

CHAPTER 202

(SB 197)

*Provisions of this bill that are to be deleted due to a veto of the Governor that was not overridden by the General Assembly are displayed as bracketed text with intervening strikethrough and enclosed in double asterisks, e.g., ****[text]****.*

AN ACT providing funding and establishing conditions for state government agencies and institutions, making an appropriation therefor, and declaring an emergency.

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

➔Section 1. 2026 Regular Session HB 500/VO in Part, Part I, A., 6., (2) Disaster or Emergency Aid Funds, at page 7, is amended to read as follows:

(2) Disaster or Emergency Aid Funds: Subject to the conditions and procedures in this Act, in the event of a presidentially declared disaster or emergency, the Department of Military Affairs may request from the Finance and Administration Cabinet, as a necessary government expense, ~~**[up to \$25,000,000 in each fiscal year from the]**~~ General Fund to be used as required to match federal aid for which the state would be eligible. These necessary funds shall be made available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

Notwithstanding any statute to the contrary, the Kentucky Division of Emergency Management shall have the authority to condemn the current Estill County Middle School and may request from the Finance and Administration Cabinet, as a necessary government expense, up to \$10,000,000 in fiscal year 2026-2027 from the General Fund, to be expended, subject to the conditions and procedures provided in this Act, for the relocation of affected students and the construction of temporary shelters to be used for instructional purposes.

~~**[All]**~~ moneys reimbursed to the state by the Federal Emergency Management Agency (FEMA) for eligible disaster-related expenditures shall be deposited ~~**[into the Budget Reserve Trust Fund Account (KRS 48.705)]**~~. The first \$26,700,000 of any reimbursements received shall be distributed to the ~~**[School Facilities Construction Commission to be distributed to the]**~~ Perry County School Board to support replacement of Robinson Elementary School, subject to verification of eligibility of Federal Emergency Management Agency (FEMA) by the State Budget Director before the disbursement of funds.

The Commonwealth shall seek reimbursement from the Federal Emergency Management Agency (FEMA) for all eligible costs to the maximum extent allowable under federal disaster assistance guidelines, and the local district shall cooperate fully in providing documentation necessary to support such reimbursement. Any reimbursement received from FEMA moneys shall be remitted to and retained by the Commonwealth of Kentucky.

~~[All moneys reimbursed to the state by the Federal Emergency Management Agency (FEMA) for eligible disaster related expenditures shall be deposited into the Budget Reserve Trust Fund Account (KRS 48.705).]~~

~~**[The Department of Military Affairs shall provide a comprehensive list of anticipated FEMA reimbursements to counties eligible for disaster related expenditures to the Interim Joint Committee on Appropriations and Revenue by June 1, 2026.]**~~

➔Section 2. 2026 Regular Session HB 500/VO in Part, Part I, B., 1. Economic Development, at pages 37 to 39, is amended to read as follows;

(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 2025-2026 and fiscal year 2026-2027 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 each fiscal year combined with the additional training grant allotment amounts in each fiscal year of the 2026-2028 fiscal 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.

(3) Science and Technology Program: Notwithstanding KRS 164.6011 to 164.6035 and any other statute to the contrary, the Cabinet for Economic Development shall have the authority to carry out the provisions of KRS 164.6013 to 164.6035.

(4) Carry Forward of General Fund Appropriation Balance: Notwithstanding KRS 45.229, the General Fund appropriation in fiscal year 2025-2026 and fiscal year 2026-2027 to the Cabinet for Economic Development, Science and Technology Program, shall not lapse and shall carry forward in the Cabinet for Economic Development.

(5) Executive Officers' Compensation: Notwithstanding KRS 154.10-050(2), any additional executive officers as described in KRS 154.10-050(2) shall not be paid a salary greater than the salary of the Governor of the Commonwealth.

(6) Training Grants: Included in the above General Fund appropriation is \$2,400,000 in fiscal year 2026-2027 and \$2,325,000 in fiscal year 2027-2028 for the Bluegrass State Skills Corporation to make training grants to support manufacturing-related investments. The Corporation shall utilize these funds for a manufacturer designated by the United States Department of Commerce, United States Census Bureau North American Industry Classification System code of 336111, 336112, 336120, or 336211 that employs at least 10,000 full-time persons at the same facility or at multiple facilities located within the same county to help offset associated costs of retraining its workforce. Notwithstanding KRS 45.229, the General Fund appropriation balance for Bluegrass State Skills Corporation training grants for fiscal year 2025-2026 and fiscal year 2026-2027 shall not lapse and shall carry forward.

(7) Kentucky Product Development Initiative: Notwithstanding KRS 45.229, the balance of the General Fund appropriation authorized in 2022 Ky. Acts ch. 199, Part I, B., 1., (12) shall not lapse and shall carry forward.

(8) KEDFA Forgivable Loan-Carry Forward of Appropriation Balance: Notwithstanding KRS 45.229, the balance of the General Fund appropriation authorized in 2022 Ky. Acts ch. 199, Part I, B., 1., (11) shall not lapse and shall carry forward.

(9) Agricultural Economic Development: In accordance with KRS Chapter 154, the Secretary of the Cabinet for Economic Development shall coordinate with and seek guidance from the Commissioner of the Department of Agriculture in considering any projects for economic incentives related to agricultural economic development, agribusiness, or production facilities of sustainable aviation fuel.

(10) State Trade and Export Promotion: Included in the above Federal Funds appropriation is \$135,000 in fiscal year 2026-2027 and \$100,000 in fiscal year 2027-2028 to expand the federal State Trade and Export Promotion (STEP) program.

~~**(11) Certified Child Care Community Designation Program:** Included in the above appropriations is sufficient funding to implement and carry out the provisions of 2024 Ky. Acts ch. 88.]~~

~~****(11)(12) Financial Assistance Program for Nuclear Energy Related Projects:** Included in the above appropriations is sufficient funding to implement and carry out the provisions of 2024 Ky. Acts ch. 169.]**~~

~~****(12)(13) Pilot Tax Increment Financing Program:** Included in the above appropriations is sufficient funding to implement and carry out the provisions of 2025 Ky. Acts ch. 98.]**~~

~~**(13)(14) Kentucky Film Office:** Included in the above Restricted Funds appropriation is \$500,000 in each fiscal year to support staff and operational costs for the Kentucky Film Office. Notwithstanding KRS 142.406, for fiscal year 2027-2028, 2.5% of the transient room tax collected pursuant to KRS 142.400 up to a maximum amount of \$500,000 shall be transferred to the Kentucky Film Office.~~

➔Section 3. 2026 Regular Session HB 500/VO in Part, Part I, C., 2. Operations and Support Services, at pages 48 to 51, is amended to read as follows:

(1) Advanced Placement and International Baccalaureate Exams: Notwithstanding KRS 160.348(3), included in the above General Fund appropriation is \$960,000 in fiscal year 2026-2027 and \$930,000 in fiscal year 2027-2028 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.

(2) Employee Reporting: The Kentucky Department of Education shall provide a report by August 1 of each year to the Interim Joint Committee on Appropriations and Revenue. At a minimum, the report shall include:

(a) A count and list, by name, of all full-time, part-time, and interim employees employed under KRS Chapter 18A;

(b) A count and list, by name, of all contract employees;

(c) The position title, Kentucky Department of Education office served, and primary work location of every employee;

(d) The employees' level of compensation, on an annualized basis, including the percentage of all fund sources used to compensate the employee; and

(e) For contract employees, the start and end date of the relevant contract, as well as the name of any entity involved in administering the contract.

(3) Certified and Classified Staff Compensation Increase Reporting: The Kentucky Department of Education shall provide a report by September 1 of each year to the Interim Joint Committee on Appropriations and Revenue detailing certified and classified staff compensation increases for the current school year by each local school district. At a minimum, the report shall include:

(a) A brief description of the type of staff compensation increases adopted, such as percentage-based or flat rate, if applicable;

(b) The average percentage rate or dollar amount of the compensation increases, by classification, if applicable;

(c) The effective date of the compensation increases, if applicable;

(d) The manner in which the compensation increases were delineated, such as universally or by job classification, if applicable;

(e) Any monetary compensation in addition to that provided through the district's single salary schedule, such as one-time payments, if applicable;

(f) The date the local board of education adopted the compensation increases, if applicable; and

(g) Any changes to the local school district's certified and/or classified staff single salary schedule(s), if applicable.

(4) Blind/Deaf Residential Travel Program: Included in the above General Fund appropriation is \$472,600 in fiscal year 2026-2027 and \$457,800 in fiscal year 2027-2028 for the Blind/Deaf Residential Travel Program.

(5) Educators Employment Liability Insurance Program: Included in the above General Fund appropriation is \$4,800,000 in fiscal year 2026-2027 and \$4,650,000 in fiscal year 2027-2028 to support the educators employment liability insurance program pursuant to KRS 161.212.

(6) School and Community Nutrition Programs: Included in the above Federal Funds appropriation is an additional \$100,181,200 in each fiscal year to support increased spending on school and community nutrition programs.

~~**[(7) Special Examination: Included in the above appropriations is sufficient funding to implement and carry out the provisions of 2024 Ky. Acts ch. 118.]**~~

(8) Local School District Insurance Coverage Report: The Kentucky Department of Education shall submit a report detailing each local school district's insurance coverage to the Department of Insurance no later than October 1, 2026. The report shall at a minimum include, for each district, the insurer and level of insurance coverage, as required under 702 KAR 3:030.

(9) School District Project and Indebtedness Report: The Kentucky Department of Education, with assistance from the School Facilities Construction Commission, shall compile and submit a report to the Interim Joint Committee on Appropriations and Revenue by June 30, 2027. The report shall be submitted in a format set forth by the Legislative Research Commission and shall include, at a minimum, a list of every local school district's existing bonded projects, the date and amount of any additional tax levy enacted by a school board for each project, any equalization provisions provided for each project, the total amount of debt service payments made by each district, and the amount of debt service remaining and anticipated retirement dates of the debt service associated with each project.

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

➔Section 4. 2026 Regular Session HB 500/VO in Part, Part I, C., 3. Learning and Results Services, at pages 51 to 55, is amended to read as follows:

(1) Kentucky Education Technology System: Notwithstanding KRS 157.650 to 157.665, the School for the Deaf and the School for the Blind shall be fully eligible, along with local school districts, to participate in the Kentucky Education Technology System in a manner that takes into account the special needs of the students of these two schools.

