

HOUSE OF REPRESENTATIVES

KENTUCKY GENERAL ASSEMBLY BUDGET AMENDMENT FORM  
2016 REGULAR SESSION  
**Unofficial Document**

Amend printed copy of HB 303

Beginning on page 1, line 7, through page 133, line 8, delete all language and insert the following in lieu thereof.

**"PART I**

**OPERATING BUDGET**

**(1) Funds Appropriations:** There is appropriated out of the General Fund, Road Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for the fiscal year beginning July 1, 2015, and ending June 30, 2016, for the fiscal year beginning July 1, 2016, and ending June 30, 2017, and for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following discrete sums, or so much thereof as may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each appropriation is made by source of respective fund or funds accounts. Appropriations for the following officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and budget units of the state government, and any and all other activities of the government of the Commonwealth, are subject to the provisions of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions and procedures set forth in this Act.

**(2) Tobacco Settlement Funds:** Appropriations identified as General Fund (Tobacco) in Part I, Operating Budget, of this Act are representative of the amounts provided in Part X, Phase

Amendment No. HFA 4

Sponsor: Rep. Steven Rudy

Committee Amendment:

Signed: \_\_\_\_\_

Floor Amendment:

LRC Drafter: Settle, Leah

Adopted: \_\_\_\_\_

Date: \_\_\_\_\_

Rejected: \_\_\_\_\_

Doc. ID: XXXXXX

**Not for Filing**

# Unofficial Document

I Tobacco Settlement, of this Act and are not to be appropriated in duplication.

## A. GENERAL GOVERNMENT

### Budget Units

#### 1. OFFICE OF THE GOVERNOR

	2015-16	2016-17	2017-18
General Fund (Tobacco)	-0-	2,050,000	2,050,000
General Fund	-0-	5,455,700	5,516,800
Restricted Funds	-0-	323,200	325,000
Federal Funds	870,000	2,506,200	1,078,900
<b>TOTAL</b>	<b>870,000</b>	<b>10,335,100</b>	<b>8,970,700</b>

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

#### 2. OFFICE OF STATE BUDGET DIRECTOR

	2016-17	2017-18
General Fund	3,135,100	3,165,500
Restricted Funds	229,100	242,300
<b>TOTAL</b>	<b>3,364,200</b>	<b>3,407,800</b>

#### 3. STATE PLANNING FUND

	2016-17	2017-18
General Fund	137,200	137,200

#### 4. HOMELAND SECURITY

	2016-17	2017-18
General Fund	229,200	231,800
Restricted Funds	1,468,100	1,460,400

# Unofficial Document

Federal Funds	4,031,600	4,081,400
Road Fund	269,200	270,400
<b>TOTAL</b>	<b>5,998,100</b>	<b>6,044,000</b>

**5. DEPARTMENT OF VETERANS' AFFAIRS**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	18,881,300	19,083,000
Restricted Funds	70,085,900	76,654,200
<b>TOTAL</b>	<b>88,967,200</b>	<b>95,737,200</b>

(1) **Weekend and Holiday Premium Pay Incentive:** The Kentucky Veterans' Centers are authorized to continue the weekend and holiday premium pay incentive for the 2016-2018 fiscal biennium.

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

(3) **Veterans' Service Organization Funding:** Included in the above General Fund appropriation is \$200,000 in each fiscal year for grants to Veterans' Service Organization programs.

(4) **Debt Service - Bowling Green Veterans' Center:** If any debt service is required for the issuance of bonds for the construction of the Bowling Green Veterans' Center authorized in Part II, Capital Projects Budget, of this Act in fiscal year 2016-2017, it 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). No bonds shall be sold for this project until it has been approved by the United States Department of Veterans Affairs and the Commonwealth has been notified by the United States Department of Veterans Affairs that

Federal Funds are available to support this construction.

**6. GOVERNOR'S OFFICE OF AGRICULTURAL POLICY**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund (Tobacco)	15,389,500	25,358,000	28,450,200
Restricted Funds	-0-	150,000	150,000
<b>TOTAL</b>	<b>15,389,500</b>	<b>25,508,000</b>	<b>28,600,200</b>

(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.

(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 \$8,875,300 in fiscal year 2016-2017 and \$9,957,600 in fiscal year 2017-2018 for the counties account as specified in KRS 248.703(1)(a).

(4) **Breathitt Veterinary Center:** Included in the above General Fund (Tobacco) appropriation is \$4,000,000 in fiscal year 2015-2016 for the Breathitt Veterinary Center at Murray State University. Notwithstanding KRS 48.130, 48.600, and Part VI of this Act, the appropriations set forth in this subsection shall not be reduced.

(5) **Water Management Initiatives:** Included in the above General Fund (Tobacco) appropriation is \$3,000,000 in fiscal year 2015-2016 for on-farm and rural community drought and water assessment, monitoring, and improvements for agricultural purposes.

(6) **Appropriation of Unexpended Tobacco Debt Service:** Any unexpended balance

from the fiscal year 2016-2017 or the fiscal year 2017-2018 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.

**7. KENTUCKY INFRASTRUCTURE AUTHORITY**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	1,518,900	2,119,900
Restricted Funds	37,791,900	53,459,600
Federal Funds	29,381,900	29,381,900
<b>TOTAL</b>	<b>68,692,700</b>	<b>84,961,400</b>

**(1) Administrative Fee on Infrastructure for Economic Development Fund Projects:**

A one-half of one percent administrative fee is authorized to be paid to the Kentucky Infrastructure Authority for the administration of each project funded by the Infrastructure for Economic Development Fund for Coal-Producing Counties and the Infrastructure for Economic Development Fund for Tobacco Counties. These administrative fees shall be paid, upon inception of the project, out of the fund from which the project was allocated.

**(2) Debt Service:** Included in the above General Fund appropriation is \$302,000 in fiscal year 2016-2017 and \$903,000 in fiscal year 2017-2018 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

**8. MILITARY AFFAIRS**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	9,064,900	9,198,200
Restricted Funds	33,164,600	33,314,800
Federal Funds	43,632,300	43,707,100
<b>TOTAL</b>	<b>85,861,800</b>	<b>86,220,100</b>

**(1) Kentucky National Guard:** There is appropriated from the General Fund the

necessary funds to be expended, subject to the conditions and procedures provided in this Act, which are required as a result of the Governor's declaration of emergency pursuant to KRS Chapter 39A, and the Governor's call of the Kentucky National Guard to active duty when an emergency or exigent situation has been declared to exist by the Governor. 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).

(2) **Disaster or Emergency Aid Funds:** There is appropriated from the General Fund the necessary funds, subject to the conditions and procedures in this Act, which are required to match federal aid for which the state would be eligible in the event of a presidentially declared disaster or emergency. 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).

(3) **Residential Youth at Risk Programs:** Included in the above Restricted Funds appropriation is \$400,000 in each fiscal year to support the Bluegrass Challenge Academy and \$400,000 in each fiscal year to support the Appalachian Youth Challenge Academy.

**9. COMMISSION ON HUMAN RIGHTS**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	1,684,700	1,703,600
Federal Funds	245,000	245,000
<b>TOTAL</b>	<b>1,929,700</b>	<b>1,948,600</b>

**10. COMMISSION ON WOMEN**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	224,600	227,000

**11. DEPARTMENT FOR LOCAL GOVERNMENT**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund (Tobacco)	2,000,000	-0-	-0-

# Unofficial Document

General Fund	-0-	7,961,400	8,005,300
Restricted Funds	-0-	1,123,700	882,400
Federal Funds	-0-	40,598,900	40,454,100
<b>TOTAL</b>	<b>2,000,000</b>	<b>49,684,000</b>	<b>49,341,800</b>

(1) **Mary Kendall Homes and Gateway Juvenile Diversion:** Included in the above General Fund appropriation is \$250,300 in each fiscal year for the support of the Mary Kendall Homes and \$250,300 in each fiscal year for the support of Gateway Juvenile Diversion.

(2) **Trover Clinic Grant:** Included in the above General Fund (Tobacco) appropriation is \$2,000,000 in fiscal year 2015-2016 for the Trover Clinic Grant within the Department for Local Government.

## 12. LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	<b>2016-17</b>	<b>2017-18</b>
General Fund	37,702,000	37,522,600

## 13. LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND

	<b>2016-17</b>	<b>2017-18</b>
General Fund	17,482,100	11,365,200

(1) **Coal Severance Tax Collections Calculations and Transfers:** The above appropriations from the General Fund are based on the official estimate presented by the Office of State Budget Director for coal severance tax collections during the biennium, distributed in accordance with KRS 42.450 to 42.495 and the provisions of this Act.

