

AN ACT relating to taxation.

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

➔Section 1. 2014 Kentucky Acts Chapter 117, Part X, Phase I Tobacco Settlement, at pages 750 to 754, is amended to read as follows:

PART X

PHASE I TOBACCO SETTLEMENT

(1) **General Purpose:** This Part prescribes the policy implementing aspects of the national settlement agreement between the tobacco industry and the collective states as described in KRS 248.701 to 248.727. In furtherance of that agreement, the General Assembly recognizes that the Commonwealth of Kentucky is a party to the Phase I Master Settlement Agreement (MSA) between the Participating Tobacco Manufacturers and 46 Settling States which provides reimbursement to states for smoking-related expenditures made over time.

(2) **State's MSA Share:** The Commonwealth's share of the MSA is equal to 1.7611586 percent of the total settlement amount. Payments under the MSA are made to the states annually in April of each year.

(3) **MSA Payment Amount Variables:** The total settlement amount to be distributed each payment date is subject to change pursuant to several variables provided in the MSA, including inflation adjustments, volume adjustments, previously settled states adjustments, and the nonparticipating manufacturers adjustment.

(4) **Distinct Identity of MSA Payment Deposits:** The General Assembly has determined that it shall be the policy of the Commonwealth that all Phase I Tobacco Settlement payments shall be deposited to the credit of the General Fund and shall maintain a distinct identity as Phase I Tobacco Settlement payments that shall not lapse to the credit of the General Fund surplus but shall continue forward from each fiscal year to the next fiscal year to the extent that any balance is unexpended.

(5) **MSA Payment Estimates and Adjustments:** Based on the current estimates

as reviewed by the Consensus Forecasting Group, the amount of MSA payments expected to be received in fiscal year 2014-2015 is \$99,700,000 and in fiscal year 2015-2016 is \$72,400,000. ~~[It is recognized that payments to be received by the Commonwealth are estimated and are subject to change. Any appropriations made from the estimated receipts are subject to adjustments based on actual receipts as received and certified by the Secretary of the Finance and Administration Cabinet.]~~

In addition to the above estimates, in June 2014, the Commonwealth reached a settlement with the participating manufacturers in regards to nonparticipating manufacturer adjustment disputes from 2003 to 2014. The settlement resulted in the Commonwealth receiving MSA payments of \$159,400,000 in fiscal year 2013-2014. Due to the settlement being reached after the 2014 Regular Session, the General Assembly appropriated \$90,800,000 in MSA payments for fiscal year 2013-2014, leaving \$68,600,000 of the MSA payments unappropriated. The General Assembly hereby appropriates the \$68,600,000 solely for the purposes identified in subsections (6) and (7) of this Part and separately identified in Part I of this Act for each budget unit, cabinet, and program affected.

(6) MSA Appropriations - Fiscal Year 2014-2015: Based on the MSA payment estimate as well as the \$68,600,000 of MSA payments unappropriated in fiscal year 2013-2014 as identified in subsection (5) of this Part, the following MSA payments are appropriated for fiscal year 2014-2015:

a. **State Enforcement:** Notwithstanding KRS 248.654, ~~[a total of]~~ \$250,000 in ~~[of the]~~ MSA payments~~[received]~~ in ~~[each]~~ fiscal year 2014-2015 is appropriated to the Finance and Administration Cabinet, Department of Revenue for the state's enforcement of noncompliant nonparticipating manufacturers.

b. **Debt Service:** Notwithstanding KRS 248.654 and 248.703(4), ~~[a total of]~~ \$30,570,000 in MSA payments~~[received]~~ in fiscal year 2014-2015~~[and a total of \$30,657,000 in MSA payments received in fiscal year 2015-2016]~~ is appropriated to the

Finance and Administration Cabinet, Debt Service budget unit.

c. **Agricultural Development Initiatives:** Notwithstanding KRS 248.654 and 248.703(4), \$37,701,600 in MSA payments in fiscal year 2014-2015 ~~and 12,821,200 in fiscal year 2015-2016~~ is appropriated to the Kentucky Agricultural Development Fund to be used for agricultural development initiatives.

d. **Early Childhood Development Initiatives:** Notwithstanding KRS 248.654, ~~[twenty five percent of the MSA payments, less the above enforcement appropriations, received in fiscal year 2014-2015, estimated to be] \$24,198,900 in MSA payments in fiscal year 2014-2015~~, and notwithstanding KRS 248.654, in fiscal year 2015-2016, ~~\$24,198,900~~ is appropriated for early childhood development initiatives as specified in this Part.

e. **Health Care Initiatives:** Notwithstanding KRS 248.654 and 304.17B-003(5), \$9,159,000 in MSA payments in fiscal year 2014-2015 ~~and 6,652,400 in fiscal year 2015-2016~~ is appropriated to the Health Care Improvement Fund for health care initiatives as specified in this Part.

f. **Deficit:** If MSA payments received in fiscal year 2014-2015 are insufficient to support the enacted General Fund (Tobacco) appropriations for fiscal year 2014-2015, up to \$26,600,000 of the \$68,600,000 shall be appropriated in fiscal year 2014-2015 to keep appropriations at their enacted levels for fiscal year 2014-2015. Notwithstanding KRS 248.654, 248.703, and 304.17B-003(5), the remainder of the \$68,600,000 shall remain in the Tobacco Settlement Agreement Fund and shall not be appropriated or expended without express authority in an enacted biennial budget. Should the MSA payment be less than \$73,100,000 and a deficit between the MSA payments and the enacted appropriations still exists after appropriating the \$26,600,000, General Fund (Tobacco) appropriation reductions shall be applied as follows: 50 percent to the Agricultural Development Fund, 25 percent to the Early Childhood Development Fund, and 25 percent to the Health Care Improvement Fund.

g. Excess MSA Payments: Notwithstanding KRS 248.654, 248.703, and 304.17B-003(5), if MSA payments received in fiscal year 2014-2015 exceed the enacted General Fund (Tobacco) appropriations for fiscal year 2014-2015, the excess MSA payments shall remain in the Tobacco Settlement Agreement Fund and shall not be appropriated or expended without express authority in an enacted biennial budget.

(7) MSA Appropriations - Fiscal Year 2015-2016: Based on the MSA payment estimate as well as the remaining moneys from the \$68,600,000 identified in subsections (5) and (6) of this Part, the following MSA payments are appropriated for fiscal year 2015-2016:

a. State Enforcement: Notwithstanding KRS 248.654, \$250,000 in MSA payments in fiscal year 2015-2016 is appropriated to the Finance and Administration Cabinet, Department of Revenue for the state's enforcement of noncompliant nonparticipating manufacturers.

b. Debt Service: Notwithstanding KRS 248.654 and 248.703(4), \$30,657,000 in MSA payments in fiscal year 2015-2016 is appropriated to the Finance and Administration Cabinet, Debt Service budget unit.

c. Agricultural Development Initiatives: Notwithstanding KRS 248.654 and 248.703(4), \$41,821,200 in MSA payments in fiscal year 2015-2016 is appropriated to the Kentucky Agricultural Development Fund as specified in this Part. Of the \$41,821,200, \$29,000,000 shall come from the remaining MSA payments received in fiscal year 2013-2014. The \$29,000,000 shall be appropriated in fiscal year 2015-2016 as follows:

1. \$13,000,000 for the Governor's Office of Agricultural Policy. Of the \$13,000,000, \$5,000,000 is to support state agricultural programs established in KRS 248.703(1)(b), \$4,000,000 for on-farm and rural community water management initiatives, and \$4,000,000 is for the University of Kentucky's Princeton Grain Crops Center of Excellence;

2. \$5,000,000 for the Kentucky Agricultural Finance Corporation;

3. \$6,000,000 for the counties account established in KRS 248.703(1)(a); and

4. \$5,000,000 for the Energy and Environment Cabinet's Environmental Stewardship Program.

d. Early Childhood Development Initiatives: Notwithstanding KRS 248.654, \$24,198,900 in MSA payments in fiscal year 2015-2016 is appropriated for early childhood development initiatives as specified in this Part.

e. Health Care Initiatives: Notwithstanding KRS 248.654 and 304.17B-003(5), \$9,159,000 in MSA payments in fiscal year 2015-2016 is appropriated to the Health Care Improvement Fund for health care initiatives as specified in this Part. Of the \$9,159,000, \$2,506,600 shall come from the remaining MSA payments received in fiscal year 2013-2014. The \$2,506,600 shall be appropriated in fiscal year 2015-2016 as follows:

1. \$682,500 for the Cabinet for Health and Family Service's Smoking Cessation Program;

2. \$459,100 for the Justice and Public Safety Cabinet's Office of Drug Control Policy; and

3. \$1,365,000 for the Lung Cancer Research Fund.

f. Deficit: If MSA payments received in fiscal year 2015-2016 are less than \$72,400,000, General Fund (Tobacco) appropriation reductions shall be applied as follows: 50 percent to the Agricultural Development Fund, 25 percent to the Early Childhood Development Fund, and 25 percent to the Health Care Improvement Fund.

g. Excess MSA Payments: Notwithstanding KRS 248.654, 248.703, and 304.17B-003(5), if MSA payments received in fiscal year 2015-2016 exceed \$72,400,000, the excess MSA payments shall remain in the Tobacco Settlement Agreement Fund and shall not be appropriated or expended without express authority in an enacted biennial budget.

~~[(6) MSA Appropriation Adjustments: Excluding any amounts received under Part X, (9), Nonparticipating Manufacturer Settlement Proceeds, if Phase I Master Settlement Agreement revenues exceed \$99,700,000 in fiscal year 2014-2015, or \$72,400,000 in fiscal year 2015-2016, these unanticipated revenues are hereby appropriated as follows: 50 percent to the Agricultural Development Fund, 25 percent to the Early Childhood Development Fund, and 25 percent to the Health Care Improvement Fund.~~

~~(7) MSA Appropriation Adjustment — Fiscal Year 2013-2014: The Consensus Forecasting Group reduced the fiscal year 2013-2014 Phase I Master Settlement Agreement revenue forecast by 50 percent from the enacted estimate of \$90,800,000 to \$45,400,000. The reduction in the MSA revenue estimate was based on the expectation that a nonparticipating manufacturer adjustment would be applied to the annual MSA payment in fiscal year 2013-2014. To accommodate this reduction in estimated revenues, the following fiscal year 2013-2014 appropriations and continuing appropriations are hereby reduced:~~

~~a. — Agricultural Development: General Government — Governor's Office of Agricultural Policy, \$14,379,300 in fiscal year 2013-2014; Energy and Environment Cabinet — Natural Resources, \$2,938,600 (\$2,500,000 in fiscal year 2013-2014 and \$438,600, continuing appropriation); and Finance and Administration Cabinet — Debt Service, \$5,806,300 in fiscal year 2013-2014.~~

~~b. — Early Childhood Development: General Government — Governor's Office: \$2,101,800 (\$1,912,500 in fiscal year 2013-2014 and \$189,300, continuing appropriation); Health and Family Services Cabinet — Community Based Services, \$100,000 in fiscal year 2013-2014; Health and Family Services Cabinet — Public Health, \$3,682,900 in fiscal year 2013-2014; Health and Family Services Cabinet — Behavioral Health, Developmental and Intellectual Disabilities, \$75,600 in fiscal year 2013-2014; and Council on Postsecondary Education — Kentucky Higher Education Assistance~~

Authority, \$301,000 in fiscal year 2013-2014.

~~c. Health Care Improvement: Health and Family Services Cabinet—Public Health—Smoking Cessation, \$839,400 in fiscal year 2013-2014; Justice and Public Safety Cabinet—Justice Administration, \$47,100 in fiscal year 2013-2014; Health and Family Services Cabinet—Health Benefit Exchange—Kentucky Access, \$14,657,300 in fiscal year 2013-2014; and Postsecondary Education—Council on Postsecondary Education, \$442,000 in fiscal year 2013-2014.~~

~~(8) Kentucky Access: To accommodate the fiscal year 2013-2014 budget reduction associated with Kentucky Access, the Cabinet for Health and Family Services may use surplus, unexpended, or continuing appropriations from any source, excluding General Fund (Tobacco) dollars, within the Cabinet to fund the Kentucky Access program in fiscal year 2013-2014.~~

~~(9) Nonparticipating Manufacturer Settlement Proceeds: Notwithstanding KRS 248.654, in the event a settlement is reached between the Commonwealth and the participating manufacturers regarding the nonparticipating manufacturer adjustment issue, any settlement proceeds shall be deposited into the Tobacco Settlement Agreement Fund and shall not be expended without appropriation authority granted by the General Assembly.~~

~~(10) Fiscal Year 2013-2014 County Accounts: Due to the budget reduction actions specified in Part X, (7), (a), the Governor's Office of Agricultural Policy shall transfer \$6,000,000 in continuing appropriations to the county accounts in fiscal year 2013-2014.]~~

A. STATE ENFORCEMENT

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

Notwithstanding KRS 248.654, appropriations for state enforcement shall be as follows:

1. FINANCE AND ADMINISTRATION CABINET

Budget Unit	2014-15	2015-16
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a. Revenue	250,000	250,000
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B. DEBT SERVICE

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

Notwithstanding KRS 248.654 and 248.703(4), appropriations for debt service

shall be as follows:

1. FINANCE AND ADMINISTRATION CABINET

Budget Unit	2014-15	2015-16
a. Debt Service	30,570,000	30,657,000

(1) **Debt Service:** To the extent that revenues sufficient to support the required debt service appropriations are received from the Tobacco Settlement Program, those revenues shall be made available from those accounts to the appropriate account of the General Fund. ~~If revenues received from the Tobacco Settlement Program in fiscal year 2013-2014 are insufficient to support the required debt service appropriations, notwithstanding 2012 Ky. Acts ch. 144, Part X., B., no more than \$5,751,000 of General Fund (Tobacco) moneys from the Governor's Office of Agricultural Policy shall be transferred to the Finance and Administration Cabinet, Debt Service budget unit to pay the necessary debt service.~~ All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there is a sufficient amount available to be transferred from tobacco-supported funding program accounts to other accounts of the General Fund.

(2) **General Fund (Tobacco) Debt Service Lapse:** Notwithstanding Part X~~-,~~ (4), of this Act, \$2,179,500 in fiscal year 2014-2015 and \$2,179,500 in fiscal year 2015-2016 shall lapse.