(2) Family Resource and Youth Services Centers: Funds appropriated to establish and support Family Resource and Youth Services Centers shall be transferred in each fiscal year to the Cabinet for Health and Family Services consistent with KRS 156.496. The Cabinet for Health and Family Services is authorized to use, for administrative purposes, no more than two percent of the total funds transferred from the Department of Education for the Family Resource and Youth Services Centers. If a certified person is employed as a director or coordinator of a Family Resource and Youth Services Center, that person shall retain his or her status as a certified employee of the school district.

(3) Health Insurance: Included in the above General Fund appropriation is \$1,076,821,500 in fiscal year 2026-2027 and \$1,277,823,800 in fiscal year 2027-2028 for employer contributions for health insurance and the contribution to the health reimbursement account for employees waiving coverage. Notwithstanding KRS 45.229, General Fund in the amount of \$98,310,700 in fiscal year 2025-2026 shall not lapse and shall carry forward into fiscal year 2026-2027.

(4) Program Flexibility: Notwithstanding KRS 158.070(8) and 158.446, local school districts shall be provided additional flexibility in the utilization of funds for Extended School Services and Safe Schools. Local school districts shall continue to address the governing statutes and serve the intended student population but may utilize funds from these programs for general operating expenses in each year of the fiscal biennium. Local school districts that utilize these funds for general operating expenses shall report to the Kentucky Department of Education and the Interim Joint Committee on Education the amount of funding from each program utilized for general operating expenses.

(5) Center for School Safety: Included in the above General Fund appropriation is \$15,000,000 in each fiscal year for the Center for School Safety. Notwithstanding KRS 158.446, the Center for School Safety shall allot these moneys for the purposes described in KRS 158.440, 158.441, 158.4415, 158.4416, 158.442, 158.445, and 158.446 at both public and private school buildings, campuses, grounds, recreational areas, or athletic fields, except that no more than \$2,000,000 in each fiscal year may be retained for operating and administrative purposes.

(6) Allocations to School-Based Decision Making Councils: Notwithstanding KRS 160.345(8), for each fiscal year, a local board of education may reduce the allocations to individual schools within the district as outlined in 702 KAR 3:246, secs. 6, 7, and 8. The allocation under 702 KAR 3:246, sec. 6 shall not be less than \$100 per pupil in average daily attendance.

(7) Kentucky School for the Blind and Kentucky School for the Deaf: Included in the above General Fund appropriation is \$8,289,100 in each fiscal year for the Kentucky School for the Blind and \$11,291,800 in each fiscal year for the Kentucky School for the Deaf.

(8) Career and Technical Education: Included in the above General Fund appropriation is \$127,115,900 in each fiscal year for career and technical education. Of this amount, \$70,063,400 in each fiscal year shall be distributed as supplemental funding to support qualifying locally operated career and technical education centers, state-operated area technology centers, and programs based on enrollment and incentive criteria, pursuant to KRS 157.069.

The General Assembly recognizes that supplemental funding for locally operated career and technical education centers and state-operated area technology centers is recurring, and it is the intent of the 2026 General Assembly to evaluate those funding needs before January 1, 2028.

~~**[(9) Redistribution of Resources:~~ Notwithstanding KRS 156.095, 156.553, 156.555, 157.390, 158.070, 158.770, 158.775, 158.805, 161.027, 161.028, 161.030, 161.165, and 161.167, ~~no]~~** General Fund is provided for the Professional Development Program, the Commonwealth School Improvement Fund, the Leadership and Mentor Fund, the Middle School Academic Center, the Teacher's Professional Growth Fund, the Teacher Academies

Program, the Writing Program, the Kentucky Principal Internship Program, the Kentucky Teacher Internship Program, and the Kentucky Academy for Equity in Teaching in order to increase funding for school-based mental health services providers.

(10) Learning and Results Services Programs: Included in the above General Fund appropriation are the following allocations for the 2026-2028 fiscal biennium, but no portion of these funds shall be utilized for state-level administrative purposes:

- (a) \$1,900,000 in each fiscal year for AdvanceKentucky;
- (b) \$1,850,000 in each fiscal year for the Community Education Program;
- (c) \$3,000,000 in each fiscal year for Dataseam;
- (d) \$23,916,300 in each fiscal year for the Extended School Services Program;
- (e) \$48,889,000 in each fiscal year for the Family Resource and Youth Services Centers Program;
- (f) \$10,000,000 in each fiscal year for the Gifted and Talented Program;
- (g) \$100,000 in each fiscal year for the Hearing and Speech Center;
- (h) \$100,000 in each fiscal year for the Heuser Hearing and Language Academy;
- (i) Notwithstanding KRS 154A.130(4), \$1,675,500 in each fiscal year for the Jobs for America's Graduates Program;
- (j) \$500,000 in each fiscal year for the Kentucky Alliance of Boys & Girls Clubs;
- (k) \$12,500,000 in each fiscal year for the Kentucky Educational Collaborative for State Agency Children;
- (l) \$1,391,000 in each fiscal year for Local School District Life Insurance;
- (m) \$1,000,000 in each fiscal year for Math Nation;
- (n) \$5,019,000 in each fiscal year for the Mathematics Achievement Fund;
- (o) \$84,481,100 in each fiscal year for the Preschool Program;
- (p) \$12,261,100 in each fiscal year for the Read to Achieve Program. Notwithstanding KRS 154A.130(3)(b), included in the above appropriation is \$1,124,500 from lottery proceeds;
- (q) \$11,000,000 in each fiscal year for the Read to Succeed Program;
- (r) \$2,000,000 in each fiscal year for Save the Children;
- (s) \$1,200,000 in each fiscal year for the Statewide Reading Research Center;
- (t) \$700,000 in each fiscal year for Teach for America. Teach for America shall submit a report on the outcomes of the program to the Interim Joint Committee on Education by August 1, 2027;
- (u) \$500,000 in each fiscal year for the Visually Impaired Preschool Services Program; and
- (v) \$1,500,000 in each fiscal year ~~**[for We Lead CS.]**~~

It is the intent of the 2026 General Assembly to reevaluate each Learning and Results Services Program, both individually and collectively, to optimize funding and support for Kentucky students.

(11) School-Based Mental Health Services Providers: Included in the above General Fund appropriation is \$7,412,500 in each fiscal year to fund school-based mental health services provider full-time equivalent positions on a reimbursement basis. The Kentucky Center for School Safety, in consultation with the Office of the State School Security Marshal, shall develop criteria to determine which districts shall receive funding to meet the requirements of KRS 158.4416(3)(a). The criteria shall include:

- (a) A local district's use of Medicaid funding to supplement General Fund;
- (b) An equitable and balanced statewide distribution; and
- (c) Any other criteria to support a trauma-informed approach in schools.

(12) School Resource Officers: Included in the above appropriations is \$11,500,000 in General Fund and \$11,500,000 in Restricted Funds in each fiscal year to assist local school districts and nonpublic schools in funding

salaries for school resource officers. The Kentucky Department of Education shall reimburse local school districts and nonpublic schools up to \$20,000 for each full-time certified school resource officer. Notwithstanding KRS 15.430 and 15.470, excess Restricted Funds from the Department of Criminal Justice Training shall be transferred to the Kentucky Department of Education for this purpose.

(13) Federal Remedial Education Grants: It is the intent of the 2026 General Assembly that the Kentucky Department of Education shall apply for all federal grants available for remedial education.

(14) Principal Leadership Development Practicum: Included in the above General Fund appropriation is a one-time allocation of \$1,000,000 in each fiscal year to support a new program, overseen by the Kentucky Department of Education, to develop and mentor new school principals.

~~*(15) College Entrance Exam: No General Funds provided to the Kentucky Department of Education shall be used for any contract that does not meet Kentucky Academic Standards and the Accountability and Assessment provisions outlined in KRS 158.645, 158.6451, 158.6453, 158.6455, 158.649, and 160.346 and applicable federal statutes]**. The Kentucky Department of Education shall initiate a new competitive procurement process and shall award a contract only to a vendor or vendors whose assessment product satisfies all applicable state and federal statutory requirements for accountability and assessment purposes to be in place for the 2026-2027 school year.~~

➔Section 5. 2026 Regular Session HB 500/VO in Part, Part I, D., 1. General Administration and Program Support, at pages 56 to 57, is amended to read as follows:

(1) Early Childhood Development: Included in the above General Fund (Tobacco) appropriation is \$1,063,800 in fiscal year 2026-2027 and \$983,200 in fiscal year 2027-2028 for the Early Childhood Advisory Council.

(2) Heuser Hearing Institute: Included in the above General Fund appropriation is \$1,920,000 in fiscal year 2026-2027 and \$1,860,000 in fiscal year 2027-2028 for the Heuser Hearing Institute to support programs developed to close the education and achievement gaps for deaf and hard-of-hearing adults.

(3) The Hope Center: Included in the above General Fund appropriation is \$96,000 in fiscal year 2026-2027 and \$93,000 in fiscal year 2027-2028 for the Hope Center.

(4) Lapse and Reallocation of Early Childhood Development Fund Appropriations: Notwithstanding KRS 194A.055, 200.151, 248.654, and any statute to the contrary, \$6,500,000 in General Fund (Tobacco) settlement agreement funds previously appropriated from the Early Childhood Development Fund to the General Administration and Program Support budget unit within the Education and Labor Cabinet for the benefit of the Early Childhood Advisory Council shall lapse to the Tobacco Settlement Agreement Fund established in KRS 248.654.

(5) Governor's School for Entrepreneurs: Included in the above General Fund appropriation is \$960,000 in fiscal year 2026-2027 and \$930,000 in fiscal year 2027-2028 for the Governor's School for Entrepreneurs.

➔Section 6. 2026 Regular Session HB 500/VO in Part, Part I, E., 4., (1) Emergency Forest Fire Suppression, at pages 62 to 63, is amended to read as follows:

(1) Emergency Forest Fire Suppression: Not less than \$2,500,000 of the above General Fund appropriation in each fiscal year shall be set aside for emergency forest fire suppression. Notwithstanding KRS 45.229, any portion of the \$2,500,000 not expended for emergency forest fire suppression shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705) 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 in each fiscal year. Fire suppression costs in excess of \$2,500,000 annually shall be deemed necessary government expenses and shall be paid, up to **\$4,838,300 in fiscal year 2025-2026 and \$4,000,000 in each fiscal year of the 2026-2028 fiscal biennium**, from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

➔Section 7. 2026 Regular Session HB 500/VO in Part, Part I, F. Finance and Administration Cabinet, at pages 64 to 69, is amended to read as follows:

F. FINANCE AND ADMINISTRATION CABINET

Budget Units

1. GENERAL ADMINISTRATION

2026-27

2027-28

General Fund	9,803,700	13,468,900
Restricted Funds	45,074,400	41,161,500
TOTAL	54,878,100	54,630,400

(1) **Kentucky Affordable Prepaid Tuition Trust Fund:** Included in the above General Fund appropriation is \$5,100,000 in fiscal year 2026-2027 and \$5,600,000 in fiscal year 2027-2028 to support projected tuition payments and refunds through fiscal year 2025-2026.