(2) **Osteopathic Medicine Scholarship Program:** Notwithstanding KRS 164.7891(11) and (12), no funds are provided for the Osteopathic Medicine Scholarship Program.

(3) **Pharmacy Scholarships:** Notwithstanding KRS 164.7890(11), no funds are provided for the Coal County Pharmacy Scholarship Program.

(4) **Debt Service:** Notwithstanding KRS 42.4592, the quarterly calculation of the

allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$25,282,400 in fiscal year 2016-2017 and \$29,409,300 in fiscal year 2017-2018 is appropriated as General Fund moneys to various budget units to provide debt service to support previously authorized bonds authorized in 2003 Ky. Acts ch. 156, 2005 Ky. Acts ch. 173, 2006 Ky. Acts ch. 252, and 2008 Ky. Acts ch. 127.

(5) **Kentucky Infrastructure Authority:** Notwithstanding KRS 42.4582 and 42.4585, the quarterly calculation and transfer of the funds shall be made only after each quarterly installment of the annual appropriation of \$370,000 in each fiscal year is appropriated as General Fund moneys to the Kentucky Infrastructure Authority budget unit.

(6) **Department for Local Government:** Notwithstanding KRS 42.4582 and 42.4585, the quarterly calculation and transfer of the funds shall be made only after each quarterly installment of the annual appropriation of \$669,700 in each fiscal year is appropriated as General Fund moneys to the Department for Local Government budget unit.

(7) **Debt Service:** All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there are sufficient moneys available to be transferred from coal severance tax-supported funding program accounts to other accounts of the General Fund.

(8) **Lexington Downtown Redevelopment Project:** Prior to September 30, 2016, the Lexington-Fayette Urban County Government shall remit to the Commonwealth a payment of \$2,187,500 to be distributed pursuant to KRS 42.4592(1)(a) and (b) with standard legal interest. This payment shall serve to reimburse the Local Government Economic Development Fund for moneys transferred pursuant to 2012 Ky. Acts ch. 144, Pt. I, A., 13., (30) and used by Lexington-Fayette Urban County Government for the planning and design of the renovation of Rupp Arena.

(9) **Parameters for County Flexibility:** Notwithstanding KRS 42.4588(2), Local



Government Economic Development Fund allocations may be used to support investments in public health services and safety; economic development; education programs, including but not limited to scholarships; public infrastructure; information technology development and access; public water and wastewater development; and insurance with the concurrence of both the respective fiscal court and the Department for Local Government or the Kentucky Infrastructure Authority, as appropriate.

(10) **Distribution of Funds:** Notwithstanding KRS 42.4592, funds allocated pursuant to KRS 42.4592(1)(c) shall be allocated pursuant to KRS 42.4592(1)(a) and (b).

#### 14. AREA DEVELOPMENT FUND

	2016-17	2017-18
General Fund	431,000	431,000

(1) **Appropriation Limit:** Notwithstanding KRS 48.185, funds recommended from the General Fund for the Area Development Fund shall be limited to these amounts.

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

#### 15. EXECUTIVE BRANCH ETHICS COMMISSION

	2016-17	2017-18
--	---------	---------

# Unofficial Document

Restricted Funds	603,000	607,500
------------------	---------	---------

(1) **Executive Agency Lobbyists Registration Fee:** Notwithstanding KRS 11A.211(5), the registration fee paid shall be \$250.

(2) **Executive Branch Ethics Commission Operating Assessment:** Each agency of the Executive Branch with employees covered by KRS Chapter 11A shall be assessed each fiscal year the amount required for the operation of the Executive Branch Ethics Commission. The agency assessment shall be determined by the Secretary of the Finance and Administration Cabinet based on the authorized full-time positions covered by KRS Chapter 11A of each agency on July 1 of each year of the biennium. The Secretary of the Finance and Administration Cabinet shall collect the assessment.

## 16. SECRETARY OF STATE

	2016-17	2017-18
General Fund	1,663,100	1,690,600
Restricted Funds	2,460,600	2,447,100
Federal Funds	277,000	221,400
<b>TOTAL</b>	<b>4,400,700</b>	<b>4,359,100</b>

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

## 17. BOARD OF ELECTIONS

	2016-17	2017-18
General Fund	3,865,400	3,874,300
Restricted Funds	246,000	246,000
Federal Funds	5,211,200	4,044,900
<b>TOTAL</b>	<b>9,322,600</b>	<b>8,165,200</b>

(1) **Cost of Elections:** Notwithstanding KRS 116.145, the State Board of Elections shall set a rate for the fee for new voter registration paid to the county clerks within the available appropriated resources. The State Board of Elections shall also set a fixed rate for the expenses outlined in KRS 117.343 within the available appropriated resources. Notwithstanding KRS 117.345(2), the State Board of Elections shall set a rate for the expenses outlined in KRS 117.345(2) for precincts with a voting machine within the available appropriated resources, not to exceed \$300 per precinct per election. These rates and all assumptions as to the number of precincts, registered voters, and new voter registrations shall be communicated to the Secretary of the Finance and Administration Cabinet and the State Budget Director by November 1, 2016, for fiscal year 2016-2017 and by November 1, 2017, for fiscal year 2017-2018.

Costs associated with special elections, KRS 117.345(2) costs associated with additional precincts with a voting machine, KRS 117.343 costs for additional registered voters, and KRS 116.145 costs for additional new registered voters 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). Any reimbursements authorized as a necessary government expense according to the above provisions shall be at the same rates as those established by the State Board of Elections as provided in the preceding paragraph.

**18. REGISTRY OF ELECTION FINANCE**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	1,166,500	1,176,800

**19. ATTORNEY GENERAL**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	10,333,900	10,436,900
Restricted Funds	15,434,600	15,726,700
Federal Funds	3,974,300	4,092,100

---

TOTAL	29,742,800	30,255,700
-------	------------	------------

(1) **Expert Witnesses:** In addition to such funds as may be appropriated, the Office of the Attorney General may request from the Finance and Administration Cabinet, as a necessary government expense, such funds as may be necessary for expert witnesses. Upon justification of the request, the Finance and Administration Cabinet shall provide up to \$275,000 for the 2016-2018 fiscal biennium for this purpose to the Office of the Attorney General from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705). Without charge, the Department of Insurance shall provide the Office of the Attorney General any available information to assist in the preparation of a rate hearing pursuant to KRS 304.17A-095. Expenditures under this subsection shall be reported to the Interim Joint Committee on Appropriations and Revenue by August 1 of each year.

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

(3) **Legal Services Contracts:** The Office of the Attorney General may present proposals to state agencies specifying legal work that is presently accomplished through personal service contracts that indicate the Office of the Attorney General's capacity to perform the work at a lesser cost. State agencies may agree to make arrangements with the Office of the Attorney General to perform the legal work and compensate the Office of the Attorney General for the legal services. Notwithstanding KRS Chapter 45A, the Office of the Attorney General may contract with outside law firms on a contingency basis.

(4) **Compensatory Leave Conversion to Sick Leave:** If the Office of the Attorney

General determines that internal budgetary pressures warrant further austerity measures, the Attorney General may institute a policy to suspend payment of 50-hour blocks of compensatory time for those attorneys who have accumulated 240 hours of compensatory time and instead convert those hours to sick leave.

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

**(6) Child Victim’s Trust Fund License Plate Statutory Suspension:** Notwithstanding KRS 186.162, any revenue received from the sale or renewal of Child Victims’ Trust Fund license plates in excess of actual costs incurred by the Transportation Cabinet for distribution of those plates shall be transferred to the Child Victims’ Trust Fund on an annual basis.

**(7) Funds Recovered Through Litigation:** Pursuant to KRS 48.005, funds recovered by the Attorney General through litigation on behalf of the Commonwealth shall be transferred to the General Fund Surplus Account (KRS 48.700). The Attorney General may retain funds limited to reasonable litigation costs and required consumer restitution. The Attorney General shall file with the presiding officer of the court a copy of the controlling statute governing disposition of the funds and request that an Order issue in conformity with the statute.

**20. UNIFIED PROSECUTORIAL SYSTEM**

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

**a. Commonwealth's Attorneys**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	48,439,600	49,024,300
Restricted Funds	1,653,000	1,652,900

# Unofficial Document

Federal Funds	38,900	40,300
<b>TOTAL</b>	<b>50,131,500</b>	<b>50,717,500</b>

**b. County Attorneys**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	42,986,800	43,583,700
Restricted Funds	554,700	554,600
Federal Funds	506,200	503,700
<b>TOTAL</b>	<b>44,047,700</b>	<b>44,642,000</b>

**TOTAL - UNIFIED PROSECUTORIAL SYSTEM**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	91,426,400	92,608,000
Restricted Funds	2,207,700	2,207,500
Federal Funds	545,100	544,000
<b>TOTAL</b>	<b>94,179,200</b>	<b>95,359,500</b>

**21. TREASURY**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	1,835,000	1,887,700
Restricted Funds	1,408,500	1,427,500
Road Fund	250,000	250,000
<b>TOTAL</b>	<b>3,493,500</b>	<b>3,565,200</b>

(1) **Unclaimed Property Fund:** Included in the above Restricted Funds appropriation is \$1,325,500 in fiscal year 2016-2017 and \$1,334,000 in fiscal year 2017-2018 from the Unclaimed Property Fund to provide funding for services performed by the Unclaimed Property Division of the Department of the Treasury.

