliminate an actual or projected General Fund
13 revenue shortfall, then the Governor is empowered and directed to take necessary actions
14 with respect to the Executive Branch budget units to balance the budget by such actions
15 conforming with the criteria expressed in this Part.

16 **PART VII**

17 **GENERAL FUND SURPLUS EXPENDITURE PLAN**

18 (1) Notwithstanding KRS 48.130(7), 48.140(3), 48.700, and 48.705, there is
19 established a plan for the expenditure of General Fund surplus moneys pursuant to a
20 General Fund Surplus Expenditure Plan contained in this Part for fiscal years 2018-2019
21 and 2019-2020. Pursuant to the enactment of the Surplus Expenditure Plan, General Fund
22 moneys made available for the General Fund Surplus Expenditure Plan pursuant to Part
23 III, General Provisions, Section 23, of this Act are appropriated to the following:

24 (a) Authorized expenditures without a sum-specific appropriation amount, known
25 as Necessary Government Expenses, including but not limited to Emergency Orders
26 formally declared by the Governor in an Executive Order;

27 (b) The Kentucky Communications Network Authority in an amount up to

1 \$29,865,500 in fiscal year 2018-2019 and in an amount up to \$30,718,800 in fiscal year
2 2019-2020; and

3 (c) The remaining amount to the Kentucky Permanent Pension Fund.

4 (2) The Secretary of the Finance and Administration Cabinet shall determine,
5 within 30 days after the close of fiscal year 2017-2018, based on the official financial
6 records of the Commonwealth, the amount of actual General Fund undesignated fund
7 balance for the General Fund Surplus Account that may be available for expenditure
8 pursuant to the Plan in fiscal year 2018-2019. The Secretary of the Finance and
9 Administration Cabinet shall certify the amount of actual General Fund undesignated
10 fund balance available for expenditure to the Legislative Research Commission.

11 (3) The Secretary of the Finance and Administration Cabinet shall determine,
12 within 30 days after the close of fiscal year 2018-2019, based on the official financial
13 records of the Commonwealth, the amount of actual General Fund undesignated fund
14 balance for the General Fund Surplus Account that may be available for expenditure
15 pursuant to the Plan in fiscal year 2019-2020. The Secretary of the Finance and
16 Administration Cabinet shall certify the amount of actual General Fund undesignated
17 fund balance available for expenditure to the Legislative Research Commission.

18 **PART VIII**

19 **ROAD FUND BUDGET REDUCTION PLAN**

20 There is established a Road Fund Budget Reduction Plan for fiscal year 2018-2019
21 and fiscal year 2019-2020. Notwithstanding KRS 48.130(1) and (3) relating to statutory
22 appropriation adjustments related to the revenue sharing of motor fuels taxes, in the event
23 of an actual or projected revenue shortfall in Road Fund revenue receipts of
24 \$1,505,300,000 in fiscal year 2018-2019 and \$1,508,500,000 in fiscal year 2019-2020 as
25 determined by KRS 48.120 and modified by related Acts and actions of the General
26 Assembly in an extraordinary or regular session, the Governor shall implement sufficient
27 reductions as may be required to protect the highest possible level of service.

1 **PART IX**

2 **ROAD FUND SURPLUS EXPENDITURE PLAN**

3 Notwithstanding KRS 48.110, 48.140, and 48.710, there is established a plan for the
4 expenditure of the Road Fund Surplus Account. All moneys in the Road Fund Surplus
5 Account shall be appropriated to the State Construction Account within the Highways
6 budget unit and utilized to support projects in the 2018-2020 Biennial Highway
7 Construction Program.

8 **PART X**

9 **PHASE I TOBACCO SETTLEMENT**

10 **(1) General Purpose:** This Part prescribes the policy implementing aspects of the
11 national settlement agreement between the tobacco industry and the collective states as
12 described in KRS 248.701 to 248.727. In furtherance of that agreement, the General
13 Assembly recognizes that the Commonwealth of Kentucky is a party to the Phase I
14 Master Settlement Agreement (MSA) between the Participating Tobacco Manufacturers
15 and 46 Settling States which provides reimbursement to states for smoking-related
16 expenditures made over time.