2. CONTROLLER

	2026-27	2027-28
General Fund	4,216,900	5,378,100
Restricted Funds	19,672,600	18,109,700
TOTAL	23,889,500	23,487,800

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

(2) **Controller Operations:** Notwithstanding KRS 61.470, included in the above Restricted Funds appropriations is \$560,000 in fiscal year 2026-2027 and \$140,000 in fiscal year 2027-2028 to support the operations of the Office of the Controller.

3. DEBT SERVICE

	2026-27	2027-28
General Fund (Tobacco)	14,100,200	13,880,800
General Fund	579,907,900	781,499,900
	{596,104,400}	{816,242,400}
TOTAL	594,008,100	795,380,700
	{610,204,600}	{830,123,200}

(1) **Kentucky State Police Two-Way Radio Debt Service:** Notwithstanding KRS 150.021(2), the Department of Fish and Wildlife Resources shall transfer \$599,200 in each fiscal year to the Finance and Administration Cabinet to partially support debt service on the Kentucky State Police Two-Way Radio System project.

(2) **Debt Service:** Included in the above General Fund appropriation is **\$26,186,500**~~{42,383,000}~~ in fiscal year 2026-2027 and **\$69,081,500**~~{103,824,000}~~ in fiscal year 2027-2028 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(3) **Carry Forward of General Fund Appropriation Balance:** Notwithstanding KRS 45.229 and 48.720, General Fund in the amount of \$18,500,000 in fiscal year 2025-2026 shall not lapse and shall carry forward into fiscal year 2026-2027.

(4) **Use of Restricted Funds for Debt Service:** Notwithstanding KRS 218B.080(3), \$12,000,000 in each fiscal year; notwithstanding KRS 286.1-485(3), \$9,000,000 in each fiscal year; notwithstanding KRS 42.4582, \$6,500,000 in each fiscal year; notwithstanding KRS 243.025(3), \$6,000,000 in each fiscal year; and notwithstanding KRS 14.140, \$5,000,000 in each fiscal year, are hereby transferred to the Debt Service Fund to be used to pay debt service on General Fund supported bonds previously issued by the Commonwealth.

4. FACILITIES AND SUPPORT SERVICES

	2026-27	2027-28
General Fund	9,100,200	9,000,500
Restricted Funds	57,654,700	57,117,600

TOTAL	66,754,900	66,118,100
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~~**[(1) Capitol Annex Renovation: Notwithstanding KRS 42.425 and any statute to the contrary, the administration and management of the Capitol Annex Renovation project authorized in 2024 Ky. Acts ch. 175, Part II, F., 2., 009. shall be approved by the Director of the Legislative Research Commission or his designee.]**~~

5. COUNTY COSTS

	2026-27	2027-28
General Fund	29,243,500	29,243,500
Restricted Funds	1,702,500	1,702,500
TOTAL	30,946,000	30,946,000

(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 \$15 per hour of service. To be eligible for this enhanced rate, deputies providing services must be paid at least \$10 per hour.

6. COMMONWEALTH OFFICE OF TECHNOLOGY

	2026-27	2027-28
Restricted Funds	136,597,800	134,398,500
Federal Funds	1,716,600	1,716,600
TOTAL	138,314,400	136,115,100

(1) **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.

(2) **Legacy Modernization:** The Commonwealth Office of Technology shall prepare a report for the Legacy Modernization capital project authorized in 2024 Ky. Acts ch. 175, Part II, F., 3., 001. The report shall include a list of legacy IT systems that have been completed, the date in which they were completed, the state agency the IT system was for, and a status report for the completion percentage of all other ongoing modernization projects. This report shall be submitted to the Interim Joint Committee on Appropriations and Revenue by October 31 of each fiscal year.

(3) **Security Enhancements:** Included in the above Restricted Funds appropriation is \$625,800 in fiscal year 2026-2027 and \$1,719,100 in fiscal year 2027-2028 to support security enhancements in key areas such as email integrity, data classification, directory resilience, and incident response and training.

(4) **Centralized Registry of Artificial Intelligence Systems:** Included in the above appropriations is sufficient funding to implement and carry out the provisions of 2025 Ky. Acts ch. 66.

7. REVENUE

	2026-27	2027-28
General Fund (Tobacco)	250,000	250,000
General Fund	123,420,800	125,474,400
Restricted Funds	12,448,900	12,448,900
Federal Funds	50,000	50,000
TOTAL	136,169,700	138,223,300

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

(2) **State Enforcement:** Notwithstanding KRS 248.654 and 248.703(4), a total of \$250,000 of the Tobacco Settlement payments received in each fiscal year is appropriated to the Finance and Administration Cabinet, Department of Revenue, for the state's diligent enforcement of noncompliant nonparticipating manufacturers.

8. PROPERTY VALUATION ADMINISTRATORS

	2026-27	2027-28
General Fund	64,978,600	64,663,500
Restricted Funds	4,786,400	4,786,000
TOTAL	69,765,000	69,449,500

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

(2) **Salary Increment:** Notwithstanding KRS 132.590(3)(b), the increment provided on the base salary or wages of each eligible property valuation administrator shall be the same as that provided for eligible state employees in Part IV of this Act. The placement and advancement on the proper step of the salary schedule for property valuation administrators as set forth in 132.590(2) shall continue to apply. The increment changes should be applied to the salary schedule for property valuation administrators for the duration of this biennial budget.

TOTAL - FINANCE AND ADMINISTRATION CABINET

	2026-27	2027-28
General Fund (Tobacco)	14,350,200	14,130,800
General Fund	820,671,600	1,028,728,800
	836,868,100	1,063,471,300
Restricted Funds	277,937,300	269,724,700
Federal Funds	1,766,600	1,766,600
TOTAL	1,114,725,700	1,314,350,900
	1,130,922,200	1,349,093,400

➔ Section 8. 2026 Regular Session HB 500/VO in Part, Part I, G., 6. Community Based Services, at pages 84 to 90, is amended to read as follows:

(1) **Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$8,422,100 in fiscal year 2026-2027 and \$7,783,300 in fiscal year 2027-2028 for the Early Childhood Development Program and \$1,773,100 in fiscal year 2026-2027 and \$1,638,600 in fiscal year 2027-2028 for the Early Childhood Adoption and Foster Care Supports Program.

(2) **Fostering Success:** Included in the above General Fund appropriation is \$480,000 in fiscal year 2026-2027 and \$465,000 in fiscal year 2027-2028 to support the Fostering Success Program.

(3) **Dually Licensed Pediatric Facilities:** Included in the above General Fund appropriation is \$528,000 in fiscal year 2026-2027 and \$511,500 in fiscal year 2027-2028 to provide supplemental payments to dually licensed pediatric facilities for emergency shelter services for children.

(4) **Child Care Assistance Program:** Included in the above General Fund appropriation is \$10,176,000 in fiscal year 2026-2027 and \$9,858,000 in fiscal year 2027-2028 to provide services to families at or below 160 percent of the federal poverty level as determined annually by the U.S. Department of Health and Human Services. The Cabinet for Health and Family Services shall submit a report to the Interim Joint Committee on Appropriations and Revenue no later than November 1, 2026, detailing payment timelines to child care providers participating in the Child Care Assistance Program. The report shall include, but not be limited to the average number of calendar days between the receipt of a completed claim and the issuance of payment to the provider; the total number of claims where payment was beyond 30 days from the date of submission; and a detailed justification for any claims exceeding the 30-day threshold, categorized by administrative, technical, or investigative delays.

(5) **Personal Care Homes:** Included in the above General Fund appropriation is \$12,000,000 in each fiscal year to support reimbursements provided to personal care homes.

(6) **Children's Services Contractors:** Notwithstanding KRS Chapter 45A, no contracts awarded for the use and benefit of the Department for Community Based Services shall interfere with the contractor's freedom of religion as set forth in KRS 446.350. Any such contracts shall contain a provision allowing a contractor to allow a substitute contractor who is also licensed or approved by the Cabinet to deliver the contracted services if the contractor cannot perform a contracted service because of sincerely held religious beliefs as outlined in KRS 446.350.

(7) **Victims Advocacy Programs:** Included in the above General Fund appropriation is \$10,557,700 in each fiscal year for the Children's Advocacy Centers, \$13,912,700 in each fiscal year for the Domestic Violence Shelters, and \$7,776,100 in each fiscal year for the Rape Crisis Centers to support operational costs.

(8) **Employee Child Care Assistance Partnership:** Included in the above General Fund appropriation is \$1,000,000 in each fiscal year to support the Employee Child Care Assistance Partnership for matching contributions. There shall be a two percent cap on administrative costs for the oversight of this program. Notwithstanding KRS 45.229, any General Fund amounts appropriated for matching contributions in fiscal year 2025-2026 and fiscal year 2026-2027 shall not lapse and shall carry forward.

(9) **Volunteers of America - Family Recovery Court:** Included in the above General Fund appropriation is \$480,000 in fiscal year 2026-2027 and \$465,000 in fiscal year 2027-2028 to support the operations of the Volunteers of America - Family Recovery Court.

(10) **Family Scholar House:** Included in the above General Fund appropriation is \$960,000 in fiscal year 2026-2027 and \$930,000 in fiscal year 2027-2028 to support the operations of the Family Scholar House.

(11) **Maryhurst:** Included in the above General Fund appropriation is \$1,350,000 in each fiscal year to provide a reimbursement rate increase for children in the 5 Specialized Programs.

(12) **Foster Care Independent Living:** Included in the above General Fund appropriation is \$1,920,000 in fiscal year 2026-2027 and \$1,860,000 in fiscal year 2027-2028 for independent living supports to children aging out of the foster care system.

(13) **Child Care Assistance Program (CCAP) Initiatives:** Included in the above General Fund appropriation is \$18,680,000 in fiscal year 2026-2027 and \$18,065,000 in fiscal year 2027-2028 to support the CCAP initiative.

The appropriations shall be allocated to the individual programs as follows:

(a) \$17,240,000 in fiscal year 2026-2027 and \$16,670,000 in fiscal year 2027-2028 to support an income exclusion from eligibility determinations for child care providers; and

(b) \$1,440,000 in General Fund in fiscal year 2026-2027 and \$1,395,000 in fiscal year 2027-2028 to support a six-month transition for families no longer eligible for CCAP benefits.