C. AGRICULTURAL DEVELOPMENT APPROPRIATIONS

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

Notwithstanding KRS 248.654 and 248.703(4), appropriations for agricultural

development shall be as follows:

PART I**1. GENERAL GOVERNMENT**

Budget Units	2014-15	2015-16
a. Governor's Office of Agricultural Policy	31,101,600	32,221,200 [12,221,200]

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

(2) **Agricultural Development Appropriations:** Notwithstanding KRS 248.703(1), included in the above General Fund (Tobacco) appropriation is \$19,350,000 in fiscal year 2014-2015 and \$15,850,000 ~~[9,850,000]~~ in fiscal year 2015-2016, for the counties account as specified in KRS 248.703(1)(a). *The additional \$6,000,000 in fiscal year 2015-2016 is provided from MSA moneys as detailed in Part X, (5) and (7)c. of this Act.*

(3) Kentucky Agricultural Finance Corporation: Included in the above General Fund (Tobacco) appropriation is \$5,000,000 in fiscal year 2015-2016 for the Kentucky Agricultural Finance Corporation. The \$5,000,000 is provided from MSA moneys as detailed in Part X, (5) and (7)c. of this Act.

(4) Water Management Initiatives: Included in the above General Fund (Tobacco) appropriation is \$4,000,000 in fiscal year 2015-2016 for on-farm and rural community drought and water assessment, monitoring, and improvements for agricultural purposes. The \$4,000,000 is provided from MSA moneys as detailed in Part X, (5) and (7)c. of this Act and may be utilized to leverage federal moneys for similar programs and services.

b. Agriculture	600,000	600,000
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(1) **Farms to Food Banks:** Included in the above General Fund (Tobacco) appropriation is \$600,000 in each fiscal year to support the Farms to Food Banks program

to benefit both Kentucky farmers and the needy by providing fresh, locally grown produce to food pantries.

2. ENERGY AND ENVIRONMENT CABINET

Budget Unit	2014-15	2015-16
a. Natural Resources	6,000,000	<u>5,000,000</u> [0-]

(1) **Environmental Stewardship Program:** Included in the above General Fund (Tobacco) appropriation is \$6,000,000 in fiscal year 2014-2015 and \$5,000,000 in fiscal year 2015-2016 for the Environmental Stewardship Program. The \$5,000,000 in fiscal year 2015-2016 is provided from MSA moneys as detailed in Part X, (5) and (7)c. of this Act.

PART II

1. GENERAL GOVERNMENT

<u>Budget Unit</u>	<u>2014-15</u>	<u>2015-16</u>
<u>a. Governor's Office of Agricultural Policy</u>		
<u>001. University of Kentucky's Princeton Grain Crops Center of Excellence</u>		
<u>General Fund (Tobacco)</u>	<u>-0-</u>	<u>4,000,000</u>

(1) Authorization: The above appropriation in fiscal year 2015-2016 for the University of Kentucky's Princeton Grain Crops Center of Excellence is provided from MSA moneys as detailed in Part X, (5) and (7)c. of this Act. Of the \$4,000,000, \$2,000,000 shall be spent on design for a meeting facility for Commercial Agriculture Education and \$2,000,000 shall be spent on land for research. Before the University of Kentucky may request any funds from the above appropriation, the Agricultural Development Board shall negotiate a cost share agreement with the University of Kentucky requiring the university to provide at least \$1,000,000 for the above project.

TOTAL - AGRICULTURAL APPROPRIATIONS	37,701,600	<u>41,821,200</u> [12,821,200]
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D. EARLY CHILDHOOD DEVELOPMENT

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

*Notwithstanding KRS 248.654, appropriations for early childhood development**shall be as follows:***1. GENERAL GOVERNMENT**

Budget Unit	2014-15	2015-16
a. Office of the Governor	1,912,500	1,912,500

(1) Governor's Office for Early Childhood Development: Included in the above General Fund (Tobacco) appropriation is \$1,912,500 in fiscal year 2014-2015 and \$1,912,500 in fiscal year 2015-2016 for the Early Childhood Advisory Council.

2. CABINET FOR HEALTH AND FAMILY SERVICES

Budget Units	2014-15	2015-16
a. Community Based Services	8,715,000	8,715,000

(1) Early Childhood Development Program: Included in the above General Fund (Tobacco) appropriation is \$8,715,000 in each fiscal year for the Early Childhood Development Program.

b. Public Health	11,580,000	11,580,000
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(1) HANDS Program, Healthy Start, Folic Acid Program, Early Childhood Mental Health, and Early Childhood Oral Health: Included in the above General Fund (Tobacco) appropriation is \$9,000,000 in each fiscal year for the Health Access Nurturing Development Services (HANDS) Program, \$1,000,000 in each fiscal year for Healthy Start initiatives, \$80,000 in each fiscal year for the Folic Acid Program, \$1,000,000 in each fiscal year for Early Childhood Mental Health, and \$500,000 in each fiscal year for Early Childhood Oral Health.

c. Behavioral Health, Developmental and Intellectual Disabilities Services	891,400	891,400
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(1) Substance Abuse Prevention and Treatment: Included in the above General Fund (Tobacco) appropriation is \$891,400 in each fiscal year for substance abuse prevention and treatment.

3. POSTSECONDARY EDUCATION

Budget Unit	2014-15	2015-16
a. Kentucky Higher Education Assistance Authority	1,100,000	1,100,000
<p>(1) Early Childhood Scholarships: Included in the above General Fund (Tobacco) appropriation is \$1,100,000 in each fiscal year for Early Childhood Scholarships.</p>		
TOTAL - EARLY CHILDHOOD APPROPRIATIONS	24,198,900	24,198,900

E. HEALTH CARE IMPROVEMENT APPROPRIATIONS

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

Notwithstanding KRS 248.654 and 304.17B-003(5), appropriations for health care improvement shall be as follows:

1. CABINET FOR HEALTH AND FAMILY SERVICES

Budget Unit	2014-15	2015-16
a. Public Health	2,486,300	<u>2,486,300</u> [1,803,800]
<p>(1) Smoking Cessation Program: Included in the above General Fund (Tobacco) appropriation is \$2,486,300 in fiscal year 2014-2015 and <u>\$2,486,300</u>[\$1,803,800] in fiscal year 2015-2016 for the Smoking Cessation Program. <u><i>The additional \$682,500 in fiscal year 2015-2016 is provided from MSA moneys as detailed in Part X, (5) and (7)e. of this Act.</i></u></p>		

2. JUSTICE AND PUBLIC SAFETY CABINET

Budget Unit	2014-15	2015-16
a. Justice Administration	1,700,200	<u>1,700,200</u> [1,241,100]
<p>(1) Office of Drug Control Policy: Included in the above General Fund (Tobacco) appropriation is \$1,700,200 in fiscal year 2014-2015 and <u>\$1,700,200</u>[\$1,241,100] in fiscal year 2015-2016 for the Office of Drug Control Policy. <u><i>The additional \$459,100 in fiscal year 2015-2016 is provided from MSA moneys as</i></u></p>		

detailed in Part X, (5) and (7)e. of this Act.

3. POSTSECONDARY EDUCATION

Budget Unit	2014-15	2015-16
a. Council on Postsecondary Education	4,972,500	4,972,500 [3,607,500]

(1) **Ovarian Cancer Screening:** Notwithstanding KRS 164.476, General Fund (Tobacco) moneys in the amount of ~~\$800,000~~~~[\$775,000]~~ in each fiscal year shall be allotted from the Lung Cancer Research Fund to the Ovarian Cancer Screening Outreach Program at the University of Kentucky.