**22. AGRICULTURE**

# Unofficial Document

	<b>2016-17</b>	<b>2017-18</b>
General Fund (Tobacco)	600,000	600,000
General Fund	15,974,200	16,112,400
Restricted Funds	9,668,600	9,691,400
Federal Funds	6,406,900	6,406,900
<b>TOTAL</b>	<b>32,649,700</b>	<b>32,810,700</b>

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

### 23. AUDITOR OF PUBLIC ACCOUNTS

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund	-0-	4,630,900	4,680,000
Restricted Funds	347,700	8,965,400	9,038,500
<b>TOTAL</b>	<b>347,700</b>	<b>13,596,300</b>	<b>13,718,500</b>

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

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

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

**(4) Charges for Federal, State, and Local Audits:** Any additional expenses incurred by the Auditor of Public Accounts for required audits of Federal Funds shall be charged to the government or agency that is the subject of the audit. Because the Auditor of Public Accounts receives General Fund appropriations for audits of the statewide systems of personnel and payroll, cash and investments, revenue collection, and the state accounting system, any expenses incurred by the Auditor of Public Accounts for audits of other state agencies shall be charged to the agency that is the subject of such audit. The Auditor of Public Accounts shall maintain a record of all time and expenses for each audit or investigation.

Any expenses incurred by the Auditor of Public Accounts for auditing individual governmental entities when mandated by a legislative committee shall be charged to the agency or entity receiving audit services.

**24. PERSONNEL BOARD**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	888,000	913,800

**(1) Personnel Board Operating Assessment:** Each agency of the Executive Branch with employees covered by KRS Chapter 18A shall be assessed each fiscal year the amount required for the operation of the Personnel Board. The agency assessment shall be determined by the Secretary of the Finance and Administration Cabinet based on the authorized full-time positions of each agency on July 1 of each year of the biennium. The Secretary of the Finance and Administration Cabinet shall collect the assessment.

**25. KENTUCKY RETIREMENT SYSTEMS**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	38,965,500	39,094,000

**(1) Operations and Transparency:** Notwithstanding KRS 16.505 to 16.652, 61.510 to 61.705, 78.510 to 78.852, and 161.220 to 161.716, or any other statute to the contrary, for the



2016-2018 fiscal biennium:

(a) The Kentucky Retirement Systems shall be subject to the provisions of KRS Chapters 45, 45A, 56, and 57 for the procurement of goods, services, and property;

(b) No funds paid by, for, or on behalf of the Kentucky Retirement Systems shall be used to pay fees and commissions to placement agents. Fees and commissions paid to an investment manager who manages system assets, fees and commissions paid to a private fund that manages system assets, and fees and commissions paid to a company issuing securities that manages system assets shall not be used or diverted to pay fees and commissions to placement agents. For purposes of this subsection, "placement agent" means a third-party individual or firm who solicits investments on behalf of an investment manager, private fund, or company issuing securities;

(c) For any gubernatorial appointments or reappointments to the Kentucky Retirement Systems Board of Trustees that occur on or after July 1, 2016, and before June 30, 2018, that are required to have investment experience as provided by KRS 61.645(1)(e)5., the required investment experience shall not include the provisions of KRS 61.645(1)(e)5.f. or a university professor teaching economics as provided by KRS 61.645(1)(e)5.e.;

(d) The Board of Trustees of the Kentucky Retirement Systems shall post the following information to their Web site and make available to the public:

1. Investment returns, net of fees, on any documents, reports, or other publicly available investment-related information where investment returns are reported;

2. All investment holdings, including fees and commissions incurred, paid, charged, or accrued, for each fund administered by the board, which shall be updated on a quarterly basis. Investment holdings, fees, and commissions shall be disclosed by each individual manager, including underlying individual managers in fund of funds and individual underlying holdings. Investment fees and commissions shall include any profit sharing, carried interest, or any other partnership incentive arrangements or agreements; and

3. All contracts or offering documents for services, goods, or property purchased or utilized by the Kentucky Retirement Systems. Notwithstanding the provisions of this paragraph, the Kentucky Retirement Systems shall not be required to furnish contract or offering document information that the Secretary of the Finance and Administration Cabinet determines is exempt under KRS 61.878 or that, if disclosed, would compromise the Kentucky Retirement Systems' ability to competitively invest in real estate or other asset classes, except that no provision of this section or KRS 61.878 shall exclude disclosure and review of all contracts, including investment contracts, by the Kentucky Retirement Systems' board, the Auditor of Public Accounts, and the Government Contract Review Committee established pursuant to KRS 45A.705 or the disclosure of investment fees and commissions as provided by this subsection; and

(e) In addition to the standards of conduct prescribed by KRS 16.505 to 16.652, 61.510 to 61.705, 78.510 to 78.852, and 161.220 to 161.716, all individuals associated with the investment and management of the Kentucky Retirement Systems' assets, including contracted investment advisors, board members, and staff employees, shall adhere to the following standards, as promulgated by the CFA Institute: "The Code of Ethics and Standards of Professional Conduct" for all parties, the "Asset Manager Code of Professional Conduct" if the individual is managing retirement system assets, and the "Code of Conduct for Members of a Pension Scheme Governing Body" if the individual is a board member.

**26. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS**

**a. Accountancy**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	578,000	581,400

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

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	102,200	102,200

**c. Applied Behavior Analysis Licensing**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	30,600	30,600

**d. Architects**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	460,800	463,700

**e. Certification for Professional Art Therapists**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	11,200	11,200

**f. Auctioneers**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	403,300	405,000

**g. Barbering**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	339,100	340,800

**h. Chiropractic Examiners**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	334,400	336,500

**i. Dentistry**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	934,600	940,200

**j. Licensed Diabetes Educators**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	26,800	26,800

**k. Licensure and Certification for Dietitians and Nutritionists**

# Unofficial Document

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	73,900	73,900
<b>l. Embalmers and Funeral Directors</b>		
	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	424,900	427,800
<b>m. Licensure for Professional Engineers and Land Surveyors</b>		
	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	1,383,300	1,393,000
<b>n. Certification of Fee-Based Pastoral Counselors</b>		
	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	3,600	3,600
<b>o. Registration for Professional Geologists</b>		
	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	106,900	106,900
<b>p. Hairdressers and Cosmetologists</b>		
	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	1,443,400	1,451,800
<b>q. Specialists in Hearing Instruments</b>		
	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	81,100	81,100
<b>r. Interpreters for the Deaf and Hard of Hearing</b>		
	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	38,200	38,200
<b>s. Home Inspectors</b>		
	<b>2016-17</b>	<b>2017-18</b>

---

Restricted Funds	83,800	83,800
<b>t. Examiners and Registration of Landscape Architects</b>		
	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	68,900	69,300
<b>u. Licensure of Marriage and Family Therapists</b>		
	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	136,400	136,400
<b>v. Licensure for Massage Therapy</b>		
	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	188,600	188,600
<b>w. Medical Imaging and Radiation Therapy</b>		
	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	400,600	401,600
<b>x. Medical Licensure</b>		
	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	3,072,300	3,088,200
<b>y. Nursing</b>		
	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	7,220,000	7,266,000
<b>z. Licensure for Nursing Home Administrators</b>		
	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	61,100	61,100
<b>aa. Licensure for Occupational Therapy</b>		
	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	176,600	176,600

**ab. Ophthalmic Dispensers**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	49,700	49,700

**ac. Optometric Examiners**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	216,000	217,100

**ad. Pharmacy**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	1,728,700	1,740,400

**ae. Physical Therapy**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	580,300	583,700

**af. Podiatry**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	38,800	39,900

**ag. Private Investigators**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	101,500	101,500

**ah. Licensed Professional Counselors**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	215,800	215,800

**ai. Prosthetics, Orthotics, and Pedorthics**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	46,200	46,200

**aj. Examiners of Psychology**

# Unofficial Document

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	256,400	256,400

**ak. Real Estate Appraisers**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	793,200	841,600

**al. Real Estate Commission**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	2,370,500	2,383,100

**am. Respiratory Care**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	218,100	219,500

**an. Social Work**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	53,500	358,200	338,300

**ao. Speech-Language Pathology and Audiology**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	190,100	190,100

**ap. Veterinary Examiners**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	277,600	277,600

**TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	53,500	25,625,700	25,787,200

**27. KENTUCKY RIVER AUTHORITY**

	<b>2016-17</b>	<b>2017-18</b>
--	----------------	----------------

General Fund	244,500	246,700
Restricted Funds	3,507,900	6,976,300
TOTAL	3,752,400	7,223,000

(1) **Water Withdrawal Fees:** The water withdrawal fees imposed by the Kentucky River Authority shall not be subject to state and local taxes. Notwithstanding KRS 151.710(10), Tier I water withdrawal fees shall be used to support the operations of the Authority and for contractual services for water supply and quality studies.