(14) **Early Childhood Development Scholarship Program:** Included in the above General Fund appropriation is \$2,400,000 in fiscal year 2026-2027 and \$2,325,000 in fiscal year 2027-2028 to support the Early Childhood Development Scholarship Program.

(15) **Supplemental Nutrition Assistance Program (SNAP) Administration:** Included in the above General Fund appropriation is \$43,500,000 in fiscal year 2026-2027 and \$58,000,000 in fiscal year 2027-2028 to support the increased state share of SNAP administrative cost responsibility from 50 percent to 75 percent, as required by H.R. 1 of the 119th Congress.

(16) **Adoption Records:** Included in the above appropriations is sufficient funding to implement and carry out the provisions of 2024 Ky. Acts ch. 43.

(17) **Child Care Benefits:** Included in the above appropriations is sufficient funding to implement and carry out the provisions of 2024 Ky. Acts ch. 84.

(18) **Relative and Fictive Kin Caregivers:** Included in the above General Fund appropriation is \$6,000,000 in each fiscal year. Federal funds shall include but are not limited to funds available through foster care maintenance payments in Title IV-E of the Social Security Act and the Temporary Assistance for Needy Families block grant under Title IV-A of the Social Security Act.

Pursuant to KRS 620.142(4), the custodial, permanency, and service options provided to relative and fictive caregivers shall reflect nationally recognized best practices. The Cabinet for Health and Family Services shall include Title IV-E compliant provisional licensing for relatives and fictive kin through revised administrative regulation (922 KAR) in order to maximize federal funding available for relative or fictive kin foster parent payments. Such provisional licensing shall include provisional approval within five days of placement, immediate satisfaction of all

federal safety requirements, a 120-day window to complete non-safety requirements (training, home study), and a provisional approval process to qualify these homes for Title IV-E foster care maintenance payment purposes.

Pursuant to KRS 620.142(3), within 120 days of receiving temporary custody of a child or upon the occurrence of a verifiable qualifying event, a relative or fictive kin caregiver may submit a request to the Cabinet for Health and Family Services for the purpose of pursuing a change in custody of the child in his or her care. Upon preliminary approval of the request, the Cabinet for Health and Family Services may request that the court place the child in the custody of the Cabinet for the purpose of allowing the relative or fictive kin caregiver to pursue approval as a relative or fictive kin foster parent. Upon placement of the child in the custody of the Cabinet, the relative or fictive kin caregiver shall pursue foster parent approval.

For purposes of KRS 620.142(3), a "qualifying event" shall include the death or incapacitation of a caregiver; loss of income due to disability; early or unplanned retirement due to a documented hardship, including medical necessity or employer-mandated separation, resulting in a substantial loss of income; loss of a home or employment due to a natural disaster or fire; a change in household structure due to divorce or legal separation; or a significant change in the child's medical or behavioral health needs requiring substantial caregiver involvement.

Nothing in this subsection shall be construed to relieve a child's biological or legal parents of their continuing statutory and legal duty to support and provide for the child. For any child involved in a juvenile court proceeding who is in state custody or placed by the Cabinet in an out-of-home setting, including but not limited to placement with fictive kin or relatives, the Cabinet shall immediately initiate proceedings to establish a child support order in favor of the Commonwealth and shall take all necessary steps to enforce such order for the duration of the child's placement or state custody.

The Cabinet shall coordinate, as appropriate, with the state agency responsible for child support enforcement to ensure timely establishment, modification, and enforcement of support obligations. Any support collected by the state shall be applied in accordance with state law for the benefit of the child.

Efforts to establish or enforce child support shall not delay permanency planning or placement decisions made in the best interests of the child.

(19) Dependency, Neglect, or Abuse of a Child: Included in the above appropriations is sufficient funding to implement and carry out the provisions of 2024 Ky. Acts ch. 133 and 144.

(20) Truancy: Included in the above appropriations is sufficient funding to implement and carry out the provisions of 2024 Ky. Acts ch. 163.

(21) Out of Home Care: Included in the above Restricted Funds appropriation is \$22,000,000 in each fiscal year from the Out of Home Care Replacement Fund to maintain existing support for foster care and kinship care programs to enhance specialized services for children with exceptional needs to assist in identifying and securing supportive placements. The Department of Community Based Services shall utilize federal funds from the Temporary Assistance for Needy Families block grant and shall expend any additional available reserves before expending the Restricted Funds from the Out of Home Care Replacement Fund. The Department shall submit a quarterly report detailing the expenditures and fund sources for all out of home care services beginning November 1, 2026, to the Interim Joint Committee on Appropriations and Revenue.

(22) Kentucky United Methodist Children's Homes: Included in the above General Fund appropriation is \$102,100 in fiscal year 2026-2027 to reimburse the Kentucky United Methodist Children's Homes Independent Living Program for providing therapeutic services to youth in state custody.

(23) Sunrise Children's Services: Included in the above General Fund appropriation is \$2,200 in fiscal year 2026-2027 to reimburse the Sunrise Children's Services Independent Living Program for providing therapeutic services to youth in state custody.

(24) Youth Villages Intercept Program: Included in the above appropriations is \$6,378,600 in General Fund and \$6,396,400 in Federal Funds in fiscal year 2026-2027 and \$7,792,300 in General Fund and \$8,997,700 in Federal Funds in fiscal year 2027-2028 for the Youth Villages Intercept Program.

(25) Child Care Provider Reimbursement Rate Increase: *Included in the above General Fund appropriation is \$26,880,000 in fiscal year 2026-2027 and \$26,040,000 in fiscal year 2027-2028 to provide reimbursements to child care providers for CCAP families at the 80th percentile of the Market Rate Survey.*

(26) Certified Child Care Community Designation Program: *Included in the above appropriations is sufficient funding to implement and carry out the provisions of 2024 Ky. Acts ch. 88.*

➔Section 9. 2026 Regular Session HB 500/VO in Part, Part I, K. Postsecondary Education, at pages 107 to 123, is amended to read as follows:

K. POSTSECONDARY EDUCATION

Budget Units

1. COUNCIL ON POSTSECONDARY EDUCATION

	2026-27	2027-28
General Fund (Tobacco)	6,165,900	5,745,500
General Fund	14,217,900	17,696,700
Restricted Funds	11,709,700	9,025,900
Federal Funds	6,128,800	6,190,100
TOTAL	38,222,300	38,658,200

(1) **Interest Earnings Transfer from the Strategic Investment and Incentive Trust Fund Accounts:** Notwithstanding KRS 164.7911 to 164.7927, included in the above Restricted Funds appropriation is \$3,077,300 in fiscal year 2026-2027 from the interest earnings on the Research Challenge and Comprehensive University Excellence trust funds to support the operations of the Council on Postsecondary Education.

(2) **Cancer Research and Screening:** Included in the above General Fund (Tobacco) appropriation is \$6,165,900 in fiscal year 2026-2027 and \$5,745,500 in fiscal year 2027-2028 for cancer research and screening to be shared equally between the University of Kentucky and the University of Louisville. Of these amounts, \$625,000 in each fiscal year is from the lapse and reallocation of Early Childhood Development Fund appropriations set forth in Part X of this Act.

(3) **Redistribution of Resources:** Notwithstanding KRS 164.028 to 164.0282, no General Fund is provided for Professional Education Preparation.

(4) **Postsecondary Education Debt:** Notwithstanding KRS 45.750 to 45.810, in order to lower the cost of borrowing, any university that has issued or caused to be issued debt obligations through a not-for-profit corporation or a municipality or county government for which the rental or use payments of the university substantially meet the debt service requirements of those debt obligations is authorized to refinance those debt obligations if the principal amount of the debt obligations is not increased and the rental payments of the university are not increased. Any funds used by a university to meet debt obligations issued by a university pursuant to this subsection shall be subject to interception of state-appropriated funds pursuant to KRS 164A.608.

(5) **Disposition of Postsecondary Institution Property:** Notwithstanding KRS 45.777, a postsecondary institution's governing board may elect to sell or dispose of real property or major items of equipment and proceeds from the sale shall be designated to the funding sources, on a proportionate basis, used for acquisition of the equipment or property to be sold.

(6) **Spinal Cord and Head Injury Research:** Included in the above General Fund appropriation is \$1,920,000 in fiscal year 2026-2027 and \$1,860,000 in fiscal year 2027-2028 for spinal cord and head injury research. In accordance with KRS 211.500 to 211.504, the appropriation in each fiscal year shall be shared between the University of Kentucky and the University of Louisville.

(7) **Immunity for Postsecondary Institutions:** Notwithstanding any statute to the contrary, a public postsecondary institution, including any affiliated corporation, its officers, employees, and agents, shall be immune from all claims, including class action claims for damages, a declaratory judgment, and equitable relief based on an act or omission if:

(a) The claim arises out of or in connection with tuition paid to the public postsecondary institution for an academic term that included the months of March, April, and May 2020;

(b) The claim alleges losses or damages arising from an act or omission by the public postsecondary institution during or in response to the COVID-19 emergency; and

(c) The alleged act or omission of the public postsecondary institution was related to protecting public health and safety interests in response to the COVID-19 emergency in compliance with federal, state, or local guidance, including but not limited to:

1. Transition to online or otherwise remote instruction;

- 2. Pause or modification to instruction available through the institution of higher education;
- 3. Closure of, or modification to, operation of on-campus facilities of the public postsecondary institution;

or

4. The public postsecondary institution offered online and otherwise remote learning options that allowed students to complete the coursework in the academic term that included the months of March, April, and May 2020 and receive academic credit.

(8) Ovarian Cancer Screening: Included in the above General Fund appropriation is \$960,000 in fiscal year 2026-2027 and \$930,000 in fiscal year 2027-2028 for the Ovarian Cancer Screening Outreach Program at the University of Kentucky.

(9) Southern Regional Education Board Dues: Included in the above General Fund appropriation is \$224,800 in each fiscal year for Southern Regional Education Board dues.

2. KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

	2026-27	2027-28
General Fund	384,709,400	384,529,400
Restricted Funds	62,270,900	62,292,900
Federal Funds	86,000	86,000
TOTAL	447,066,300	446,908,300

(1) College Access Program: The following is appropriated for the College Access Program in each fiscal year:

- (a) Notwithstanding KRS 154A.130(4), \$179,344,800 in General Fund;
- (b) Notwithstanding KRS 164.7891, \$1,100,000 in Restricted Funds; and
- (c) \$450,000 in Restricted Funds from the collection of loans related to the Minority Educator Recruitment and Retention Scholarship.

(2) Kentucky Tuition Grant Program: Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$45,975,000 in each fiscal year for the Kentucky Tuition Grant Program.