17 **(2) State's MSA Share:** The Commonwealth's share of the MSA is equal to
18 1.7611586 percent of the total settlement amount. Payments under the MSA are made to
19 the states annually in April of each year.

20 **(3) MSA Payment Amount Variables:** The total settlement amount to be
21 distributed on each payment date is subject to change pursuant to several variables
22 provided in the MSA, including inflation adjustments, volume adjustments, previously
23 settled states adjustments, and the nonparticipating manufacturers adjustment.

24 **(4) Distinct Identity of MSA Payment Deposits:** The General Assembly has
25 determined that it shall be the policy of the Commonwealth that all Phase I Tobacco
26 Settlement payments shall be deposited to the credit of the General Fund and shall
27 maintain a distinct identity as Phase I Tobacco Settlement payments that shall not lapse to

1 the credit of the General Fund surplus but shall continue forward from each fiscal year to
2 the next fiscal year to the extent that any balance is unexpended.

3 **(5) MSA Payment Estimates and Adjustments:** Based on the official estimates
4 of the Consensus Forecasting Group, the amount of MSA payments expected to be
5 received in fiscal year 2017-2018 is \$114,600,000, in fiscal year 2018-2019 is
6 \$119,500,000, and in fiscal year 2019-2020 is \$118,100,000. It is recognized that
7 payments to be received by the Commonwealth are estimated and are subject to change. If
8 MSA payments received are less than the official estimates, appropriation reductions
9 shall be applied as follows: after exempting appropriations for debt service and the
10 Department of Revenue, 50 percent to the Agricultural Development Fund, 30 percent to
11 the Early Childhood Development Fund, and 20 percent to the Health Care Improvement
12 Fund. If MSA payments received exceed the official estimates, appropriation increases
13 shall be applied as follows: after exempting appropriations for debt service and the
14 Department of Revenue, 50 percent to the Agricultural Development Fund, 30 percent to
15 the Early Childhood Development Fund, and 20 percent to the Health Care Improvement
16 Fund.

17 **a. State Enforcement:** Notwithstanding KRS 248.654 and 248.703(4), a total of
18 \$250,000 of the MSA payments received in each fiscal year of the 2018-2020 biennium is
19 appropriated to the Finance and Administration Cabinet, Department of Revenue for the
20 state's enforcement of noncompliant nonparticipating manufacturers.

21 **b. Debt Service:** Notwithstanding KRS 248.654 and 248.703(4), \$28,974,900 in
22 MSA payments in fiscal year 2018-2019 and \$31,878,700 in MSA payments in fiscal year
23 2019-2020 are appropriated to the Finance and Administration Cabinet, Debt Service
24 budget unit.

25 **c. Agricultural Development Initiatives:** Notwithstanding KRS 248.654 and
26 248.703(4), \$44,910,600 in MSA payments in fiscal year 2018-2019 and \$42,736,600 in
27 MSA payments in fiscal year 2019-2020 are appropriated to the Kentucky Agricultural

1 Development Fund to be used for agricultural development initiatives as specified in this
2 Part.

3 **d. Early Childhood Development Initiatives:** Notwithstanding KRS 248.654,
4 \$28,891,900 in MSA payments in fiscal year 2018-2019 and \$27,680,800 in MSA
5 payments in fiscal year 2019-2020 are appropriated to the Early Childhood Development
6 Initiatives as specified in this Part.

7 **e. Health Care Initiatives:** Notwithstanding KRS 164.476, 248.654, and
8 304.17B-003(5), MSA payments in the amounts of \$18,504,000 in fiscal year 2018-2019
9 and \$17,541,400 in fiscal year 2019-2020 are appropriated to the Health Care
10 Improvement Fund for health care initiatives as specified in this Part.