(2) **Debt Service:** Included in the above Restricted Funds appropriation is \$3,461,000 in fiscal year 2017-2018 for new debt service to support bonds as set forth in Part II, Capital Projects Budget, of this Act.

## 28. SCHOOL FACILITIES CONSTRUCTION COMMISSION

	2016-17	2017-18
General Fund	121,161,800	126,950,800
Restricted Funds	525,000	-0-
TOTAL	121,686,800	126,950,800

(1) **Debt Service:** Included in the above General Fund appropriation is \$9,526,800 in fiscal year 2016-2017 and \$15,052,200 in fiscal year 2017-2018 for new debt service to support bonds as set forth in Part II, Capital Projects Budget, of this Act.

(2) **Additional Offers of Assistance:** Notwithstanding KRS 157.611 to 157.665, the School Facilities Construction Commission is authorized to make an additional \$91,000,000 in offers of assistance during the 2016-2018 biennium in anticipation of debt service availability during the 2018-2020 biennium. No bonded indebtedness based on the above amount is to be incurred during the 2016-2018 biennium.

(3) **Urgent Needs School Assistance:** (a) If bonds for those Urgent Needs Schools authorized in 2014 Ky. Acts ch. 117, Part I, A., 28., (5) and 2014 Ky. Acts ch. 117, Part I, C., 1.,



(19)(b) are not issued by June 30, 2016, then the School Facilities Construction Commission is authorized to make offers of assistance to districts for the remaining Urgent Needs Schools as authorized in Part II, Capital Projects Budget, of this Act.

(b) If a school district receives an allotment for an Urgent Needs School authorized in 2014 Ky. Acts ch. 117, Part I, A., 28., (5) and 2014 Ky. Acts ch. 117, Part I, C., 1., (19)(b) or in Part II, Capital Projects Budget, of this Act and subsequently, as a result of litigation or insurance, receives funds for the original facility, the school district shall reimburse the Commonwealth an amount equal to that received for such purposes. If the litigation or insurance receipts are less than the amount received, the district shall reimburse the Commonwealth an amount equal to that received as a result of litigation or insurance less the district's costs and legal fees in securing the judgment or payment. Any funds received in this manner shall be deposited in the Budget Reserve Trust Fund Account (KRS 48.705).

## 29. TEACHERS' RETIREMENT SYSTEM

	2016-17	2017-18
General Fund	313,610,800	325,478,800
Restricted Funds	11,769,900	12,298,600
TOTAL	325,380,700	337,777,400

(1) **Contingent General Fund Appropriation for Pension Liability:** Included in the above General Fund appropriation is \$32,050,000 in fiscal year 2016-2017 and \$35,812,500 in fiscal year 2017-2018 to be applied to the unfunded pension liability of the Kentucky Teachers' Retirement System. The amount of these appropriations to be allotted and made available in fiscal year 2016-2017 shall be calculated as 25 percent of the amount that actual General Fund receipts at the end of each fiscal year exceed \$10,489,000,000, compared to the enacted estimate. The amount of these appropriations to be allotted and made available in fiscal year 2017-2018 shall be calculated as 25 percent of the amount that actual General Fund receipts at the end of

each fiscal year exceed \$10,732,250,000, compared to the enacted estimate. Notwithstanding KRS 45.229, these funds shall not lapse and shall carry forward.

(2) **Debt Service:** Included in the above General Fund appropriation is \$106,838,400 in fiscal year 2016-2017 and \$97,148,000 in fiscal year 2017-2018 for debt service on previously issued bonds.

(3) **State Annual Appropriations Deficit:** Pursuant to KRS 161.550(6), the Kentucky Teachers' Retirement System has identified a \$24,613,400 deficit for fiscal years 2013-2014 and 2014-2015. The deficit shall be funded as follows:

(a) \$20,327,500 from the state medical insurance fund stabilization contribution for fiscal years 2014-2015 and 2015-2016 within the General Fund appropriation specified in 2014 Ky. Acts ch. 117, Part I, A., 29., and identified as the excess amount of the state medical insurance fund stabilization contribution by the Kentucky Teachers' Retirement System; and

(b) \$4,285,900 from the above General Fund appropriation in fiscal year 2016-2017 for the remaining portion of the deficit.

(4) **Dependent Subsidy for Retirees under age 65:** Notwithstanding KRS 161.675(4)(a) and (b), from July 1, 2016, through June 30, 2018, for all retirees under the age of 65 who participate in the Kentucky Group Health Insurance Program through the Kentucky Teachers' Retirement System, the Kentucky Teachers' Retirement System Board of Trustees shall have the authority to pay the same dependent subsidy that Executive Branch agencies pay for their active employees who have similar coverage. The dependent subsidy is not subject to KRS 161.714. If the Board of Trustees provides the dependent subsidy, the Board shall submit a report to the Interim Joint Committee on Appropriations and Revenue stating the cost of such action and providing the effect on the actuarial unfunded liability of the system. If the report is not submitted by September 15, 2016, the authority to pay the dependent subsidy shall be voided for Plan Year 2017. If the report is not submitted by September 15, 2017, the authority to pay the

dependent subsidy shall be voided for Plan Year 2018.

(5) **Amortization of Sick Leave:** Included in the above General Fund appropriation is \$5,623,500 in fiscal year 2016-2017 and \$11,660,200 in fiscal year 2017-2018 to provide the cost of amortizing the requirements of KRS 161.155, relating to sick leave, for members retiring during the 2014-2016 biennium.

(6) **Contribution for Retiree Medical Insurance:** Included in the above General Fund appropriation is \$46,545,800 in fiscal year 2016-2017 and \$53,948,400 in fiscal year 2017-2018 to support the state's contribution for the cost of retiree health insurance for members not eligible for Medicare, who have retired since July 1, 2010, pursuant to KRS 161.550.

(7) **Operations and Transparency:** Notwithstanding KRS 16.505 to 16.652, 61.510 to 61.705, 78.510 to 78.852, and 161.220 to 161.716, or any other statute to the contrary, for the 2016-2018 fiscal biennium:

(a) The Kentucky Teachers' Retirement System shall be subject to the provisions of KRS Chapters 45, 45A, 56, and 57 for the procurement of goods, services, and property;

(b) No funds paid by, for, or on behalf of the Kentucky Teachers' Retirement System shall be used to pay fees and commissions to placement agents. Fees and commissions paid to an investment manager who manages system assets, fees and commissions paid to a private fund that manages system assets, and fees and commissions paid to a company issuing securities that manages system assets shall not be used or diverted to pay fees and commissions to placement agents. For purposes of this subsection, "placement agent" means a third-party individual or firm who solicits investments on behalf of an investment manager, private fund, or company issuing securities;

(c) The Board of Trustees of the Kentucky Teachers' Retirement System shall post the following information to their Web site and make available to the public:

1. Investment returns, net of fees, on any documents, reports, or other publicly available

investment-related information where investment returns are reported;

2. All investment holdings, including fees and commissions incurred, paid, charged, or accrued, for each fund administered by the board, which shall be updated on a quarterly basis. Investment holdings, fees, and commissions shall be disclosed by each individual manager, including underlying individual managers in fund of funds and individual underlying holdings. Investment fees and commissions shall include any profit sharing, carried interest, or any other partnership incentive arrangements or agreements; and

3. All contracts or offering documents for services, goods, or property purchased or utilized by the Kentucky Teachers' Retirement System. Notwithstanding the provisions of this paragraph, the Kentucky Teachers' Retirement System shall not be required to furnish contract or offering document information that the Secretary of the Finance and Administration Cabinet determines is exempt under KRS 61.878 or that, if disclosed, would compromise the Kentucky Teachers' Retirement System's ability to competitively invest in real estate or other asset classes, except that no provision of this section or KRS 61.878 shall exclude disclosure and review of all contracts, including investment contracts, by the Kentucky Teachers' Retirement System's board, the Auditor of Public Accounts, and the Government Contract Review Committee established pursuant to KRS 45A.705 or the disclosure of investment fees and commissions as provided by this subsection; and

(d) In addition to the standards of conduct prescribed by KRS 16.505 to 16.652, 61.510 to 61.705, 78.510 to 78.852, and 161.220 to 161.716, all individuals associated with the investment and management of the Kentucky Teachers' Retirement System's assets, including contracted investment advisors, board members, and staff employees, shall adhere to the following standards, as promulgated by the CFA Institute: "The Code of Ethics and Standards of Professional Conduct" for all parties, the "Asset Manager Code of Professional Conduct" if the individual is managing retirement system assets, and the "Code of Conduct for Members of a

Pension Scheme Governing Body" if the individual is a board member.