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

(4) Kentucky Educational Excellence Scholarships (KEES): The following is appropriated for KEES in each fiscal year:

- (a) Notwithstanding KRS 154A.130(4), \$93,656,600 in General Fund;
- (b) \$12,269,100 in Restricted Funds from previous fiscal years' excess Lottery funds; and
- (c) \$12,300,000 in Restricted Funds from Unclaimed Lottery Prize revenue.

Notwithstanding KRS 164.7874(7)(c) and 164.7879(2)(a), for the 2026-2028 fiscal biennium, an eligible high school student shall only be eligible for a Kentucky Educational Excellence Scholarship base award for an academic year in which the student has attained at least a 2.75 grade point average.

(5) Work Ready Kentucky Scholarship Program: Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$12,000,500 in each fiscal year for the Work Ready Kentucky Scholarship Program. It is the intent of the General Assembly for Work Ready Kentucky Scholarships to only be awarded to recipients that complete eligible courses.

(6) Dual Credit Scholarship Program: (a) Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$21,149,500 in each fiscal year for the Dual Credit Scholarship Program. Included in the above Restricted Funds appropriation is \$6,290,100 in each fiscal year from previous years' excess Lottery funds held in trust and agency account for the Dual Credit Scholarship Program.

(b) Notwithstanding KRS 164.786(1)(f) ~~and 164.787(2)(d)~~, the dual credit tuition rate ceiling shall be one-half of the per credit hour tuition amount charged by the Kentucky Community and Technical College System

for in-state students. Notwithstanding KRS 164.786(4)(c), eligible high school students may receive a dual credit scholarship for two career and technical education dual credit courses per academic year and four general education dual credit courses over the junior and senior years, up to a maximum of 12 approved dual credit courses.

(7) Veterinary Medicine Contract Spaces: Included in the above General Fund appropriation is \$5,800,400 in each fiscal year for the Veterinary Medicine Contract Spaces Program. For students receiving an initial award in fiscal year 2027-2028 or thereafter, as a condition of the contract space support each recipient shall enter into a written agreement with the Kentucky Higher Education Assistance Authority to practice veterinary medicine in the Commonwealth of Kentucky for at least one year for each year the contract space is received. If a recipient fails to complete the required service within the timeframe established by the Authority, the total amount of the contract space support received shall convert to a loan and shall be repaid to the Commonwealth. For any support converted to a loan, interest shall be assessed and shall accrue on the principal balance beginning on the date of the first disbursement. The rate of interest shall be determined by the Authority through the promulgation of administrative regulations. All repayments, including principal and interest, shall be deposited into a trust and agency account to be used for future awards. The Authority shall be entitled to recover reasonable costs of collection and attorney fees in the event of default. Students receiving contract space support prior to fiscal year 2027-2028 shall not be subject to this service requirement.

(8) Optometry Scholarship Program: Included in the above General Fund appropriation is \$814,500 in fiscal year 2026-2027 and \$789,000 in fiscal year 2027-2028 for the Optometry Scholarship Program. For students receiving an initial award in fiscal year 2027-2028 or thereafter, as a condition of the scholarship each recipient shall enter into a written agreement with the Kentucky Higher Education Assistance Authority to practice optometry in the Commonwealth of Kentucky for at least one year for each year the scholarship is received. If a recipient fails to complete the required service requirement within the timeframe established by the Authority, the scholarship shall be converted to a loan and be shall repaid to the Commonwealth. For any scholarship converted to a loan, interest shall be assessed and shall accrue on the principal balance beginning on the date of the first disbursement. The rate of interest shall be determined by the Authority through the promulgation of administrative regulations. All repayments, including principal and interest, shall be deposited into a trust and agency account to be used for future awards. The Authority shall be entitled to recover reasonable costs of collection and attorney fees in the event of default. Students receiving the scholarship prior to fiscal year 2027-2028 shall not be subject to this service requirement.

(9) Use of Lottery Revenues: Notwithstanding KRS 154A.130(3) and (4), lottery revenues in the amount of \$362,200,000 in each fiscal year are appropriated to the Kentucky Higher Education Assistance Authority. Notwithstanding KRS 154A.130(4) ~~**[and any provisions of this Act to the contrary, if lottery receipts received by the Commonwealth, excluding any unclaimed prize money received under Part III, 20, of this Act, exceed \$370,000,000 in fiscal year 2025-2026 or \$365,000,000 in each fiscal year of the 2026-2028 fiscal biennium]**~~, the additional excess shall be transferred to a trust and agency account ~~**[and shall not be expended or appropriated without the express authority of the General Assembly]**~~.

(10) Redistribution of Resources: Notwithstanding KRS 164.740 to 164.764, 164.7890(11)(c), 164.7891(11)(b), and 164.7894, no General Fund is provided for Work Study, Coal County Pharmacy Scholarships, Osteopathic Medicine Scholarships, and Coal County College Completion Scholarships in order to provide additional funding to the College Access Program and Kentucky Tuition Grant Program.

(11) Teacher Scholarship Program: Included in the above appropriation is \$1,015,000 in Restricted Funds in each fiscal year for the Teacher Scholarship Program. The Kentucky Higher Education Assistance Authority, in coordination with the Council on Postsecondary Education, shall submit a report on the number of teacher scholarships provided in each fiscal year, the program of study in which recipients are enrolled, recipient retention rates, total number of applications, and the impact of the scholarships on recruitment. This report shall be submitted to the Interim Joint Committee on Education by September 1 of each fiscal year.

(12) General Administration and Support: Included in the above General Fund appropriation is \$6,000,000 in each fiscal year to support general administration and support services.

(13) Teacher Recruitment Student Loan Forgiveness Pilot Program: Included in the above General Fund appropriation is \$4,800,000 in each fiscal year for the Teacher Recruitment Student Loan Forgiveness Pilot Program. Notwithstanding KRS 154A.130(4), of this amount \$2,000,000 shall be allocated from lottery revenues.

(14) Innovative Scholarship Pilot Project: Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$675,500 in each fiscal year for the Innovative Scholarship Pilot Project. The Kentucky Higher Education Assistance Authority shall work in coordination with the Council on Postsecondary Education to develop and implement the Innovative Scholarship pilot project.

3. EASTERN KENTUCKY UNIVERSITY

	2026-27	2027-28
General Fund	81,658,500	76,658,500
	80,209,800	73,838,900
Restricted Funds	218,354,400	218,016,300
Federal Funds	135,500,000	135,500,000
TOTAL	435,512,900	430,174,800
	434,064,200	427,355,200

(1) Mandated Programs: Included in the above General Fund appropriation are the following:

(a) \$4,571,900 in each fiscal year for the Model Laboratory School;

(b) Notwithstanding KRS 61.5991, \$4,454,900 in each fiscal year to support the university's share of the anticipated retirement costs over the university's fiscal year 2019-2020 baseline contribution as adjusted and posted under the 2026 Budget Bills tile on the Legislative Research Commission's website;~~and~~

(c) \$2,423,200 in each fiscal year to support the Commonwealth's Property and Casualty Insurance Fund premium; *and*

(d) \$6,500,000 in fiscal year 2026-2027 and \$1,500,000 in fiscal year 2027-2028 to support the establishment and operations of an air traffic control training program.

~~[(2) Air Traffic Control Training Program: Included in the above General Fund appropriation is \$6,500,000 in fiscal year 2026-2027 and \$1,500,000 in fiscal year 2027-2028 to support the establishment and operations of an air traffic control training program.]~~

4. KENTUCKY STATE UNIVERSITY

	2026-27	2027-28
General Fund	32,198,500	30,198,500
Restricted Funds	68,862,300	77,848,400
Federal Funds	40,680,600	44,031,000
TOTAL	141,741,400	152,077,900

(1) Mandated Programs: Included in the above General Fund appropriation are the following:

(a) \$10,381,000 in each fiscal year to fund the state match payments required of land-grant universities under federal law;

(b) \$473,600 in each fiscal year to support the Commonwealth's Property and Casualty Insurance Fund premium; and

(c) \$2,000,000 in fiscal year 2026-2027 for expansion of online offerings.

5. MOREHEAD STATE UNIVERSITY

	2026-27	2027-28
General Fund	46,356,100	46,873,100
Restricted Funds	113,586,900	113,586,900
Federal Funds	47,176,400	47,176,400
TOTAL	207,119,400	207,636,400

(1) Mandated Programs: Included in the above General Fund appropriation are the following:

(a) \$5,959,800 in fiscal year 2026-2027 and \$6,476,800 in fiscal year 2027-2028 for the Craft Academy for Excellence in Science and Mathematics;

(b) Notwithstanding KRS 61.5991, \$2,456,500 in each fiscal year to support the university's share of the anticipated retirement costs over the university's fiscal year 2019-2020 baseline contribution as adjusted and posted under the 2026 Budget Bills tile on the Legislative Research Commission's website; and

(c) \$1,274,400 in each fiscal year to support the Commonwealth's Property and Casualty Insurance Fund premium.

6. MURRAY STATE UNIVERSITY

	2026-27	2027-28
General Fund	49,549,600	49,549,600
Restricted Funds	159,450,500	159,450,500
Federal Funds	26,494,600	26,494,600
TOTAL	235,494,700	235,494,700

(1) **Mandated Programs:** Included in the above General Fund appropriation are the following:

(a) \$4,034,200 in each fiscal year for the Breathitt Veterinary Center;

(b) Notwithstanding KRS 61.5991, \$1,635,500 in each fiscal year to support the university's share of the anticipated retirement costs over the university's fiscal year 2019-2020 baseline contribution as adjusted and posted under the 2026 Budget Bills tile on the Legislative Research Commission's website; and

(c) \$1,451,400 in each fiscal year to support the Commonwealth's Property and Casualty Insurance Fund premium.

7. NORTHERN KENTUCKY UNIVERSITY

	2026-27	2027-28
General Fund	57,515,300	59,315,300
	56,453,800	57,249,300
Restricted Funds	221,360,100	221,360,100
Federal Funds	15,450,500	15,450,500
TOTAL	294,325,900	296,125,900
	293,264,400	294,059,900

(1) **Mandated Programs:** Included in the above General Fund appropriation are the following:

(a) \$1,323,900 in each fiscal year for the Kentucky Center for Mathematics;

(b) \$1,377,900 in each fiscal year to support the Commonwealth's Property and Casualty Insurance Fund premium; and

(c) \$1,800,000 in fiscal year 2026-2027 and \$3,600,000 in fiscal year 2027-2028 for the Votruba Young Scholars Academy.