11 **(6) MSA Lapse – Fiscal Year 2017-2018:** The Consensus Forecasting Group
12 increased the fiscal year 2017-2018 Phase I Master Settlement Agreement revenues by
13 \$21,800,000 to \$114,600,000. There is \$2,025,600 in actual receipts from fiscal year
14 2015-2016 and \$6,415,600 in actual receipts from fiscal year 2016-2017 that remain
15 unappropriated. Notwithstanding KRS 248.703(6), the total of \$8,441,200 representing
16 unanticipated MSA receipts in fiscal year 2015-2016 and fiscal year 2016-2017 shall
17 lapse to the General Fund. If MSA receipts in fiscal year 2017-2018 are greater than
18 \$92,800,000, but less than \$114,600,000, notwithstanding KRS 248.703(6), the amount
19 above \$92,800,000 shall lapse to the General Fund. If MSA receipts in fiscal year 2017-
20 2018 are greater than \$114,600,000, notwithstanding KRS 248.703(6), a total of
21 \$21,800,000 shall lapse to the General Fund and the amount of fiscal year 2017-2018
22 MSA receipts above \$114,600,000 shall not lapse to the General Fund but shall be
23 appropriated in accordance with Part X, (5) of this Act.

24 **(7) MSA Adjustments:** In the event of an actual or projected revenue shortfall in
25 the General Fund revenue receipts, excluding Phase I MSA revenues, in fiscal years
26 2017-2018, 2018-2019, and 2019-2020, in accordance with this Part and Part VI, General
27 Fund Budget Reduction Plan, of this Act, no transfers shall be made to the General Fund

from unexpended debt service from Phase I MSA revenues or from unanticipated Phase I MSA revenues. Unexpended debt service in fiscal years 2017-2018, 2018-2019, and 2019-2020, shall be appropriated in accordance with Part X, B., 1., a., (3) of this Act. Unanticipated Phase I MSA revenues in fiscal years 2018-2019 and 2019-2020 shall be appropriated in accordance with Part X, (5) of this Act.

A. STATE ENFORCEMENT

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

Notwithstanding KRS 248.654 and 248.703(4), appropriations for state enforcement shall be as follows:

1. FINANCE AND ADMINISTRATION CABINET

Budget Unit	2018-19	2019-20
a. Revenue	250,000	250,000

B. DEBT SERVICE

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

Notwithstanding KRS 248.654 and 248.703(4), appropriations for debt service shall be as follows:

1. FINANCE AND ADMINISTRATION CABINET

Budget Unit	2018-19	2019-20
a. Debt Service	28,974,900	31,878,700

(1) Debt Service: To the extent that revenues sufficient to support the required debt service appropriations are received from the Tobacco Settlement Program, those revenues shall be made available from those accounts to the appropriate account of the General Fund. All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there is a sufficient amount available to be transferred from tobacco-supported funding program accounts to other accounts of the General Fund.

(2) General Fund (Tobacco) Debt Service Lapse: Notwithstanding Part X, (4)

1 of this Act, \$2,065,000 in fiscal year 2017-2018, \$2,031,400 in fiscal year 2018-2019,
2 and \$1,987,500 in fiscal year 2019-2020 shall lapse to the General Fund.

3 **(3) Appropriation of Unexpended Tobacco Debt Service:** Any unexpended
4 balance from fiscal year 2017-2018, fiscal year 2018-2019, or fiscal year 2019-2020
5 General Fund (Tobacco) debt service appropriation in the Finance and Administration
6 Cabinet, Debt Service budget unit, shall continue and be appropriated to the Governor's
7 Office of Agricultural Policy.

8 **C. AGRICULTURAL DEVELOPMENT APPROPRIATIONS**

9 **GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS**

10 Notwithstanding KRS 248.654 and 248.703(4), appropriations for Agricultural
11 Development shall be as follows:

12 **1. GENERAL GOVERNMENT**

13 Budget Unit	2018-19	2019-20
14 a. Governor's Office of	40,553,300	38,379,300
15 Agricultural Policy		

16 **(1) Tobacco Settlement Funds - Allocations:** Notwithstanding KRS 248.711(2),
17 and from the allocation provided therein, counties that are allocated in excess of \$20,000
18 annually may provide up to four percent of the individual county allocation, not to exceed
19 \$15,000 annually, to the county council in that county for administrative costs.