**(8) Employer Contribution Rate:** Notwithstanding KRS 161.220 to 161.716:

(a) In addition to the pension contributions specified by KRS 161.550(1), the employer contribution rate to fund pension benefits in the Kentucky Teachers' Retirement System, shall be increased so that: for the fiscal year ending June 30, 2017, 50 percent of the additional contribution rate needed to fund the Kentucky Teachers' Retirement System pension fund on an actuarially sound basis shall be paid by participating employers; and for the fiscal year ending June 30, 2018, 65 percent of the additional contribution rate needed to fund the Kentucky Teachers' Retirement System pension fund on an actuarially sound basis shall be paid by participating employers. It is the intent of the 2016 General Assembly that for the fiscal year ending June 30, 2019, 85 percent of the additional contribution rate needed to fund the Kentucky Teachers' Retirement System pension fund on an actuarially sound basis shall be paid by participating employers; and for the fiscal year ending June 30, 2020, and for each fiscal year thereafter, 100 percent of the additional contribution rate needed to fund the Kentucky Teachers' Retirement System pension fund on an actuarially sound basis shall be paid by participating employers.

(b) The additional increases in employer contributions under paragraph (a) shall be paid by state, federal, and agency fund sources in the same manner as contributions payable under KRS 161.550(1).

(c) It is the intent of the 2016 General Assembly in biennial budgets beginning on or after July 1, 2016, to pledge any funds made available due to reduced debt service funding requirements for bonds previously issued for the Kentucky Teachers' Retirement System towards meeting the state's share of the funding schedule established by paragraph (a).

**30. APPROPRIATIONS NOT OTHERWISE CLASSIFIED**

**2016-17**

**2017-18**

---

General Fund	5,026,400	5,026,400
--------------	-----------	-----------

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

The above appropriation is for the payment of Attorney General Expense, Board of Claims Award, Guardian Ad Litem, Prior Year Claims, Unredeemed Checks Refunded, Involuntary Commitments - ICF/MR, Frankfort in Lieu of Taxes, Frankfort Cemetery, Police Officer, Firefighter, and National Guard and Reserve Survivor Benefits, Medical Malpractice Liability Insurance Reimbursement, and Blanket Employee Bonds.

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

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

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

(5) **Police Officer, Firefighter, and Active Duty National Guard and Reserve Survivor Benefits:** Funds are appropriated for payment of benefits for survivors of state and

# Unofficial Document

local police officers, firefighters, and active duty National Guard and Reserve members in accordance with KRS 61.315 and for the cost of insurance premiums for firefighters as provided in KRS 95A.070.

## 31. JUDGMENTS

	2016-17	2017-18
General Fund	-0-	-0-

### (1) Payment of Judgments and Carry Forward of General Fund Appropriation

**Balance:** Notwithstanding KRS 45A.275, the above appropriation is for the payment of judgments as may be rendered against the Commonwealth by courts and orders of the State Personnel Board and, where applicable, shall be subject to KRS Chapter 45, and for the payment of medical malpractice judgments against the University of Kentucky and the University of Louisville in accordance with KRS 164.892 and 164.941, and for the payment of judgments, audit adjustments, and excess billings to federal programs related to transfers from statewide internal service funds to the General Fund authorized in prior appropriations acts. Funds required to pay the costs of items included within the Judgments budget unit are appropriated, and any required expenditure over the above amounts is to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act.

## 32. KENTUCKY COMMUNICATIONS NETWORK AUTHORITY

	2016-17	2017-18
Restricted Funds	18,469,200	27,941,900
Federal Funds	180,500	-0-
<b>TOTAL</b>	<b>18,649,700</b>	<b>27,941,900</b>

### TOTAL - GENERAL GOVERNMENT

	2015-16	2016-17	2017-18
--	---------	---------	---------

# Unofficial Document

General Fund (Tobacco)	17,389,500	28,008,000	31,100,200
General Fund	-0-	674,847,000	688,876,500
Restricted Funds	401,200	285,082,100	320,892,700
Federal Funds	870,000	136,990,900	134,257,700
Road Fund	-0-	519,200	520,400
<b>TOTAL</b>	<b>18,660,700</b>	<b>1,125,447,200</b>	<b>1,175,647,500</b>

## B. ECONOMIC DEVELOPMENT CABINET

### Budget Units

#### 1. ECONOMIC DEVELOPMENT

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund	-0-	17,888,600	18,904,200
Restricted Funds	975,000	2,994,300	3,013,300
Federal Funds	-0-	200,000	100,000
<b>TOTAL</b>	<b>975,000</b>	<b>21,082,900</b>	<b>22,017,500</b>

(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 2015-2016 and fiscal year 2016-2017 shall not lapse and shall carry forward.

(3) **Debt Service:** Included in the above General Fund appropriation is \$948,000 in fiscal year 2017-2018 for new debt service to support new bonds as set forth in Part II, Capital Projects



# Unofficial Document

Budget, of this Act.

## C. DEPARTMENT OF EDUCATION

### Budget Units

#### 1. SUPPORT EDUCATION EXCELLENCE IN KENTUCKY (SEEK)

##### PROGRAM

	2016-17	2017-18
General Fund	3,270,937,100	3,337,598,700

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

(2) **Allocation of SEEK Funds:** Notwithstanding KRS 157.360(2)(c), the above General Fund and Federal Funds appropriations to the base SEEK Program are intended to provide a base guarantee of \$3,981 per student in average daily attendance in fiscal year 2016-2017 and \$3,981 per student in average daily attendance in fiscal year 2017-2018 as well as to meet the other requirements of KRS 157.360.

Funds appropriated to the SEEK Program shall be allotted to school districts in accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall not exceed the appropriations for this purpose, except as provided in this Act. The total appropriation for the SEEK Program shall be measured by, or construed as, estimates of the state expenditures required by KRS 157.310 to 157.440. If the required expenditures exceed these estimates, the Secretary of the Finance and Administration Cabinet, upon the written request of the Commissioner of Education and with the approval of the Governor, may increase the appropriation by such amount as may be available and necessary to meet, to the extent possible, the required expenditures under the cited sections of the Kentucky Revised Statutes, but any increase of the total appropriation to the SEEK Program is subject to Part III, General Provisions, of this Act and KRS Chapter 48. If funds appropriated to the SEEK Program are insufficient to

provide the amount of money required under KRS 157.310 to 157.440, allotments to local school districts may be reduced in accordance with KRS 157.430.

(3) **Base SEEK Allotments:** Notwithstanding KRS 157.420(2), included in the above General Fund appropriation is \$2,102,272,800 in fiscal year 2016-2017 and \$2,090,700,100 in fiscal year 2017-2018 for the base SEEK Program as defined by KRS 157.360. Funds appropriated to the SEEK Program shall be allotted to school districts in accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall not exceed the appropriations for this purpose except as provided in this Act. Notwithstanding KRS 157.360(2)(c), included in the appropriation for the base SEEK Program is \$214,752,800 in each fiscal year for pupil transportation.

(4) **Tier I Component:** Included in the above General Fund appropriation is \$174,548,800 in fiscal year 2016-2017 and \$170,111,400 in fiscal year 2017-2018 for the Tier I component as established by KRS 157.440.

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

(6) **Secondary Vocational Education:** Included in the above General Fund appropriation is \$22,881,900 in fiscal year 2016-2017 and \$22,881,900 in fiscal year 2017-2018 to provide secondary vocational education in state-operated vocational schools.

(7) **Teachers' Retirement System Employer Match:** Included in the above General Fund appropriation is \$604,621,100 in fiscal year 2016-2017 and \$690,619,300 in fiscal year 2017-2018 to enable local school districts to provide the employer match for qualified employees as provided for by KRS 161.550 and as authorized in Part I, A., 29., (8) of this Act.