8. UNIVERSITY OF KENTUCKY

	2026-27	2027-28
General Fund (Tobacco)	500,000	1,500,000
General Fund	298,134,900	298,134,900
	292,513,300	287,193,700
Restricted Funds	8,688,499,300	9,509,319,400
Federal Funds	315,770,000	333,769,000
TOTAL	9,302,904,200	10,142,723,300
	9,297,282,600	10,131,782,100

(1) **Mandated Programs:** Included in the above General Fund appropriation are the following:

- (a) \$35,420,800 in each fiscal year for the College of Agriculture, Food and Environment’s Cooperative Extension Service. Of this amount, \$4,145,500 in each fiscal year is provided to support extension agent compensation;
- (b) \$31,434,100 in each fiscal year for the Kentucky Agricultural Experiment Station;
- (c) \$10,176,200 in each fiscal year for the Center for Applied Energy Research;
- (d) \$4,076,300 in each fiscal year for the Kentucky Geological Survey;
- (e) \$4,034,200 in each fiscal year for the Veterinary Diagnostic Laboratory;
- (f) \$2,040,500 in each fiscal year for the Sanders-Brown Center on Aging;
- (g) \$1,800,000 in each fiscal year for the College of Agriculture, Food and Environment’s Division of Regulatory Services;
- (h) \$600,000 in each fiscal year for the College of Agriculture, Food and Environment’s Kentucky Small Business Development Center;
- (i) \$586,300 in each fiscal year for the University Press of Kentucky;
- (j) \$500,000 in each fiscal year for the Human Development Institute for the Supported Higher Education Project;
- (k) \$450,200 in each fiscal year for the Center of Excellence in Rural Health;
- (l) \$950,200 in each fiscal year for the Kentucky Cancer Registry;
- (m) \$100,000 in each fiscal year for the Sports Medicine Research Institute; and
- (n) \$10,750,900 in each fiscal year to support the Commonwealth's Property and Casualty Insurance Fund Premium.

(2) Nuclear Reactor Site Readiness Pilot Program: Costs associated with the procurement of an Early Site Permit (10 C.F.R. secs. 52.12 et seq.), a Construction Permit (10 C.F.R. pt. 50), or a Combined Operating License (10 C.F.R. secs. 52.71 et seq.) from the United States Nuclear Regulatory Commission for up to three projects under the Nuclear Reactor Site Readiness Pilot Program shall be deemed a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705) in an amount not to exceed \$75,000,000 for the 2026-2028 fiscal biennium. Any such expenditure shall be subject to the prior written approval of the State Budget Director and shall be limited to one-third of the actual costs incurred per project, not to exceed \$25,000,000 per project.

(3) Kindergarten Readiness Program: Included in the above General Fund (Tobacco) appropriation is \$500,000 in fiscal year 2026-2027 and \$1,500,000 in fiscal year 2027-2028 to establish the Kindergarten Readiness Performance-Based Child-Care Incentive Pilot Program. This appropriation is from the lapse and reallocation of Early Childhood Development Fund appropriations set forth in Part X of this Act.

(4) Energy Planning and Inventory Commission: In fiscal year 2026-2027, \$15,000,000 of the funds authorized in 2024 Ky. Acts ch. 173, sec. 1, (207) shall be allocated to the Energy Planning and Inventory Commission.

9. UNIVERSITY OF LOUISVILLE

	2026-27	2027-28
General Fund (Tobacco)	2,750,000	-0-
General Fund	138,206,200	138,206,200
	135,615,900	133,164,800
Restricted Funds	1,515,148,500	1,547,903,100
Federal Funds	196,365,300	200,610,300
TOTAL	1,852,470,000	1,886,719,600
	1,849,879,700	1,881,678,200

(1) **Mandated Programs:** Included in the above General Fund appropriation are the following:

- (a) \$695,200 in each fiscal year for the Rural Health Education Program;
- (b) \$150,000 in each fiscal year for the Kentucky Autism Training Center;
- (c) \$100,000 in each fiscal year for the School of Dentistry to provide dental care to patients with dental issues related to drug use;
- (d) \$150,000 in each fiscal year for the Mid-South REACH Grant; and
- (e) \$5,801,100 in each fiscal year to support the Commonwealth's Property and Casualty Insurance Fund premium.

(2) **Cancer Research:** Included in the above General Fund (Tobacco) appropriation is \$2,750,000 in fiscal year 2026-2027 to fund cancer research at the Brown Cancer Center. This appropriation is from the lapse and reallocation of Early Childhood Development Fund appropriations set forth in Part X of this Act.

10. WESTERN KENTUCKY UNIVERSITY

	2026-27	2027-28
General Fund	81,682,600	82,199,600
	80,142,600	79,202,300
Restricted Funds	279,343,600	280,343,600
Federal Funds	44,143,300	44,143,300
TOTAL	405,169,500	406,686,500
	403,629,500	403,689,200

(1) **Mandated Programs:** Included in the above General Fund appropriation are the following:

- (a) \$5,959,800 in fiscal year 2026-2027 and \$6,476,800 in fiscal year 2027-2028 for the Gatton Academy of Mathematics and Science in Kentucky;
- (b) \$1,750,000 in each fiscal year for the Kentucky Mesonet;
- (c) Notwithstanding KRS 61.5991, \$1,412,000 in each fiscal year to support the university's share of the anticipated retirement costs over the university's fiscal year 2019-2020 baseline contribution as adjusted and posted under the 2026 Budget Bills tile on the Legislative Research Commission's website; and
- (d) \$1,866,900 in each fiscal year to support the Commonwealth's Property and Casualty Insurance Fund premium.

11. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

	2026-27	2027-28
General Fund	182,861,500	182,861,500
	179,381,700	176,089,000
Restricted Funds	556,045,700	561,002,400
Federal Funds	295,517,000	295,516,800
TOTAL	1,034,424,200	1,039,380,700
	1,030,944,400	1,032,608,200

(1) **Mandated Programs:** Included in the above General Fund appropriation are the following:

- (a) \$6,000,000 in each fiscal year for KCTCS-TRAINS;
- (b) \$1,000,000 in each fiscal year for Adult Agriculture Education; and
- (c) \$3,164,800 in each fiscal year to support the Commonwealth's Property and Casualty Insurance Fund premium.

(2) Firefighters Foundation Program Fund: (a) Included in the above Restricted Funds appropriation is \$64,160,100 in fiscal year 2026-2027 and \$63,175,400 in fiscal year 2027-2028 for the Firefighters Foundation Program Fund.

(b) Notwithstanding KRS 95A.250(1)(a), included in the above Restricted Funds appropriation are sufficient funds for an incentive payment of \$4,653 in fiscal year 2026-2027 and \$4,746 in fiscal year 2027-2028, plus an amount equal to the required employer’s contribution on the supplement in each fiscal year for each qualified professional firefighter under the Firefighters Foundation Program Fund. KRS 95A.250(1)(b) to (e) shall remain applicable, except that the administrative expense reimbursement cap under KRS 95A.250(1)(e)(3) shall not exceed \$500,000.

(c) Notwithstanding KRS 95A.262(2), included in the above Restricted Funds appropriation is \$15,300 in each fiscal year for aid payments for each qualified volunteer fire department.

(d) Notwithstanding KRS 95A.200 to 95A.300, \$18,800,000 in fiscal year 2026-2027 shall be transferred to support projects as set forth in Part II, Capital Projects Budget, of this Act.

(e) Notwithstanding KRS 95A.200 to 95A.300, included in the above Restricted Funds appropriation is \$1,869,900 in each fiscal year for the State Fire Rescue Training mandated program.

(f) Notwithstanding KRS 95A.200 to 95A.300, included in the above Restricted Funds appropriation is \$1,556,000 in fiscal year 2026-2027 to be transferred to the Replace Unsafe Fire Equipment capital project for the Energy and Environment Cabinet as set forth in Part II, Capital Projects Budget, of this Act.

(3) Firefighters Training Center Fund: Notwithstanding KRS 95A.262(3), \$1,000,000 in Restricted Funds is provided in each fiscal year for the Firefighters Training Center Fund.

(4) Guaranteed Energy Savings Performance Contracts: Notwithstanding KRS 56.770 and 56.774, guaranteed energy savings performance contracts may be executed for buildings operated by the Kentucky Community and Technical College System under agreements governed by KRS 164.593.

(5) Disposition of KCTCS Property: Notwithstanding KRS 45.777, the KCTCS governing board may elect to sell or dispose of real property or major equipment and proceeds that are surplus to its needs and retain the proceeds of any sale.

(6) Other Postemployment Benefits Trust Fund: By October 1, 2026, the President of the Kentucky Community and Technical College System (KCTCS) is directed to have determined the actuarial liabilities of the KCTCS Other Postemployment Trust Fund effective December 31, 2026, and provide a report to the Interim Joint Committee on Appropriations and Revenue. By January 1, 2027, with the assistance of the State Budget Director and the Secretary of the Finance and Administration Cabinet, the President of KCTCS shall submit a plan to the Legislative Research Commission to have the difference between the balance of the KCTCS Other Postemployment Benefits Trust Fund and the actuarial liabilities of the fund transferred to the Budget Reserve Trust Fund Account (KRS 48.705). It is the intent of the 2026 General Assembly to take action on the plan submitted to the Legislative Research Commission in the 2027 Regular Session.

(7) Commonwealth West Healthcare Workforce Innovation Center - Carry Forward of Appropriation Balance: Notwithstanding KRS 45.229, the Federal Fund appropriation balance from 2022 Ky. Acts ch. 199, Part I, J., 11., (6) shall not lapse and shall carry forward.