(2) Lung Cancer Research Fund: Included in the above General Fund (Tobacco) appropriation is \$4,172,500 in fiscal year 2015-2016. The additional \$1,365,000 in fiscal year 2015-2016 is provided from MSA moneys as detailed in Part X, (5) and (7)e. of this Act.

TOTAL - HEALTH CARE APPROPRIATIONS	9,159,000	9,159,000 [6,652,400]
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TOTAL - PHASE I TOBACCO SETTLEMENT

FUNDING PROGRAM	101,879,500	106,086,100 [74,579,500]
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➔Section 2. 2014 Kentucky Acts Chapter 117, Part I, Operating Budget; A. General Government; 6. Governor's Office of Agricultural Policy, at pages 610 to 611, is amended to read as follows:

6. GOVERNOR'S OFFICE OF AGRICULTURAL POLICY

	2014-15	2015-16
General Fund (Tobacco)	31,101,600	32,221,200 [12,221,200]
Restricted Funds	843,800	553,500
TOTAL	31,945,400	32,774,700 [12,774,700]

(1) **Kentucky Agricultural Finance Corporation:** Notwithstanding KRS 247.978(2), the total amount of principal which a qualified applicant may owe the Kentucky Agricultural Finance Corporation at any one time shall not exceed \$5,000,000. Included in the above General Fund (Tobacco) appropriation is \$5,000,000 in fiscal

year 2015-2016 for the Kentucky Agricultural Finance Corporation. The \$5,000,000 is provided from MSA moneys as detailed in Part X, (5) and (7)c. of this Act.

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

(3) **Agricultural Development Appropriations:** Notwithstanding KRS 248.703(1), included in the above General Fund (Tobacco) appropriation is \$19,350,000 in fiscal year 2014-2015 and \$15,850,000~~[9,850,000]~~ in fiscal year 2015-2016 for the counties account as specified in KRS 248.703(1)(a). *The additional \$6,000,000 in fiscal year 2015-2016 is provided from MSA moneys as detailed in Part X, (5) and (7)c. of this Act.*

(4) **Appropriation of Unexpended Tobacco Debt Service:** Any unexpended balance from the fiscal year 2014-2015 or the fiscal year 2015-2016 General Fund (Tobacco) debt service appropriation in the Finance and Administration Cabinet, Debt Service budget unit, shall continue and be appropriated to the Governor's Office for Agricultural Policy.

(5) Water Management Initiatives: Included in the above General Fund (Tobacco) appropriation is \$4,000,000 in fiscal year 2015-2016 for on-farm and rural community drought and water assessment, monitoring, and improvements for agricultural purposes. The \$4,000,000 is provided from MSA moneys as detailed in Part X, (5) and (7)c. of this Act and may be utilized to leverage federal moneys for similar programs and services.

➔Section 3. 2014 Kentucky Acts Chapter 117, Part I, Operating Budget; E. Energy and Environment Cabinet; 3. Natural Resources, at pages 637 to 638, is amended to read as follows:

3. NATURAL RESOURCES

	2013-14	2014-15	2015-16
General Fund (Tobacco)	-0-	6,000,000	<u>5,000,000</u> [0-]
General Fund	742,600	32,882,900	33,579,600
Restricted Funds	-0-	16,431,700	16,342,400
Federal Funds	-0-	56,091,300	56,453,100
TOTAL	742,600	111,405,900	<u>111,375,100</u> [106,375,100]

(1) **Emergency Forest Fire Suppression:** Not less than \$240,000 of the above General Fund appropriation for each fiscal year shall be set aside for emergency forest fire suppression. 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 \$240,000. Fire suppression costs in excess of \$240,000 annually shall be deemed necessary government expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

(2) **Mine Safety:** Notwithstanding KRS 42.4592, included in the above General Fund appropriation is \$3,219,800 in each fiscal year from the Local Government Economic Development Fund for the Office of Mine Safety and Licensing. Notwithstanding KRS 351.140, the number of mandatory mine safety inspections to be carried out by the Office of Mine Safety and Licensing shall be equal to the number of mine safety inspections required annually by the Mine Safety and Health Administration.

(3) **Conservation Districts:** Included in the above General Fund appropriation is \$950,000 in each fiscal year for the Division of Conservation to provide direct aid to local conservation districts.

(4) **Forestry Tree Nurseries:** Included in the above Restricted Funds appropriation is \$250,000 in each fiscal year for the Department of Natural Resources' tree nursery programs in Morgan County and Marshall County.

(5) **Division of Oil and Gas:** Notwithstanding KRS 42.4588, included in the

above Restricted Funds appropriation is \$25,000 in each fiscal year for the Division of Oil and Gas within the Department for Natural Resources for an update of the Best Practices Manual.

(6) Environmental Stewardship Program: Included in the above General Fund (Tobacco) appropriation is \$5,000,000 in fiscal year 2015-2016 for the Environmental Stewardship Program. The \$5,000,000 in fiscal year 2015-2016 is provided from MSA moneys as detailed in Part X, (5) and (7)c. of this Act.

➔Section 4. 2014 Kentucky Acts Chapter 117, Part I, Operating Budget; G. Health and Family Services Cabinet; 5. Public Health, at pages 645 to 646, is amended to read as follows:

5. PUBLIC HEALTH

	2014-15	2015-16
General Fund (Tobacco)	14,066,300	<u>14,066,300</u> [13,383,800]
General Fund	68,820,000	71,111,300
Restricted Funds	97,016,400	97,160,000
Federal Funds	199,916,700	186,493,400
TOTAL	379,819,400	<u>368,831,000</u> [368,148,500]

(1) Tobacco Settlement Funds: Included in the above General Fund (Tobacco) appropriation is \$9,000,000 in each fiscal year for the Health Access Nurturing Development Services Program, \$1,000,000 in each fiscal year for Healthy Start initiatives, \$80,000 in each fiscal year for Folic Acid Program, \$1,000,000 in each fiscal year for Early Childhood Mental Health, \$500,000 in each fiscal year for Early Childhood Oral Health, and \$2,486,300 in fiscal year 2014-2015 and \$2,486,300~~[1,803,800]~~ in fiscal year 2015-2016 for Smoking Cessation. **The additional \$682,500 in fiscal year 2015-2016 for Smoking Cessation is provided from MSA moneys as detailed in Part X, (5) and (7)e. of this Act.**

(2) Local and District Health Department Retirement Cost Increase: Included

in the above General Fund appropriation is a total of \$17,909,700 in each fiscal year for Local and District Health Departments to assist them with employer contributions for the Kentucky Employees Retirement System. Of that amount, \$14,615,600 is to fully fund the increase in employer contribution rates in both fiscal years. In July and January of each year the Department for Public Health shall obtain the total creditable compensation reported by each Local and District Health Department Board to the Kentucky Retirement System and utilize that number to determine how much of this total appropriation shall be distributed to each Department. Payments to the Departments shall be made on September 1 and April 1 of each fiscal year.

(3) **Debt Service:** Included in the above General Fund appropriation is \$212,500 in fiscal year 2014-2015 and \$425,000 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

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

(5) **Diabetes Services:** Included in the above General Fund appropriation is \$2,600,000 in each fiscal year for continuation of base services through Local and District Health Departments.