(8) **Salary Supplements for Nationally Certified Teachers:** Notwithstanding KRS 157.395, included in the above General Fund appropriation is \$2,750,000 in each fiscal year for the purpose of providing salary supplements for public school teachers attaining certification by

the National Board for Professional Teaching Standards. Notwithstanding the provisions of KRS 157.395, if the appropriation is insufficient to provide the mandated salary supplement for teachers who have obtained this certification, the Department of Education is authorized to pro rata reduce the supplement.

**(9) Final SEEK Calculation:** Notwithstanding KRS 157.410, on or before March 1 of each year, the Commissioner of Education shall determine the exact amount of the public common school fund to which each district is entitled, and the remainder of the amount due each district for the year shall be distributed in equal installments beginning the first month after completion of final calculation and for each successive month thereafter.

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

**(11) Facilities Support Program of Kentucky/Equalized Nickel Levies:** Included in the above General Fund appropriation is \$80,109,500 in fiscal year 2016-2017 and \$78,002,400 in fiscal year 2017-2018 to provide facilities equalization funding pursuant to KRS 157.440 and 157.620.

**(12) Growth Levy Equalization Funding:** Included in the above General Fund appropriation is \$17,234,200 in fiscal year 2016-2017 and \$16,414,200 in fiscal year 2017-2018 to provide facilities equalization funding pursuant to KRS 157.440 and 157.620, for districts meeting the eligibility requirements of KRS 157.621(1) and (4).

**(13) Retroactive Equalized Facility Funding:** Included in the above General Fund appropriation is \$16,377,200 in fiscal year 2016-2017 and \$15,973,300 in fiscal year 2017-2018 to provide equalized facility funding pursuant to KRS 157.440 and 157.620 to districts meeting the eligibility requirements of KRS 157.621(2) and (4). In addition, a local board of education that levied a tax rate subject to recall by January 1, 2014, in addition to the five cents levied

pursuant to KRS 157.440(1)(b) and that committed the receipts to debt service, new facilities, or major renovations of existing facilities shall be eligible for equalization funds from the state at 150 percent of the statewide average per pupil assessment. Revenue to generate the five cent equivalent levy may be obtained from levies on property, motor vehicles, or the taxes authorized by KRS 160.593 to 160.597, 160.601 to 160.633, and 160.635 to 160.648 if the levy was dedicated to facilities funding at the time of the levy. The equalization funds shall be used as provided in KRS 157.440(1)(b). For the 2016-2018 fiscal biennium, school districts that levied the tax rate subject to recall prior to January 1, 2014, shall be equalized at 100 percent of the calculated equalization funding, and school districts that levied the tax rate subject to recall after January 1, 2014, and before January 1, 2016, shall be equalized at 25 percent of the calculated equalization funding in each fiscal year. It is the intent of the 2016 General Assembly that any local school district receiving partial equalization under this subsection in the 2016-2018 fiscal biennium shall receive full calculated equalization in the 2018-2020 fiscal biennium and thereafter.

**(14) Equalized Facility Funding:** Included in the above General Fund appropriation is \$6,829,600 in fiscal year 2016-2017 and \$6,658,300 in fiscal year 2017-2018 to provide equalized facility funding pursuant to KRS 157.420 and 157.620 to districts meeting the eligibility requirements of KRS 157.621(3) and (4).

**(15) BRAC Equalized Facility Funding:** Included in the above General Fund appropriation is \$1,832,000 in fiscal year 2016-2017 and \$1,764,100 in fiscal year 2017-2018 to provide equalized facility funding to school districts meeting the eligibility requirements of KRS 157.621(1)(c) pursuant to KRS 157.440 and 157.620.

**(16) Equalization Funding for Critical Construction Needs Schools:** Included in the above General Fund appropriation is \$5,639,300 in fiscal year 2016-2017 and \$5,532,800 in fiscal year 2017-2018 to school districts in accordance with 2010 (1st Extra. Sess.) Ky. Acts ch.

1, Part I, C., 4., (18).

**(17) Instructional Days:** Notwithstanding KRS 158.070, the school term for fiscal year 2016-2017 and fiscal year 2017-2018 shall include the equivalent of 177 six-hour instructional days. Districts may exceed 177 six-hour instructional days.

**(18) Hold-Harmless Guarantee:** A modified hold-harmless guarantee is established in fiscal biennium 2016-2018 which provides that every local school district shall receive at least the same amount of Support Education Excellence in Kentucky (SEEK) state funding per pupil as was received in fiscal year 1991-1992. If funds appropriated to the SEEK Program are insufficient to provide the amount of money required under KRS 157.310 to 157.440, and allotments to local school districts are reduced in accordance with KRS 157.430, allocations to school districts subject to this provision shall not be reduced.

**(19) Residential Youth-at-Risk Programs:** (a) Students enrolled in the Bluegrass Challenge Academy and the Appalachian Youth Challenge Academy shall be included in the student count used for determining the amount of state funding allocated to a local school district through the Support Education Excellence in Kentucky (SEEK) Program.

(b) Students who are accepted for enrollment in either of the academies shall, on the first day of attendance at the academy, enroll in the school district in which the academy is located. These students will be enrolled in the school district for attendance purposes only. The attendance records of these students shall not be included in the Superintendent's Annual Attendance Report, and the school district shall have no responsibility for these students.

(c) Each academy shall report student attendance to the local school district on a quarterly basis. The local school district shall calculate the amount of SEEK funds generated by the students enrolled in the academy in the district and shall transmit these funds to the academy on a semiannual basis.

(d) No later than July 1, 2016, the Commissioner of Education shall develop procedures for

that accomplish the requirements of paragraphs (b) and (c) of this subsection.

**(20) Additional SEEK Funding:** If the above General Fund appropriation is not sufficient to fully fund the SEEK Program including any adjustments pursuant to KRS 157.360 in fiscal year 2015-2016, the Kentucky Department of Education may request up to \$10,000,000 in fiscal year 2015-2016, which 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).

**(21) Increased Teachers' Retirement System Employer Match:** Included in the above General Fund appropriation is \$18,671,000 in fiscal year 2016-2017 and \$19,021,200 in fiscal year 2017-2018 to enable local school districts to provide for the increased employer costs authorized in Part I, A., 29., (8) of this Act for which the state does not pay on behalf of local school districts. These funds shall be in addition to the employer costs for qualified employees as provided for by KRS 161.550, and shall not constitute any portion of any employer contribution required by KRS Chapter 161.

## 2. OPERATIONS AND SUPPORT SERVICES

	2016-17	2017-18
General Fund	51,998,400	52,076,800
Restricted Funds	7,390,000	7,401,500
Federal Funds	328,954,900	328,966,400
TOTAL	388,343,300	388,444,700

**(1) 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.

**(2) Increased Teachers' Retirement System Employer Match:** Included in the above

General Fund appropriation is \$1,086,600 in fiscal year 2016-2017 and \$1,107,000 in fiscal year 2017-2018 for increased employer costs in fiscal year 2017-2018 authorized in Part I, A., 29., (8) of this Act. These funds shall be in addition to the employer costs for qualified employees as provided for by KRS 161.550, and shall not constitute any portion of any employer contribution required by KRS Chapter 161. These funds do not include the increased employer costs for the Office of Career and Technical Education, which are included in Part I, K., 1., (9) of this Act.

**(3) Review of the Classification of Primary and Secondary School Buildings:**

Included in the above General Fund appropriation is \$2,000,000 in each fiscal year to implement KRS 157.420(9) and (10). Notwithstanding KRS 45.229, any portion of the \$2,000,000 that has not been expended by the end of fiscal year 2016-2017 shall not lapse and shall carry forward into fiscal year 2017-2018. Notwithstanding KRS 157.420(9) and (10), only schools classified as A1, A2, A3, A4, A5, A6, C2, and D1 shall be included in the evaluation process. Notwithstanding KRS 157.420(9) and (10), the Department of Education may limit the school buildings included in the evaluation process based on the time elapsed since the building's construction or last major renovation as defined in 702 KAR 4:160. The Department of Education shall provide an updated list of school buildings evaluated by the process pursuant to KRS 157.420(9) and (10) to the Legislative Research Commission by October 1, 2017. The Department of Education shall also maintain and update this list and provide an updated list to the Legislative Research Commission by October 1 of each odd-numbered year.

**3. LEARNING AND RESULTS SERVICES**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	991,262,800	993,174,300
Restricted Funds	26,752,500	26,787,400
Federal Funds	559,520,200	559,526,700
<b>TOTAL</b>	<b>1,577,535,500</b>	<b>1,579,488,400</b>

(1) **Funding for Employer Health and Life Insurance:** If the costs for health insurance or life insurance coverage for employees of local school districts exceed the levels of appropriated funds, any unexpended Support Education Excellence in Kentucky appropriations may be used to offset the unbudgeted costs. Any transfer shall be subject to the approval of the Governor upon the written recommendation of the State Budget Director pursuant to the written request of the Commissioner of Education. The per-month, per-employee administrative assessment shall be remitted to the Personnel Cabinet by the Department of Education from the General Fund appropriation for local school district health and life insurance.