12. POSTSECONDARY EDUCATION PERFORMANCE FUND

	2026-27	2027-28
General Fund	115,000,000	115,000,000

TOTAL - POSTSECONDARY EDUCATION

	2026-27	2027-28
General Fund (Tobacco)	9,415,900	7,245,500
General Fund	1,482,090,500	1,481,223,300
	1,466,348,600	1,450,585,300
Restricted Funds	11,894,631,900	12,760,149,500
Federal Funds	1,123,312,500	1,148,968,000

TOTAL		14,509,450,800	15,397,586,300
		[14,493,708,900]	[15,366,948,300]

➔Section 10. 2026 Regular Session HB 500/VO in Part, Part II, J., 2., 006. Aviation Acquisition Pool – 2026-2028, at page 148, is amended to read as follows:

001. Aviation Acquisition Pool - 2026-2028

Restricted Funds	-0-	5,000,000	-0-
Agency Bonds [Bond Funds]	-0-	10,000,000	-0-
TOTAL	-0-	15,000,000	-0-

➔Section 11. 2026 Regular Session HB 500/VO in Part, Part II, J., 3., 001. Asset Preservation Pool – 2026-2028, at page 149, is amended to read as follows:

001. Asset Preservation Pool - 2026-2028

Bond Funds	-0-	25,000,000 [10,000,000]	25,000,000 [2,360,000]
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➔Section 12. 2026 Regular Session HB 500/VO in Part, Part II, J., 4., 002. Construct New Applied Science Building, at page 150, is amended to read as follows:

002. Construct New Applied Science Building

Agency Bonds [Bond Funds]	-0-	-0-	79,400,000
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➔Section 13. 2026 Regular Session HB 500/VO in Part, Part II, J., 7., 021. Construct Research Facility, at pages 156 to 157, is amended to read as follows:

003. Construct Research Facility

Restricted Funds	-0-	50,000,000	-0-
Federal Funds	-0-	65,000,000	-0-
[Bond Funds]	0	200,000,000	0
Agency Bonds	-0-	250,000,000 [50,000,000]	-0-
TOTAL	-0-	365,000,000	-0-

➔Section 14. 2026 Regular Session HB 500/VO in Part, Part II, J., 8., 004. Construct STEM Building, at pages 184 to 185, is amended to read as follows:

004. Construct STEM Building

Agency Bonds [Bond Funds]	-0-	142,000,000	-0-
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➔Section 15. 2026 Regular Session HB 500/VO in Part, Part II, J., 10., 003. Construct Prison Education Program – Bluegrass CTC, at page 196, is amended to read as follows:

003. Construct Prison Education Program - Bluegrass CTC

[Agency Bonds] **[Bond Funds]**	-0-	42,000,000	-0-
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➔Section 16. 2026 Regular Session HB 500/VO in Part, Part II, J., 10., 004. Procure Aviation Equipment – Madisonville CC, at page 196, is amended to read as follows:

004. Procure Aviation Equipment - Madisonville CC

Agency Bonds [Bond Funds]	-0-	6,000,000	-0-
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➔Section 17. 2026 Regular Session HB 500/VO in Part, Part XI State/Executive Branch Budget Summary, at pages 233 to 234, is amended to read as follows:

**PART XI
STATE/EXECUTIVE BRANCH BUDGET SUMMARY
OPERATING BUDGET**

2025-26	2026-27	2027-28
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General Fund (Tobacco)	-0-	86,675,000	79,524,900
General Fund	-0-	15,416,033,400	15,689,035,300
		{15,416,488,000}	{15,693,139,800}
Restricted Funds	167,270,800	16,693,897,000	17,383,278,100
Federal Funds	405,900,000	24,307,745,100	24,118,660,800
Road Fund	-0-	55,582,600	57,940,100
SUBTOTAL	573,170,800	56,559,933,100	57,328,439,200
		{56,560,387,700}	{57,332,543,700}

CAPITAL PROJECTS BUDGET

	2025-26	2026-27	2027-28
Restricted Funds	-0-	20,064,946,000	89,901,000
Federal Funds	-0-	770,334,000	50,915,000
Bond Funds	-0-	648,161,000	330,714,000
		{1,033,161,000}	{387,474,000}
Agency Bonds	-0-	1,650,800,000	79,400,000
		{1,250,800,000}	{0}
Investment Income	-0-	183,324,000	105,633,000
Other Funds	350,000,000	9,427,800,000	200,000,000
SUBTOTAL			

TOTAL - STATE/EXECUTIVE BUDGET

	2025-26	2026-27	2027-28
General Fund (Tobacco)	-0-	86,675,000	79,524,900
General Fund	-0-	15,416,033,400	15,689,035,300
		{15,416,488,000}	{15,693,139,800}
Restricted Funds	167,270,800	36,758,843,000	17,473,179,100
Federal Funds	405,900,000	25,078,079,100	24,169,575,800
Road Fund	-0-	55,582,600	57,940,100
Bond Funds	-0-	648,161,000	330,714,000
		{1,033,161,000}	{387,474,000}
Agency Bonds	-0-	1,650,800,000	79,400,000
		{1,250,800,000}	{0}
Investment Income	-0-	183,324,000	105,633,000
Other Funds	350,000,000	9,427,800,000	200,000,000
TOTAL FUNDS	923,170,800	89,305,298,100	58,185,002,200
		{89,290,752,700}	{58,166,466,700}

➔Section 18. 2026 Regular Session HB 501/VO, Part I, A., 1., (6) On-Site Work, at page 3, is amended to read as follows:

(6) **On-Site Work:** Notwithstanding any statute or administrative regulation to the contrary, *beginning July 1, 2027*, employees of the Transportation Cabinet shall not be permitted to telecommute unless specifically

exempted by the Secretary of the Transportation Cabinet. ~~**[All exemptions to allow employees to telecommute shall be reported to the Legislative Research Commission on a quarterly basis beginning August 1, 2026.]**~~

➔Section 19. Notwithstanding KRS 45.229, the balance of the General Fund appropriation authorized in 2022 Ky. Acts ch. 199, Part I, B., 1., (12) shall not lapse and shall carry forward. Projects considered for KPDI funding shall meet the requirements under KRS 154.21-017.

➔Section 20. The unexpended balance of \$67,724,700 from the fiscal year 2023-2024 General Fund appropriation set out in 2022 Ky. Acts ch. 199, Part I, N., 1. to implement pay raises for state employees shall remain unexpended, and notwithstanding KRS 42.205, 45.229, 48.700, and 48.705, the balance shall be a part of the designated fund balance and be carried forward for budgeted purposes into fiscal year 2026-2027.

➔Section 21. There is hereby appropriated General Fund moneys in the amount of \$2,570,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Learning and Results Services budget unit to support additional costs to local school districts associated with the implementation of the new education assessment and accountability system.

➔Section 22. There is hereby appropriated General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the amount of \$3,960,000 in each fiscal year of the 2026-2028 fiscal biennium to the Public Health budget unit to support the costs of workforce and operations for the local health departments.

➔Section 23. There is hereby appropriated General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the amount of \$3,000,000 in fiscal year 2026-2027 to the Kentucky State University budget unit to support the transition to a residential polytechnic institution.

➔Section 24. The Kentucky Exposition Center Redevelopment Plan Phase II project authorized in 2024 Ky. Acts ch. 175, Part II, K., 4., 008. is hereby reauthorized and there is hereby appropriated additional General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the amount of \$27,000,000 in fiscal year 2026-2027 to the Kentucky State Fair Board budget unit for the project.

~~**[➔Section 25. There is hereby appropriated General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the amount of \$5,000,000 in fiscal year 2026-2027 to the Kentucky State Fair Board budget unit for the Louisville Transportation Tunnel feasibility study.]**~~

➔Section 26. There is hereby appropriated General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the amount of \$1,250,000 in fiscal year 2026-2027 to the Vehicle Regulation budget unit to be distributed to the Motor Vehicle Commission for the licensing, oversight, management, and enforcement of all penalties and violations of the secondary metal recyclers.

➔Section 27. 2026 Regular Session HB 900/EN, Section 10, at pages 2 to 3, is amended to read as follows:

There is hereby appropriated General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the amount of \$5,000,000 in each fiscal year of the 2026-2028 fiscal biennium to ~~**[the Residential]~~ **Housing** ~~**[Infrastructure Fund]~~ ****[Residential Infrastructure Revolving Loan Fund]**.

➔Section 28. 2026 Regular Session HB 900/EN, Section 13, at page 3, is amended to read as follows:

There is hereby appropriated General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the amount of \$50,000,000 in each fiscal year of the 2026-2028 fiscal biennium to the Economic Development budget unit to support the Government Resources Accelerating Needed Transformation (GRANT) Program. **Notwithstanding KRS 45.229, \$1,100,000 of the funds appropriated for administrative expenses in 2024 Ky. Acts ch. 173, sec. 1 (13) shall not lapse and shall carry forward.**

➔Section 29. 2026 Regular Session HB 900/EN, Section 218, at page 42, is amended to read as follows:

~~[There is hereby appropriated General Fund moneys in the amount of \$75,000 in fiscal year 2027-2028 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the City of Madisonville to support roof construction for a community center.]~~

➔Section 30. There is hereby appropriated General Fund moneys in the amount of \$1,500,000 in fiscal year 2027-2028 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Parks budget unit under the Tourism, Arts and Heritage Cabinet to be distributed to Leeco Park.

➔Section 31. 2026 Regular Session HB 900/EN, Section 80, at page 16, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of **\$1,500,000**~~[\$3,000,000]~~ in fiscal year 2027-2028 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Parks budget unit under

the Tourism, Arts and Heritage Cabinet to be distributed to Natural Bridge State Park for dredging of Hoedown Island Lake.

➔Section 32. 2026 Regular Session HB 900/EN, Section 86, at page 18, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of \$3,000,000 in fiscal year ~~2026-2027~~~~[2027-2028]~~ from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Louisville Ballet to support touring infrastructure, facility improvements, and restoring live music at performances.

➔Section 33. 2026 Regular Session HB 900/EN, Section 111, at page 22, is amended to read as follows:

~~[There is hereby appropriated General Fund moneys in the amount of \$9,200,000 in fiscal year 2027-2028 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Operations and Support Services budget unit under the Kentucky Department of Education to be distributed to the Christian County Chamber of Commerce to support the expansion of critical water infrastructure in the City of Oak Grove.]~~

➔Section 34. 2026 Regular Session HB 900/EN, Section 112, at pages 22 to 23, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of \$504,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the ***Learning and Results Services***~~[Department for Local Government]~~ budget unit to be distributed to the Christian County Board of Education to purchase vehicles and provide equipment for the Christian County Public Schools school-based law enforcement agency.

➔Section 35. 2026 Regular Session HB 900/EN, Section 114, at page 23, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of ***\$2,500,000 in each fiscal year of the 2026-2028 fiscal biennium***~~[\$5,000,000 in fiscal year 2027-2028]~~ from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Aviation budget unit to be distributed to the Perry County Fiscal Court to support the Wendell H. Ford Airport runway expansion project.

➔Section 36. 2026 Regular Session HB 900/EN, Section 119, at page 24, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of ***\$6,400,000***~~[\$7,000,000]~~ in fiscal year 2027-2028 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department of Aviation budget unit to be distributed to the Williamsburg-Whitley County Airport to support the runway addition project.

➔Section 37. There is hereby appropriated General Fund moneys in the amount of \$600,000 in fiscal year 2027-2028 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Trigg County Fiscal Court to construct an ambulance service building.