➔Section 5. 2014 Kentucky Acts Chapter 117, Part I, Operating Budget; H. Justice and Public Safety Cabinet; 1. Justice Administration, at page 648, is amended to read as follows:

1. JUSTICE ADMINISTRATION

	2014-15	2015-16
General Fund (Tobacco)	1,700,200	<u>1,700,200</u> [1,241,100]

General Fund	11,095,700	11,210,300
Restricted Funds	3,893,500	3,814,600
Federal Funds	11,135,600	11,135,600
TOTAL	27,825,000	27,401,600 27,860,700

(1) **Operation Unite:** Included in the above Restricted Funds appropriation is \$2,000,000 in each fiscal year for Operation Unite.

(2) **Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$1,700,200 in fiscal year 2014-2015 and ~~\$1,241,100~~ **\$1,700,200** in fiscal year 2015-2016 for the Office of Drug Control Policy. *The additional \$459,100 in fiscal year 2015-2016 is provided from MSA moneys as detailed in Part X, (5) and (7)e. of this Act.*

(3) **Kentucky Legal Education Opportunity Program:** Included in the above General Fund appropriation is \$250,000 in each fiscal year for the Kentucky Legal Education Opportunity Program. All Kentucky law schools may participate in the program, but the summer institute shall be held on the campus of the University of Kentucky.

(4) **Madisonville Medical Examiner's Office:** Included in the above General Fund appropriation is \$327,200 in each fiscal year for the operation of the Madisonville Medical Examiner's Office. The office shall not be relocated or closed during the 2014-2016 biennium.

(5) **Court Appointed Special Advocates:** Included in the above General Fund appropriation is \$25,000 in fiscal year 2014-2015 for Court Appointed Special Advocates in Hardin County.

(6) **Public Safety First Programs:** Included in the appropriations for the Justice and Public Safety Cabinet is \$1,100,000 in each fiscal year for Public Safety First programs. Expenditure of these funds may be from a combination of any of the following appropriation units: Justice Administration, State Police, Corrections Management, Adult

Correctional Institutions, and Community Services and Local Facilities.

➔Section 6. 2014 Kentucky Acts Chapter 117, Part I, Operating Budget; K. Postsecondary Education; 1. Council on Postsecondary Education, at pages 655 to 656, is amended to read as follows:

1. COUNCIL ON POSTSECONDARY EDUCATION

	2013-14	2014-15	2015-16
General Fund (Tobacco)	-0-	4,972,500	<u>4,972,500</u> [3,607,500]
General Fund	-0-	45,489,900	71,405,000
Restricted Funds	293,800	6,022,400	6,027,600
Federal Funds	-0-	18,073,800	18,102,500
TOTAL	293,800	74,558,600	<u>100,507,600</u> [99,142,600]

(1) Carry Forward of General Fund Appropriation Balance: Notwithstanding KRS 45.229, the General Fund appropriation in fiscal year 2013-2014 and fiscal year 2014-2015 to the Adult Education and Literacy Funding Program shall not lapse and shall carry forward.

Notwithstanding KRS 45.229, the General Fund appropriation in fiscal year 2013-2014 and fiscal year 2014-2015 to the Science and Technology Funding Program shall not lapse and shall carry forward.

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

(3) Ovarian Cancer Screening: Notwithstanding KRS 164.476(1), General Fund (Tobacco) moneys in the amount of \$800,000~~[\$775,000]~~ in each fiscal year shall be allotted from the Lung Cancer Research Fund to the Ovarian Cancer Screening Outreach Program at the University of Kentucky.

(4) **Debt Service:** Included in the above General Fund appropriation is \$2,940,500 in fiscal year 2014-2015 and \$28,491,500 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(5) **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.

(6) **Washington D.C. Internship Program:** Included in the above General Fund appropriation are funds in each fiscal year for scholarships to the Washington Center for Internships and Academic Seminars.

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

(8) **Contract Spaces:** Included in the above General Fund appropriation is \$5,419,000 in fiscal year 2014-2015 and \$5,680,100 in fiscal year 2015-2016 for the Contract Spaces Program.

(9) **Veterinary Medicine:** If General Fund appropriations are not sufficient to fully fund 164 veterinary slots, the Council on Postsecondary Education shall fully fund the 164 slots out of the Council's base budget.

(10) **Optometry Slots:** If General Fund appropriations are not sufficient to fully fund 44 optometry slots, the Council on Postsecondary Education shall fully fund the 44 slots out of the Council's base budget. The Council on Postsecondary Education shall

conduct a study on the effect that the licensure and accreditation of any school of optometry within the Commonwealth would have on the Contract Spaces Program. The Council on Postsecondary Education shall submit a report containing the results of this study to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Education by December 1, 2015.

(11) Council Presidential Compensation: Notwithstanding KRS 164.013(6), the Council on Postsecondary Education shall set the salary of the President at an amount no greater than the salary he was receiving on January 1, 2012.

(12) Lung Cancer Research Fund: Included in the above General Fund (Tobacco) appropriation is \$4,172,500 in fiscal year 2015-2016. The additional \$1,365,000 in fiscal year 2015-2016 is provided from MSA moneys as detailed in Part X, (5) and (7)e. of this Act.

➔Section 7. 2014 Kentucky Acts Chapter 117, Part II, Capital Projects Budget; A. General Government; after 10. School Facilities Construction Commission, at page 670, is amended by adding the following:

11. GOVERNOR'S OFFICE OF AGRICULTURAL POLICY

001. University of Kentucky's Princeton Grain Crops Center of Excellence

<u>General Fund (Tobacco)</u>	<u>-0-</u>	<u>4,000,000</u>
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(1) Authorization: The above appropriation in fiscal year 2015-2016 for the University of Kentucky's Princeton Grain Crops Center of Excellence is provided from MSA moneys as detailed in Part X, (5) and (7)c. of this Act. Of the \$4,000,000, \$2,000,000 shall be spent on design for a meeting facility for Commercial Agriculture Education, and \$2,000,000 shall be spent on land for research. Before the University of Kentucky may request any funds from the above appropriation, the Agricultural Development Board shall negotiate a cost share agreement with the University of Kentucky requiring the university to provide at least \$1,000,000 for the above project.

➔Section 8. 2014 Kentucky Acts Chapter 117, Part VI, General Fund Budget

Reduction Plan, at pages 749 to 750, is amended to read as follows:

PART VI

GENERAL FUND BUDGET REDUCTION PLAN

Pursuant to KRS 48.130 and 48.600, a General Fund Budget Reduction Plan is enacted for state government in the event of an actual or projected revenue shortfall in General Fund revenue receipts, excluding Tobacco Settlement – Phase I receipts, of \$9,801,299,200 in fiscal year 2014-2015 and \$10,067,223,600 in fiscal year 2015-2016, as determined by KRS 48.120 and modified by related Acts and actions of the General Assembly in an extraordinary or regular session. Direct services, obligations essential to the minimum level of constitutional functions, and other items that may be specified in this Act, are exempt from the requirements of this Plan. Each branch head shall prepare a specific plan to address a proportionate share of the General Fund revenue shortfall applicable to the respective branch. No budget revision action shall be taken by a branch head in excess of the actual or projected revenue shortfall.