(2) **Kentucky Education Technology System:** 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.

(3) **Family Resource and Youth Services Centers:** Funds appropriated to establish and support Family Resource and Youth Services Centers shall be transferred in fiscal year 2016-2017 and in fiscal year 2017-2018 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 three 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.

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



(4) **Health Insurance:** Included in the above General Fund appropriation is \$677,000,000 in fiscal year 2016-2017 and \$678,772,500 in fiscal year 2017-2018 for employer contributions for health insurance and the contribution to the health reimbursement account for employees waiving coverage.

(5) **Program Flexibility:** Notwithstanding KRS 157.3175(3) and (4) and 160.345(8) with regard to the state allocation, four programs (Instructional Materials/Textbooks, Professional Development, Extended School Services, and Safe Schools) shall continue to permit the state and local school districts additional flexibility in the distribution of program funds while still addressing the governing statutes and serving the need of the intended student population. Notwithstanding KRS 157.3175(3) and (4) and 160.345(8) with regard to the state allocation, local school districts may use funds from the Instructional Materials/Textbooks, Professional Development, Extended School Services, and Safe Schools programs to supplement the Preschool program in each fiscal year.

(6) **Publishing Requirements:** Notwithstanding KRS 160.463 and 424.220, public availability of the school district's complete annual financial statement and the school report card shall be made by publishing the documents in the newspaper of the largest general circulation in the county, electronically on the Internet, or by printed copy at a prearranged site at the main branch of the public library within the school district. If publication on the Internet or by printed copy at the public library is chosen, the superintendent shall be directed to publish notification in the newspaper of the largest circulation in the county as to the location where the document can be viewed by the public. The notification shall include the address of the library or the electronic address of the Web site on the Internet where the documents can be viewed.

(7) **Commonwealth School Improvement Fund:** Notwithstanding KRS 158.805, the Commissioner of Education shall be authorized to use the Commonwealth School Improvement Fund to provide support services to schools or to meet federal requirements.

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

**(9) Preschool Program Eligibility:** Notwithstanding KRS 157.3175(1)(a) and (b) and 157.3175(4)(b), the Department of Education shall continue to implement entrance age requirements for preschool in the 2016-2017 school year to align with the new school entrance age requirements pursuant to KRS 158.030.

**(10) Use of Local District Capital Funds:** Notwithstanding KRS 157.420(4) and (6), 157.440, and 157.621, a local board of education may submit a request to the Commissioner of Education to utilize any capital funds, regardless of the source, for general operating expenses in each fiscal year without forfeiting the district's eligibility to participate in the School Facilities Construction Commission Program. Prior to August 1, 2016, the Kentucky Board of Education shall approve guidelines to be followed in considering such requests from local boards of education.

**(11) Surplus Property:** Notwithstanding KRS 45.777, any funds received by the Commonwealth from the disposal of any surplus property at the Kentucky School for the Blind, the Kentucky School for the Deaf, and the FFA Leadership Training Center shall be deposited in a separate restricted account for each facility and shall not be expended without appropriation authority granted by the General Assembly.

**(12) Advisory Council for Gifted and Talented Education:** Notwithstanding KRS 158.648(1), a member of the State Advisory Council for Gifted and Talented Education may be reappointed but shall not serve more than four consecutive terms. Notwithstanding KRS 158.648(1), a member of the Kentucky Association for Gifted Education shall be a voting member of the State Advisory Council for Gifted and Talented Education.

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

**(14) Kentucky School for the Blind and Kentucky School for the Deaf:** Included in the above General Fund appropriation is \$6,741,400 in fiscal year 2016-2017 and \$6,755,500 in fiscal year 2017-2018 for the Kentucky School for the Blind and \$9,916,500 in fiscal year 2016-2017 and \$9,937,100 in fiscal year 2017-2018 for the Kentucky School for the Deaf.

**(15) Learning and Results Services Programs:** Included in the above General Fund appropriation are the following allocations for the 2016-2018 fiscal biennium, but no portion of these funds shall be utilized for state-level administrative purposes:

- (a) \$1,236,000 in each fiscal year for the ACT and WorkKeys testing;
- (b) \$1,200,000 in each fiscal year for AdvanceKentucky;
- (c) \$72,300 in each fiscal year for the Appalachian Learning Disabled Tutoring Program;
- (d) \$525,100 in each fiscal year for the Blind/Deaf Residential Travel Program;
- (e) \$1,225,600 in each fiscal year for the Collaborative Center for Literacy Development;
- (f) \$1,358,800 in each fiscal year for the Commonwealth School Improvement Fund;
- (g) \$1,936,400 in each fiscal year for the Community Education Program;
- (h) \$576,100 in each fiscal year for the Dropout Prevention Program;
- (i) \$424,100 in each fiscal year for the Elementary Arts and Humanities Program;
- (j) \$451,400 in each fiscal year for the Every1 Reads Program;
- (k) \$25,510,700 in each fiscal year for the Extended School Services Program;
- (l) \$52,148,300 in each fiscal year for the Family Resource and Youth Services Centers Program;
- (m) \$227,900 in each fiscal year for the Georgia Chaffee Teenage Parent Program;
- (n) \$6,622,300 in each fiscal year for the Gifted and Talented Program;

# Unofficial Document

- (o) \$100,000 in each fiscal year for the Heuser Hearing and Language Academy;
  - (p) \$328,800 in each fiscal year for the Leadership and Mentor Fund;
  - (q) \$100,000 in each fiscal year for the Lexington Hearing and Speech Center;
  - (r) \$1,483,700 in each fiscal year for the Local School District Life Insurance;
  - (s) \$5,353,600 in each fiscal year for the Mathematics Achievement Fund;
  - (t) \$339,200 in each fiscal year for the Middle School Academic Center;
  - (u) \$67,368,400 in each fiscal year for the Preschool Program, which would provide a rate of \$3,500 per pupil based on the enrollment count of December 1, 2015, but no guarantee of the per-pupil rate shall be granted or otherwise implied if the enrollment count varies in fiscal year 2016-2017 or fiscal year 2017-2018;
  - (v) \$11,927,700 in each fiscal year for the Professional Development Program;
  - (w) \$720,300 in each fiscal year for the Teacher's Professional Growth Fund;
  - (x) \$15,469,100 in each fiscal year for the Read to Achieve Program;
  - (y) \$10,378,300 in each fiscal year for the Safe Schools Program;
  - (z) \$891,900 in each fiscal year for the Save the Children/Rural Literacy Program;
  - (aa) \$3,646,200 in each fiscal year for the School Food Services;
  - (ab) \$10,096,500 in each fiscal year for the State Agency Children Program;
  - (ac) \$250,000 in each fiscal year for Teach for America;
  - (ad) \$1,400,800 in each fiscal year for the Teacher Academies Program;
  - (ae) \$16,700,000 in each fiscal year for Instructional Resources;
  - (af) \$1,338,200 in each fiscal year for the Teacher Recruitment and Retention Program-Educator Quality and Diversity;
  - (ag) \$700,300 in each fiscal year for the Virtual Learning Program;
  - (ah) \$100,000 in each fiscal year for the Visually Impaired Preschool Services Program;
- and

(ai) \$534,300 in each fiscal year for the Writing Program.

**(16) Participation in the Education Technology Program by Area Vocational Education Centers:** Area Vocational Education Centers shall be fully eligible to participate in the Kentucky Education Technology System. Notwithstanding KRS 157.650, 157.655, 157.660, and 157.665, the School Facilities Construction Commission, in consultation with the Kentucky Board of Education and the Department of Education, shall develop administrative regulations which identify a methodology by which the average daily attendance for Area Vocational Education Centers may be equated to the average daily attendance of other local school districts in order that they may receive their respective distributions of these funds. The School Facilities Construction Commission shall include Area Vocational Education Centers in any offers of assistance to local school districts for technology assistance during the 2016-2018 fiscal biennium.

**TOTAL - DEPARTMENT OF EDUCATION**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	4,314,198,300	4,382,849,800
Restricted Funds	34,142,500	34,188,900
Federal Funds	888,475,100	888,493,100
<b>TOTAL</b>	<b>5,236,815,900</b>	<b>5,305,531,800</b>

**D. EDUCATION AND WORKFORCE DEVELOPMENT CABINET**

**Budget Units**

**1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	6,784,800	11,203,300
Restricted Funds	5,720,900	5,770,900
Federal Funds	2,589,900	2,589,900

# Unofficial Document

TOTAL	15,095,600	19,564,100
-------	------------	------------

(1) **Debt Service:** Included in the above General Fund appropriation is \$2,192,000 in fiscal year 2016-2017 and \$6,576,000 in fiscal year 2017-2018 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(2) **Governor's Scholars Program:** Included in the above General Fund appropriation is \$1,793,100 in each fiscal year for the Governor's Scholars Program.