20 **(2) Counties Account:** Notwithstanding KRS 248.703(1), included in the above
21 General Fund (Tobacco) appropriation is \$16,869,000 in fiscal year 2018-2019 and
22 \$15,841,300 in fiscal year 2019-2020 for the counties account as specified in KRS
23 248.703(1)(a).

24 **2. DEPARTMENT OF AGRICULTURE**

25 Budget Unit	2018-19	2019-20
26 a. Agriculture	600,000	600,000

27 **(1) Farms to Food Banks:** Included in the above General Fund (Tobacco)

1 appropriation is \$600,000 in each fiscal year to support the Farms to Food Banks Program
 2 to benefit both Kentucky farmers and the needy by providing fresh, locally grown
 3 produce to food pantries.

4 **3. ENERGY AND ENVIRONMENT CABINET**

5 Budget Unit	2018-19	2019-20
6 a. Natural Resources	3,757,300	3,757,300

7 **(1) Environmental Stewardship Program:** Included in the above General Fund
 8 (Tobacco) appropriation is \$2,500,000 in each fiscal year for the Environmental
 9 Stewardship Program.

10 **(2) Conservation District Local Aid:** Included in the above General Fund
 11 (Tobacco) appropriation is \$907,300 in each fiscal year for the Division of Conservation
 12 to provide direct local aid to local conservation districts.

13 **(3) Match for Conservation Program:** Included in the above General Fund
 14 (Tobacco) appropriation is \$350,000 in each fiscal year to provide the nonfederal match
 15 for a federal conservation program.

16 TOTAL - AGRICULTURAL	44,910,600	42,736,600
17 APPROPRIATIONS		

18 **D. EARLY CHILDHOOD DEVELOPMENT**

19 **GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS**

20 Notwithstanding KRS 248.654, appropriations for Early Childhood Development
 21 shall be as follows:

22 **1. GENERAL GOVERNMENT**

23 Budget Unit	2018-19	2019-20
24 a. Office of the Governor	2,050,000	2,050,000

25 **(1) Governor's Office for Early Childhood Development:** Included in the
 26 above General Fund (Tobacco) appropriation is \$2,050,000 in each fiscal year for the
 27 Early Childhood Advisory Council.

1 **2. CABINET FOR HEALTH AND FAMILY SERVICES**

2	Budget Units	2018-19	2019-20
3	a. Community Based Services	13,211,100	12,000,000
4	(1) Early Childhood Development Program: Included in the above General		
5	Fund (Tobacco) appropriation is \$10,711,100 in fiscal year 2018-2019 and \$9,500,000 in		
6	fiscal year 2019-2020 for the Early Childhood Development Program.		
7	(2) Early Childhood Adoption and Foster Care Supports: Included in the		
8	above General Fund (Tobacco) appropriation is \$2,500,000 in each fiscal year for the		
9	Early Childhood Adoption and Foster Care Supports Program.		
10	b. Public Health	12,130,000	12,130,000
11	(1) HANDS Program, Healthy Start, Folic Acid Program, Early Childhood		
12	Mental Health, and Early Childhood Oral Health: Included in the above General Fund		
13	(Tobacco) appropriation is \$9,000,000 in each fiscal year for the Health Access Nurturing		
14	Development Services (HANDS) Program, \$1,000,000 in each fiscal year for Healthy		
15	Start initiatives, \$80,000 in each fiscal year for the Folic Acid Program, \$1,000,000 in		
16	each fiscal year for Early Childhood Mental Health, and \$1,050,000 in each fiscal year for		
17	Early Childhood Oral Health.		
18	c. Behavioral Health, Developmental and Intellectual Disabilities		
19	Services	1,500,800	1,500,800
20	(1) Substance Abuse Prevention and Treatment: Included in the above General		
21	Fund (Tobacco) appropriation is \$1,500,800 in each fiscal year for substance abuse		
22	prevention and treatment for pregnant women with a history of substance abuse problems.		
23	TOTAL - EARLY CHILDHOOD	28,891,900	27,680,800
24	APPROPRIATIONS		