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

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

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

(2) Transfers of excess unappropriated Restricted Funds, notwithstanding any statutes to the contrary, other than fiduciary funds, to the General Fund shall be applied as

determined by the head of each branch for its respective budget units. No transfers to the General Fund shall be made from the following:

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

(b) ~~[Unexpended debt service from the]~~Tobacco-Settlement Phase I Funds, **including but not limited to unexpended debt service and the Tobacco Unbudgeted Interest Income-Rural Development Trust Fund,** in either fiscal year; **and**

(c) ~~[Tobacco Unbudgeted Interest Income-Rural Development Trust Fund; and~~

~~(d)]~~Multi-County Coal Severance Fund;

(3) ~~[Any unanticipated Phase I Master Settlement Agreement revenues in both fiscal years shall be appropriated according to KRS 248.654;~~

~~(4)]~~Use of the unappropriated balance of the General Fund surplus shall be applied;

~~(4)~~~~(6)~~ Reduce General Fund appropriations in Executive Branch agencies' operating budget units by a sufficient amount to balance either fiscal year. No reductions of General Fund appropriations shall be made from the Local Government Economic Assistance Fund or the Local Government Economic Development Fund;

~~(5)~~~~(8)~~ Excess General Fund appropriations which accrue as a result of personnel vacancies and turnover, and reduced requirements for operating expenses, grants, and capital outlay shall be determined and applied by the heads of the executive, judicial, and legislative departments of state government for their respective branches. The branch heads shall certify the available amounts which shall be applied to budget units within the respective branches and shall promptly transmit the certification to the Secretary of the Finance and Administration Cabinet and the Legislative Research Commission. The Secretary of the Finance and Administration Cabinet shall execute the certified actions as transmitted by the branch heads.

Branch heads shall take care, by their respective actions, to protect, preserve, and

advance the fundamental health, safety, legal and social welfare, and educational well-being of the citizens of the Commonwealth;

~~(6)~~~~(9)~~ Funds available in the Budget Reserve Trust Fund shall be applied in an amount not to exceed 25 percent of the Trust Fund balance in fiscal year 2014-2015 and 50 percent in fiscal year 2015-2016; and

~~(7)~~~~(10)~~ Pursuant to KRS 48.130 and 48.600, if the actions contained in subsections (1) to ~~(6)~~~~(5)~~ of this Part are insufficient to eliminate an actual or projected General Fund revenue shortfall, then the Governor is empowered and directed to take necessary actions with respect to the Executive Branch budget units to balance the budget by such actions conforming with the criteria expressed in this Part.

➔Section 9. As contained in the 2014-2016 enacted executive branch budget as amended by the 2015 Regular Session of the General Assembly, the \$4,000,000 appropriation to the Governor's Office of Agricultural Policy for the University of Kentucky's Princeton Grain Crops Center of Excellence in fiscal year 2015-2016 was provided from MSA moneys as detailed in Part X, (5) and (7)c. of the amended executive branch budget. Of the \$4,000,000, \$2,000,000 shall be spent on design for a meeting facility for Commercial Agriculture Education, and \$2,000,000 shall be spent on land for research. Before the University of Kentucky may request any funds from the appropriation, the Agricultural Development Board shall negotiate a cost share agreement with the University of Kentucky requiring the university to provide at least \$1,000,000 for the above project. Should the University of Kentucky not buy land and complete design for the Princeton Grain Crops Center of Excellence by June 30, 2017, the moneys shall lapse to the Governor's Office of Agricultural Policy's state account.

➔Section 10. As contained in the 2014-2016 enacted executive branch budget as amended by the 2015 Regular Session of the General Assembly, the \$4,000,000 appropriation to the Governor's Office of Agricultural Policy in fiscal year 2015-2016 for on-farm and rural community drought and water assessment, monitoring, and

improvements for agricultural purposes was provided from MSA moneys as detailed in Part X, (5) and (7)c. of the amended executive branch budget. The appropriation may be utilized to leverage federal moneys for similar programs and services. Any remaining funds shall not lapse but shall be carried forward into the next fiscal biennium for the purposes outlined in this section.

➔Section 11. 2014 Kentucky Acts Chapter 117, Part II, Capital Projects Budget; A. General Government; 2. Kentucky Infrastructure Authority, at pages 665 to 668, is amended to read as follows:

2. KENTUCKY INFRASTRUCTURE AUTHORITY

001. KIA Fund A – Federally Assisted Wastewater Program – 2014-2016

Federal Funds	16,227,100	16,211,300
Bond Funds	-0-	3,100,000
Agency Bonds	100,000,000	-0-
TOTAL	116,227,100	19,311,300

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

002. KIA Fund F – Drinking Water Revolving Loan Program – 2014-2016

Federal Funds	12,757,700	12,753,000
Bond Funds	-0-	2,300,000
Agency Bonds	25,000,000	-0-
TOTAL	37,757,700	15,053,000

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

003. Jessamine-South Elkhorn Water District - Catnip Hill Pike 1.0 MG

Elevated Storage Tank Project (WX21113016) Reauthorization and

Reallocation (\$440,000 Bond Funds)

(1) **Reauthorization and Reallocation:** The above project is authorized from a reallocation of the City of Wilmore - Sewer System Service to Ichthus Area project as set forth in 2006 Ky. Acts, ch. 252, Part II, O., Jessamine County, 004. and amended by 2006 Ky. Acts, ch. 251, Section 73., the Jessamine County Fiscal Court - Sewer Project project as set forth in 2006 Ky. Acts, ch. 252, Part II, O., Jessamine County, 007. and amended by 2006 Ky. Acts, ch. 251, Section 74., and the Jessamine County Fiscal Court - Sewer Service to Centennial Park project as set forth in 2006 Ky. Acts, ch. 252, Part II, O., Jessamine County, 008. and amended by 2006 Ky. Acts, ch. 251, Section 75.

004. Harlan County Fiscal Court - Black Mountain Utility District -

Greenhill Water Line Rehabilitation Project Reauthorization and Reallocation (\$325,000 Restricted Funds)

(1) **Reauthorization and Reallocation:** The above project is authorized from a reallocation of the Harlan County Fiscal Court - Black Mountain Utility District - Greenhill Water - Woodward Water Project Reauthorization and Reallocation project as set forth in 2012 Ky. Acts, ch. 144, Section 1., Part II, A., 2., 016.

005. Greenup County Fiscal Court - Water Lines Reauthorization and

Reallocation (\$25,000 Bond Funds)

(1) **Reauthorization and Reallocation:** The above project is authorized from a reallocation of the Greenup County Fiscal Court - South Shore - McKell Branch Water and Sewer Work for Meeting Room Expansion/Renovation project as set forth in 2008 Ky. Acts ch. 191, Section 2, Greenup County, 020. and in 2009 Ky. Acts ch. 50, Section 2, Greenup County, 020.

006. Greenup County Fiscal Court - Water and Sewer Reauthorization and

Reallocation (\$20,000 Bond Funds)

(1) **Reauthorization and Reallocation:** The above project is authorized

from a reallocation of the Greenup County Fiscal Court - Water and Sewer Improvements project as set forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Coal Producing Counties, Greenup.

007. City of Wurtland - Sewer Expansion Project Reauthorization and Reallocation (\$100,996 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the City of Wurtland - Lloyd Sewer Expansion Project project as set forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Coal Producing Counties, Greenup.

008. City of Wurtland - Sewer Project (SX21089021) Reauthorization and Reallocation (\$470,000 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the City of Wurtland - Lloyd Sewer Project (SX21089021) project as set forth in 2006 Ky. Acts, ch. 252, Part II, N., Greenup County, 009.

009. City of Scottsville - Spring Valley Sewer Extension Project (SX21003026) Reauthorization and Reallocation (\$102,500 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the City of Scottsville - 980 Project Extension Sewer and Water to New Highway #231 project as set forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Tobacco Counties, Allen and the City of Scottsville - Sewer Lines to Future Industrial Property project as set forth in 2008 Ky. Acts ch. 191, Section 2, Allen County, 005. and in 2009 Ky. Acts ch. 50, Section 2, Allen County, 005.