➔Section 38. 2026 Regular Session HB 900/EN, Section 214, at page 41, is amended to read as follows:

~~[There is hereby appropriated General Fund moneys in the amount of \$1,000,000 in each fiscal year of the 2026-2028 fiscal biennium from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Jackson County Fiscal Court to support improvements and upgrades to the Jackson County Fairgrounds.]~~

➔Section 39. There is hereby appropriated General Fund moneys in the amount of \$500,000 in each fiscal year of the 2026-2028 fiscal biennium from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Harlan County Fiscal Court for Backroads of Appalachia.

➔Section 40. 2026 Regular Session HB 900/EN, Section 145, at page 28, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of *****[\$3,000,000]*****~~[\$4,000,000]~~ in fiscal year 2027-2028 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the City of Ashland for repairs and renovations at the Paramount Theater.

➔Section 41. There is hereby appropriated General Fund moneys in the amount of \$400,000 in fiscal year 2027-2028 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Adair County Fiscal Court for various projects.

➔Section 42. There is hereby appropriated General Fund moneys in the amount of \$400,000 in fiscal year 2027-2028 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the City of Grayson to purchase a fire truck.

➔Section 43. There is hereby appropriated General Fund moneys in the amount of \$200,000 in fiscal year 2027-2028 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to Greenbo Lake State Resort Park to support expansion and land acquisition.

➔Section 44. 2026 Regular Session HB 900/EN, Section 210, at page 40, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of \$500,000 in fiscal year 2026-2027 and \$3,500,000 in fiscal year 2027-2028 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Economic Development budget unit, to work in collaboration with the Boyd County Fiscal Court, to support upgrades and improvements of the Camp Landing Entertainment District. ***Of the amount appropriated in fiscal year 2027-2028, \$300,000 shall be distributed to the Archery Program.***

➔Section 45. 2026 Regular Session HB 900/EN, Section 115, at page 23, is amended to read as follows:

~~[There is hereby appropriated General Fund moneys in the amount of \$320,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Knox County Industrial Development Authority for Knox County land acquisition.]~~

➔Section 46. 2026 Regular Session HB 900/EN, Section 124, at page 25, is amended to read as follows:

~~[There is hereby appropriated General Fund moneys in the amount of \$1,250,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Kentucky Infrastructure Authority budget unit to be distributed to the Knox County Utility Commission to replace a 200,000 gallon water tank.]~~

➔Section 47. 2026 Regular Session HB 900/EN, Section 212, at page 40, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of \$325,000 in each fiscal year of the 2026-2028 fiscal biennium from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the ***City of Barbourville***~~[Barbourville Utility Commission]~~ ***for necessary infrastructure upgrades and associated equipment needs at the park***~~[to support utilities improvements].~~

➔Section 48. 2026 Regular Session HB 900/EN, Section 123, at pages 24 to 25, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of ***\$750,000***~~[\$500,000] in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the City of Barbourville to purchase a county-wide emergency warning system.~~

➔Section 49. 2026 Regular Session HB 900/EN, Section 55, at page 12, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of \$4,000,000 in fiscal year ~~2026-~~***2027***~~[2027-2028] from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Pikeville Medical Center to construct a Childcare Academy.~~

➔Section 50. 2026 Regular Session HB 900/EN, Section 215, at page 41, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of ***\$17,000,000***~~[\$10,000,000] in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Economic Development budget unit to be distributed to the Christian County Fiscal Court for the purchase of debt held by Planters Bank against real estate owned by Hopkinsville Industrial Foundation in or around Commerce Park II. The Cabinet for Economic Development shall arrange normal and ordinary terms for repayment to the Commonwealth of Kentucky for a term of ten years. No interest shall accrue at any time during the term of the loan.~~

➔Section 51. 2026 Regular Session HB 900/EN, Section 245, at pages 46 to 47, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of ***\$200,000***~~[\$100,000] in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Lincoln County Fiscal Court to ***support historical property renovations***~~[support the construction and improvement of the entrance to the Isaac Shelby Cemetery].~~~~

➔Section 52. 2026 Regular Session HB 900/EN, Section 269, at page 51, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of \$200,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Lincoln County Fiscal Court to support the **Logan's Fort Master Plan**~~[Fort Logan master and construction plan]~~.

→Section 53. 2026 Regular Session HB 900/EN, Section 92, at page 19, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of \$4,000,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Kentucky Infrastructure Authority budget unit to be distributed to the **Lincoln**~~[Boyle]~~ County Fiscal Court to support the US 150 Corridor project to expand water capacity, improve system resiliency, and support long-term economic growth in Lincoln, Rockcastle and Garrard Counties.

→Section 54. 2026 Regular Session HB 900/EN, Section 24, at page 6, is amended to read as follows:

There is hereby appropriated General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the amount of \$15,100,000 in fiscal year 2026-2027 and \$14,500,000 **in fiscal year 2027-2028** to the General Administration and Support budget unit in the Kentucky Transportation Cabinet to improve public riverports within Kentucky **as authorized by KRS 65.520 and for eligible use as described in KRS 174.210(3). No local match shall be required.**

→Section 55. 2026 Regular Session HB 900/EN, Section 9, at page 2, is amended to read as follows:

There is hereby appropriated General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the amount of \$25,000,000 in each fiscal year of the 2026-2028 fiscal biennium to the Economic Development budget unit to support the Kentucky Product Development Initiative. **The Cabinet for Economic Development may retain up to \$180,000 in each fiscal year of the 2026-2028 fiscal biennium to reimburse the Kentucky Association for Economic Development for technical support and evaluation services.**

→Section 56. 2026 Regular Session HB 900/EN, Section 251, at page 48, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of **\$100,000 in fiscal year 2026-2027 and \$200,000**~~[\$300,000]~~ in fiscal year 2027-2028 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Spencer County Fiscal Court to support renovations to a historical site in collaboration with the Felix Grundy Stidger Historic Preservation Foundation.

→Section 57. 2026 Regular Session HB 900/EN, Section 278, at page 53, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of **\$2,256,000**~~[\$1,750,000]~~ **in fiscal year 2026-2027**~~[each fiscal year of the 2026-2028 fiscal biennium]~~ from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Economic Development budget unit to be distributed to the Greater Owensboro Economic Development Authority to support the Landing Entrepreneurship Center.

→Section 58. 2026 Regular Session HB 900/EN, Section 209, at page 40, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of **\$4,621,900**~~[\$4,000,000]~~ in fiscal year 2026-2027 and **\$5,178,000**~~[\$4,556,000]~~ in fiscal year 2027-2028 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Daviess County Fiscal Court to construct an emergency operations facility.

→Section 59. There is hereby appropriated General Fund moneys in the amount of \$400,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Knox County Fiscal Court for the purchase of sensory playground equipment.

→Section 60. There is hereby appropriated General Fund moneys in the amount of \$200,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Knox County Fiscal Court for necessary infrastructure upgrades and associated equipment needs at the park.

→Section 61. There is hereby appropriated General Fund moneys in the amount of \$510,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the East Knox County Fire Department for the purchase of a substation and other necessary improvements.

➔Section 62. There is hereby appropriated General Fund moneys in the amount of \$38,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Artemus Volunteer Fire Department for the purchase of equipment and infrastructure upgrades.

➔Section 63. There is hereby appropriated General Fund moneys in the amount of \$72,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Bailey Switch Volunteer Fire Department for the purchase of equipment and infrastructure upgrades.

➔Section 64. There is hereby appropriated General Fund moneys in the amount of \$100,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Richland Fire Department for the purchase of equipment and infrastructure upgrades.

➔Section 65. 2026 Regular Session HB 900/EN, Section 262, at page 50, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of ~~off \$2,000,000 in fiscal year 2026-2027 and~~ \$5,500,000 in fiscal year 2027-2028 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Shelby County Fiscal Court to support **public health initiatives, including but not limited to improving emergency medical services, healthcare access, and public health infrastructure in Shelby County**~~[a healthcare facility].~~

➔Section 66. There is hereby appropriated General Fund moneys in the amount of \$2,000,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Learning and Results Services budget unit to be distributed to the Shelby County Board of Education to support the middle school career center program.

➔Section 67. There is hereby appropriated General Fund moneys in the amount of \$2,200,000 in fiscal year 2027-2028 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the School Facilities Construction Commission budget unit to be distributed to the Christian County Board of Education to construct a new bus garage.

~~**[➔Section 68. There is hereby appropriated General Fund moneys in the amount of \$300,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Legislative Research Commission budget unit for security during the 2026 Southern Legislative Conference.]**~~

➔Section 69. There is hereby appropriated General Fund moneys in the amount of \$400,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Lee County Fiscal Court to support park improvements.

➔Section 70. There is hereby appropriated General Fund moneys in the amount of \$200,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the City of Beattyville to support sewer equipment.

➔Section 71. There is hereby appropriated General Fund moneys in the amount of \$300,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Wolfe County Fiscal Court to support road department equipment.

➔Section 72. There is hereby appropriated General Fund moneys in the amount of \$100,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Jackson County Fiscal Court to support park upgrades.

➔Section 73. 2026 Regular Session HB 900/EN, Section 261, at pages 49 to 50, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of \$1,500,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Garrard County Fiscal Court to support **water**,~~[economic development as it relates to water and]~~ sewer, **or** infrastructure.~~[Funds appropriated in this section shall not be expended on roads.]~~

➔Section 74. 2026 Regular Session HB 900/EN, Section 43, at page 10, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of \$750,000 in fiscal year 2026-2027 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget

unit to be distributed to the Bell County Fiscal Court for the purchase of *firefighting vehicles and the construction of a building*~~[two new pumper fire trucks]~~.

→Section 75. 2026 Regular Session HB 900/EN, Section 75, at pages 15 to 16, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of \$3,000,000 in fiscal year ~~2026-2027~~~~[2027-2028]~~ from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Kentucky Infrastructure Authority budget unit to be distributed to the Wolfe County Sanitation District for Phase I and Phase II of the Hazel Green wastewater treatment project.

→Section 76. 2026 Regular Session HB 900/EN, Section 283, at pages 53 to 54, is amended to read as follows:

There is hereby appropriated General Fund moneys in the amount of ~~\$900,000~~~~[\$1,000,000]~~ in fiscal year 2026-2027 and \$3,500,000 in fiscal year 2027-2028 from the Budget Reserve Trust Fund Account established in KRS 48.705 to the Department for Local Government budget unit to be distributed to the Lincoln County Fiscal Court to support economic development as it relates to water, sewer, ~~or~~~~[and]~~ infrastructure.~~[Funds shall not be expended on roads.]~~

→Section 77. Whereas the provisions of this Act provide ongoing support for state government agencies and their functions, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Vetoed in part and remaining provisions became law April 28, 2026.