25 **E. HEALTH CARE IMPROVEMENT APPROPRIATIONS**

26 **GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS**

27 Notwithstanding KRS 164.476, 248.654, and 304.17B-003(5), appropriations for

1 health care improvement shall be as follows:

2 **1. CABINET FOR HEALTH AND FAMILY SERVICES**

3 Budget Unit	2018-19	2019-20
4 a. Public Health	3,523,000	3,342,100

5 **(1) Smoking Cessation Program:** Included in the above General Fund (Tobacco)
 6 appropriation is \$3,523,000 in fiscal year 2018-2019 and \$3,342,100 in fiscal year 2019-
 7 2020 for Smoking Cessation.

8 **2. JUSTICE AND PUBLIC SAFETY CABINET**

9 Budget Unit	2018-19	2019-20
10 a. Justice Administration	7,831,000	7,362,800

11 **(1) Office of Drug Control Policy:** Included in the above General Fund
 12 (Tobacco) appropriation is \$7,831,000 in fiscal year 2018-2019 and \$7,362,800 in fiscal
 13 year 2019-2020 for the Office of Drug Control Policy to support opioid prevention,
 14 treatment, and recovery initiatives.

15 **3. POSTSECONDARY EDUCATION**

16 Budget Unit	2018-19	2019-20
17 a. Council on Postsecondary	7,000,000	6,686,500
18 Education		

19 **(1) Cancer Research and Screening:** Included in the above General Fund
 20 (Tobacco) appropriation is \$7,000,000 in fiscal year 2018-2019 and \$6,686,500 in fiscal
 21 year 2019-2020 for cancer research and screening. The appropriation each fiscal year
 22 shall be equally shared between the University of Kentucky and the University of
 23 Louisville.

24 b. University of Louisville	150,000	150,000
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25 **(1) Autism Training:** Included in the above General Fund (Tobacco)
 26 appropriation is \$150,000 in each fiscal year for autism training.

27 TOTAL - HEALTH CARE	18,504,000	17,541,400
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1	TOTAL - PHASE I TOBACCO SETTLEMENT			
2	FUNDING PROGRAM		121,531,400	120,087,500
3	PART XI			
4	STATE/EXECUTIVE BRANCH BUDGET SUMMARY			
5	OPERATING BUDGET			
6		2017-18	2018-19	2019-20
7	General Fund (Tobacco)	-0-	121,531,400	120,087,500
8	General Fund	22,671,800	10,901,089,500	11,179,363,200
9	Restricted Funds	-0-	8,461,989,900	8,758,714,900
10	Federal Funds	-0-	12,764,790,800	13,138,845,700
11	Road Fund	-0-	110,543,900	112,085,400
12	SUBTOTAL	22,671,800	32,359,945,500	33,309,096,700
13	CAPITAL PROJECTS BUDGET			
14		2017-18	2018-19	2019-20
15	Restricted Funds	10,500,000	5,152,592,500	83,834,500
16	Federal Funds	-0-	69,826,000	29,946,000
17	Bond Funds	-0-	240,540,000	74,014,000
18	Agency Bonds	-0-	135,000,000	-0-
19	Investment Income	-0-	7,035,000	5,485,000
20	Other Funds	6,000,000	1,354,291,000	3,400,000
21	SUBTOTAL	16,500,000	6,959,284,500	196,679,500
22	TOTAL - STATE/EXECUTIVE BUDGET			
23		2017-18	2018-19	2019-20
24	General Fund (Tobacco)	-0-	121,531,400	120,087,500
25	General Fund	22,671,800	10,901,089,500	11,179,363,200
26	Restricted Funds	10,500,000	13,614,582,400	8,842,549,400
27	Federal Funds	-0-	12,834,616,800	13,168,791,700

1	Road Fund	-0-	110,543,900	112,085,400
2	Bond Funds	-0-	240,540,000	74,014,000
3	Agency Bonds	-0-	135,000,000	-0-
4	Investment Income	-0-	7,035,000	5,485,000
5	Other Funds	6,000,000	1,354,291,000	3,400,000
6	TOTAL FUNDS	39,171,800	39,319,230,000	33,505,776,200