010. City of Manchester - Raw Water Pump Replacement - Goose Creek Intake (WX21051009) Reauthorization and Reallocation (\$50,000 Restricted Funds)

(1) **Reauthorization and Reallocation:** The above project is authorized from a reallocation of the City of Manchester - Hacker Water Line - Hacker School to Fire Department project as set forth in 2012 Ky. Acts, ch. 144, Section 1., Part II, M., Clay County, 001.

011. Bourbon County Fiscal Court - City of Paris - Centerville Sewer Project (SX21017009) Reauthorization and Reallocation (\$257,700 Bond Funds)

(1) **Reauthorization and Reallocation:** The above project is authorized from a reallocation of the Bourbon County Fiscal Court - Bourbon Hills Sanitary Sewer Collection Project project as set forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Tobacco Counties, Bourbon and the City of Paris - Bourbon Hills Sanitary Sewer Collection Project (SX21017006) project as set forth in 2008 Ky. Acts ch. 191, Section 2, Bourbon County, 005. and in 2009 Ky. Acts ch. 50, Section 2, Bourbon County, 005. and the City of Paris - Bourbon Hills Sanitary Sewer Collection Project Phase II (SX21017011) project as set forth in 2008 Ky. Acts ch. 191, Section 2, Bourbon County, 007. and in 2009 Ky. Acts ch. 50, Section 2, Bourbon County, 007. and the Bourbon County Fiscal Court - Fire Hydrant Project project as set forth in 2006 Ky. Acts, ch. 252, Part II, O., Bourbon County, 003.

012. City of Greenup - Supplemental Fire Hydrant - Rte. 207 Reauthorization and Reallocation (\$1,000 Bond Funds)

(1) **Reauthorization and Reallocation:** The above project is authorized from a reallocation of the City of Greenup - Water Improvements Reauthorization and Reallocation project as set forth in 2012 Ky. Acts, ch. 144, Section 1., Part II, A., 2., 010.

013. Monroe County Water District - Monroe County Water District Improvement - Tooley Ridge Tank Replacement (WX21171008) Reauthorization and Reallocation (\$270,000 Bond Funds)

(1) **Reauthorization and Reallocation:** The above project is authorized

from a reallocation of the Monroe-Tompkinsville Regional Water Treatment Plant - Monroe - Tompkinsville Regional Water Treatment Plant (WX21171027) project as set forth in 2008 Ky. Acts ch. 191, Section 2, Monroe County, 004. and in 2009 Ky. Acts ch. 50, Section 2, Monroe County, 004.

014. Monroe County Water District - Monroe County - City of Edmonton

Interconnect (WX21171044) Reauthorization and Reallocation

(\$99,000 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Monroe-Tompkinsville Regional Water Treatment Plant - Monroe - Tompkinsville Regional Water Treatment Plant (WX21171027) project as set forth in 2008 Ky. Acts ch. 191, Section 2, Monroe County, 004. and in 2009 Ky. Acts ch. 50, Section 2, Monroe County, 004.

015. Monroe County Water District - Treatment Plant Upgrade Phase 2

(WX21171045) Reauthorization and Reallocation (\$78,266 Bond

Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Monroe-Tompkinsville Regional Water Treatment Plant - Monroe - Tompkinsville Regional Water Treatment Plant (WX21171027) project as set forth in 2008 Ky. Acts ch. 191, Section 2, Monroe County, 004. and in 2009 Ky. Acts ch. 50, Section 2, Monroe County, 004.

016. City of Tompkinsville - Beldon Water Tank Rehab (WX21171020)

Reauthorization and Reallocation (\$100,000 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the City of Tompkinsville - East Industrial Park Sewer Improvements (SX21171013) project as set forth in 2008 Ky. Acts ch. 191, Section 2, Monroe County, 002. and in 2009 Ky. Acts ch. 50, Section 2, Monroe County, 002.

017. Monroe County Water District - Treatment Plant Upgrade Phase 2

(WX21171045) Reauthorization and Reallocation (\$320,096 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Tompkinsville and Monroe County Water Districts - Joint Water Treatment Plant project as set forth in 2006 Ky. Acts, ch. 252, Part II, O., Monroe County, 005.

018. City of Campbellsville - Wastewater Treatment Plant Improvements

(SX21217001) Reauthorization and Reallocation (\$267,100 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the City of Campbellsville - Sewer Lines for Campbellsville Bypass project as set forth in 2008 Ky. Acts ch. 191, Section 2, Taylor County, 002. and in 2009 Ky. Acts ch. 50, Section 2, Taylor County, 002., and the City of Campbellsville - Water and Sewer for Campbellsville/Taylor County Regional Health Center and Various Projects project as set forth in 2008 Ky. Acts ch. 191, Section 2, Taylor County, 005. and in 2009 Ky. Acts ch. 50, Section 2, Taylor County, 005.

019. Nicholas County Fiscal Court - Phase X - Waterline Extensions

(WX21181007) - Reauthorization and Reallocation (\$185,000 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Nicholas County Fiscal Court - 0.9 mile Waterline Extension KY 1658 project as set forth in 2008 Ky. Acts ch. 191, Section 2, Nicholas County, 001. and in 2009 Ky. Acts ch. 50, Section 2, Nicholas County, 001., and the Nicholas County Fiscal Court - 1.0 mile Waterline Extension KY 1308 project as set forth in 2008 Ky. Acts ch. 191, Section 2, Nicholas County, 002. and in 2009 Ky. Acts ch. 50, Section 2, Nicholas County, 002.

020. Ohio County Water District - Fire Hydrants (WX21183001) -

Reauthorization and Reallocation (\$27,960 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Ohio County Water District - Water Line Extension project as set forth in 2003 Ky. Acts ch. 156, Part XIII, A., Ohio County, 77..

021. City of Flemingsburg - Phase 2 - Flemingsburg Bypass Sewer Line

(SX21069020) - Reauthorization and Reallocation (\$13,500 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Fleming County Fiscal Court - Hillsboro Sewer (\$3,000,000 Project) project as set forth in 2003 Ky. Acts ch. 156, Part XIII, B., Fleming County, 49., and the City of Flemingsburg - Cherry Grove Road Sewer Project project as set forth in 2006 Ky. Acts ch. 252, Part II, O., Fleming County, 001..

022. Western Fleming County Water District - WFWD - Office Upgrade

(WX21069035) - Reauthorization and Reallocation (\$13,900 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Fleming County Fiscal Court - Hillsboro Sewer (\$3,000,000 Project) project as set forth in 2003 Ky. Acts ch. 156, Part XIII, B., Fleming County, 49..

023. Southeast Daviess County Water District - Supplies (WX21059012)

Reauthorization and Reallocation (\$740 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Southeast Daviess County Water District - Brownwood Manor/Fields Road - Water Line Extensions project as set forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Coal Producing Counties, Daviess.

024. City Utilities Commission of Corbin - City of Corbin - KY 1232 -

Barbourville Road Sanitary Sewer Line Extension (SX21121509)

Reauthorization and Reallocation (\$202,441 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized

from a reallocation of the Knox County Fiscal Court - Sewer Line Extending From KY 1232 South to By-Pass project as set forth in 2008 Ky. Acts ch. 123, Section 3, 007..

025. City of Campbellsville - Water Treatment Plant Improvements

(SX21217001) Reauthorization and Reallocation (\$4,688 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Taylor County Fiscal Court - Industrial Park Infrastructure project as set forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Tobacco Counties, Taylor.

026. Letcher County Fiscal Court - Thornton Millstone Connector - Water to

Neon from MJP School Reauthorization and Reallocation (\$103,760 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Letcher County Fiscal Court - Various Water and Sewer Projects project as set forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Coal Producing Counties, Letcher, the Letcher County Fiscal Court - City of Fleming-Neon Water Line Extension project as set forth in 2003 Ky. Acts ch. 156, Part XIII, A., Letcher County, 60., the Letcher County Fiscal Court - City of Jenkins Water Line Extension project as set forth in 2003 Ky. Acts ch. 156, Part XIII, A., Letcher County, 61., the Letcher County Fiscal Court - Mountain Water District Water Line Extension project as set forth in 2003 Ky. Acts ch. 156, Part XIII, A., Letcher County, 62., the Letcher County Fiscal Court - Whitesburg Water Line Extension to Dry Fork-Uz project as set forth in 2003 Ky. Acts ch. 156, Part XIII, A., Letcher County, 63., and the Letcher County Water and Sewer District - Water Line Extension Route 7 and 317 project as set forth in 2003 Ky. Acts ch. 156, Part XIII, A., Letcher County, 64..

027. City of Greenup - Fire Hydrant/Supplies (WX21089038) Reauthorization and Reallocation (\$745 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Greenup County Fiscal Court - Water and Sewer Improvements project as set forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Coal Producing Counties, Greenup, the City of Worthington - Well Head Project and Water System project as set forth in 2003 Ky. Acts ch. 156, Part XIII, A., Greenup County, 28., the Greenup County Fiscal Court - Raceland/Poplar Highlands Water Extensions project as set forth in 2003 Ky. Acts ch. 156, Part XIII, A., Greenup County, 29., and City of Raceland - SX21089030 project as set forth in 2006 Ky. Acts ch. 252, Part II, N., Greenup County, 005..

028. Henderson County Fiscal Court - Water and Sewer Extension for Finley Reauthorization and Reallocation (\$25,000 Restricted Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Henderson County Water District - Tillman Bethel Road - Water Line Extension project as set forth in 2010 (1st Extra. Sess.) Ky. Acts ch. 1, Part II, N., Henderson County, 018..

029. Allen County Fiscal Court - Fire Hydrant Purchase and Installation Reauthorization and Reallocation (\$1,588 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the City of Scottsville - 980 Project Extension Sewer and Water to New Highway #231 project as set forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Tobacco Counties, Allen, the Allen County Fiscal Court - Industrial Sewer Line Extension project as set forth in 2003 Ky. Acts ch. 156, Part XIII, B., Allen County, 2., Allen County Fiscal Court - Rural Water Line Improvements and Fire Hydrants project as set forth in 2006 Ky. Acts ch. 252, Part II, O., Allen County, 001., and the City of Scottsville - Bluegrass Drive Sewer project as set forth in 2008 Ky. Acts ch. 191, Section 2, Allen County, 003.

and in 2009 Ky. Acts ch. 50, Section 2, Allen County, 003..

030. City of Scottsville - Debt Service Payment on KIA Sewer Treatment Plant
Improvement Reauthorization and Reallocation (\$1,588 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the City of Scottsville - 980 Project Extension Sewer and Water to New Highway #231 project as set forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Tobacco Counties, Allen, the Allen County Fiscal Court - Industrial Sewer Line Extension project as set forth in 2003 Ky. Acts ch. 156, Part XIII, B., Allen County, 2., Allen County Fiscal Court - Rural Water Line Improvements and Fire Hydrants project as set forth in 2006 Ky. Acts, ch. 252, Part II, O., Allen County, 001., and the City of Scottsville - Bluegrass Drive Sewer project as set forth in 2008 Ky. Acts ch. 191, Section 2, Allen County, 003. and in 2009 Ky. Acts ch. 50, Section 2, Allen County, 003..

031. City of Franklin - Various Water Supply Improvements Reauthorization and Reallocation (\$1,670 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the City of Franklin - Various Water Supply and Sewer Improvements project as set forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Tobacco Counties, Simpson.

032. Boone County Water District - BCWD - Hathaway Road Water Main Extension (WX21015518) Reauthorization and Reallocation (\$85,318 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Boone County Fiscal Court - Conner Road Water Line Extensions project as set forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Tobacco Counties, Boone, the Boone County Fiscal Court - Frogtown Road Water Line Extensions project as set

forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Tobacco Counties, Boone, and City of Florence - SX21015504 - Gun Powder Road Sewer Extension project as set forth in 2006 Ky. Acts ch. 252, Part II, O., Boone County, 006..

033. City of Hawesville - Regulator and/or Other Sewer System Related

Equipment for the Sewer Plant Reauthorization and Reallocation (\$587 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Hancock County Fiscal Court - Hawesville Water and Sewer Improvements project as set forth in 2006 Ky. Acts ch. 252, Part II, N., Hancock County, 003..

034. City of Nicholasville - Armory Place Water Distribution System

Improvement Project (WX21113042) Reauthorization and Reallocation (\$19,811 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the City of Nicholasville - Union Mill Road Extension to the Jessamine County Fire District Building project as set forth in 2006 Ky. Acts ch. 252, Part II, O., Jessamine County, 003., and the City of Nicholasville - Crenshaw Lane Waterline Extension (WX21113026) project as set forth in 2008 Ky. Acts ch. 191, Section 2, Jessamine County, 003. and in 2009 Ky. Acts ch. 50, Section 2, Jessamine County, 003..

035. Bourbon County Fiscal Court - Centerville Sewer Project (SX21017009)

Reauthorization and Reallocation (\$7,550 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the City of Paris Water Line Extension project as set forth in 2003 Ky. Acts ch. 156, Part XIII, B., Bourbon County, 9..

036. Marion County Water District - Danville Highway Pump Upgrade

(WX21155036 Reauthorization and Reallocation (\$14,536 Bond Funds))

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the City of Lebanon - Loretto Water Project project as set forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Tobacco Counties, Marion, the Marion County Water District - Line Extensions project as set forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Tobacco Counties, Marion, and the City of Loretto - Sewer Treatment Collection and Pump Station project as set forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Tobacco Counties, Marion.

→Section 12. 2014 Kentucky Acts Chapter 117, Part II, Capital Projects Budget; M. Coal Severance Tax Projects; 1. General Government; a. Department for Local Government; Greenup County, at page 716, is amended to read as follows:

Greenup County**001. City of South Shore - Parks and Recreation**

Restricted Funds	-0-	1,000	-0-
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002. Eastern Kentucky University - Feasibility study of Aviation/Aerospace academic program at the Ashland Regional Airport in Worthington

Restricted Funds	-0-	3,000	-0-
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003. Greenup County Health Department - Ovarian Screening Project

Restricted Funds	-0-	10,000	-0-
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004. Kentucky Department of Parks - Greenbo Lake State Resort Park - Picnic shelters or cottages

<u>Restricted Funds</u>	<u>-0-</u>	<u>6,000</u>	<u>-0-</u>
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→Section 13. Whereas the provisions of this Act provide ongoing support for programs funded in the 2014-2016 executive branch biennial budget, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor

or upon it otherwise becoming law.