(3) **Kentucky Center for Education and Workforce Statistics:** Included in the above General Fund appropriation is \$715,200 in each fiscal year for the Kentucky Center for Education and Workforce Statistics (KCEWS).

**2. PROPRIETARY EDUCATION**

	2016-17	2017-18
Restricted Funds	286,500	288,600

**3. DEAF AND HARD OF HEARING**

	2016-17	2017-18
General Fund	862,900	873,900
Restricted Funds	1,109,600	1,109,600
TOTAL	1,972,500	1,983,500

**4. KENTUCKY EDUCATIONAL TELEVISION**

	2016-17	2017-18
General Fund	12,622,200	12,731,100
Restricted Funds	1,451,000	1,451,000
TOTAL	14,073,200	14,182,100

**5. ENVIRONMENTAL EDUCATION COUNCIL**

	2016-17	2017-18
Restricted Funds	211,900	188,700

# Unofficial Document

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

**6. LIBRARIES AND ARCHIVES**

**a. General Operations**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	5,898,900	5,943,700
Restricted Funds	1,983,500	1,981,100
Federal Funds	1,447,300	1,460,300
<b>TOTAL</b>	<b>9,329,700</b>	<b>9,385,100</b>

**b. Direct Local Aid**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	6,058,100	6,058,100
Restricted Funds	592,200	592,200
Federal Funds	139,900	139,900
<b>TOTAL</b>	<b>6,790,200</b>	<b>6,790,200</b>

(1) **Per Capita Grants:** Notwithstanding KRS 171.201(2)(b), the department shall distribute the per capita grants within the available appropriated amounts.

(2) **Local Records Grant Program:** Notwithstanding KRS 142.010(5), included in the above General Fund appropriation are amounts for the Local Records Grant Program.

(3) **Public Libraries Facilities Construction:** Included in the above General Fund appropriation is \$3,329,600 in each fiscal year for the Public Libraries Facilities Construction Fund.

**TOTAL - LIBRARIES AND ARCHIVES**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	11,957,000	12,001,800

# Unofficial Document

Restricted Funds	2,575,700	2,573,300
Federal Funds	1,587,200	1,600,200
<b>TOTAL</b>	<b>16,119,900</b>	<b>16,175,300</b>

**7. OFFICE FOR THE BLIND**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund	-0-	1,364,800	1,378,700
Restricted Funds	900,000	1,477,600	1,482,300
Federal Funds	-0-	7,627,700	7,674,200
<b>TOTAL</b>	<b>900,000</b>	<b>10,470,100</b>	<b>10,535,200</b>

(1) **Accessible Electronic Information Service Program:** Included in the above General Fund appropriation is \$40,000 in each fiscal year for the Accessible Electronic Information Service Program.

**8. EMPLOYMENT AND TRAINING**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	18,002,300	22,037,500
Federal Funds	689,594,500	694,504,400
<b>TOTAL</b>	<b>707,596,800</b>	<b>716,541,900</b>

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

**9. VOCATIONAL REHABILITATION**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	10,795,500	10,818,900
Restricted Funds	3,307,100	3,308,800
Federal Funds	45,767,800	45,855,700



# Unofficial Document

TOTAL	59,870,400	59,983,400
-------	------------	------------

(1) **Interpreter Services:** Included in the above General Fund appropriation is \$392,300 in each fiscal year to provide accessibility services for deaf and hard of hearing students in postsecondary education institutions.

**10. EDUCATION PROFESSIONAL STANDARDS BOARD**

	2016-17	2017-18
General Fund	6,819,400	6,839,300
Restricted Funds	752,800	753,100
Federal Funds	205,000	205,000
TOTAL	7,777,200	7,797,400

(1) **Employment of Leadership Personnel:** Notwithstanding KRS 18A.005 to 18A.200, the Education Professional Standards Board shall have the sole authority to determine the employees of the Education Professional Standards Board staff who are exempt from the classified service and to set their compensation comparable to the competitive market.

(2) **Kentucky Teacher Internship Program:** Notwithstanding KRS 161.030(7), the Education Professional Standards Board shall set the minimum number of hours for the activities set forth in KRS 161.030(7), subject to the availability of appropriations.

(3) **Kentucky Principal Internship Program:** Notwithstanding KRS 161.027, no funds are provided in the above appropriations for the operational costs of the Kentucky Principal Internship Program.

**TOTAL - EDUCATION AND WORKFORCE DEVELOPMENT CABINET**

	2015-16	2016-17	2017-18
General Fund	-0-	51,206,600	55,847,000
Restricted Funds	900,000	34,895,400	38,963,800
Federal Funds	-0-	747,372,100	752,429,400

TOTAL 900,000 833,474,100 847,240,200

**E. ENERGY AND ENVIRONMENT CABINET**

**Budget Units**

**1. SECRETARY**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	3,029,300	3,059,400
Restricted Funds	2,021,000	1,967,900
Federal Funds	810,900	856,300
<b>TOTAL</b>	<b>5,861,200</b>	<b>5,883,600</b>

(1) **Administrative Support:** Notwithstanding KRS 224.60-130, 224.60-140, and 224.60-145, the Secretary may use Restricted Funds to support the Environmental Quality Commission. The use of these funds shall not exceed \$225,100 in fiscal year 2016-2017 and \$233,600 in fiscal year 2017-2018.

**2. ENVIRONMENTAL PROTECTION**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	21,979,600	22,490,100
Restricted Funds	71,968,800	71,301,000
Federal Funds	24,331,900	24,052,900
Road Fund	320,900	320,900
<b>TOTAL</b>	<b>118,601,200</b>	<b>118,164,900</b>

(1) **Municipal Solid Waste Landfill Inspectors:** Notwithstanding KRS 224.43-320, no funds are provided in the above appropriations for the assignment of full-time inspectors to each municipal solid waste landfill operating in the Commonwealth.

(2) **Debt Service:** Included in the above General Fund appropriation is \$11,500 in fiscal year 2016-2017 and \$191,500 in fiscal year 2017-2018 for new debt service to support new

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

### 3. NATURAL RESOURCES

	2016-17	2017-18
General Fund (Tobacco)	5,000,000	5,000,000
General Fund	32,330,000	32,632,200
Restricted Funds	14,844,800	14,657,900
Federal Funds	48,521,700	45,758,500
TOTAL	100,696,500	98,048,600

(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 351.140, the number of mandatory mine safety inspections to be carried out by the Division of Mine Safety shall be equal to the number of mine safety inspections required annually by the Mine Safety and Health Administration, one of which shall be a full electrical inspection.

(3) **Environmental Stewardship Program:** Included in the above General Fund (Tobacco) appropriation is \$5,000,000 in each fiscal year for the Environmental Stewardship Program.

(4) **Conservation Districts:** Included in the above General Fund appropriation is \$864,500 in each fiscal year for the Division of Conservation to provide direct aid to local conservation districts.

# Unofficial Document

**4. ENERGY DEVELOPMENT AND INDEPENDENCE**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	1,241,200	1,249,200
Restricted Funds	1,412,400	1,103,600
Federal Funds	762,400	582,000
<b>TOTAL</b>	<b>3,416,000</b>	<b>2,934,800</b>

**5. KENTUCKY NATURE PRESERVES COMMISSION**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	1,050,000	1,061,500
Restricted Funds	336,900	288,600
Federal Funds	39,000	39,000
<b>TOTAL</b>	<b>1,425,900</b>	<b>1,389,100</b>

**6. PUBLIC SERVICE COMMISSION**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	16,498,900	16,582,600
Restricted Funds	200,000	200,000
Federal Funds	444,400	445,100
<b>TOTAL</b>	<b>17,143,300</b>	<b>17,227,700</b>

(1) **Debt Service:** Included in the above General Fund appropriation is \$474,000 in each fiscal year for debt service for previously issued bonds.

(2) **Lapse of General Fund Appropriation Balance:** Notwithstanding KRS 278.150(3), \$7,068,000 in fiscal year 2016-2017 and \$7,068,000 in fiscal year 2017-2018 shall lapse to the credit of the General Fund.

**TOTAL - ENERGY AND ENVIRONMENT CABINET**

<b>2016-17</b>	<b>2017-18</b>
----------------	----------------

# Unofficial Document

General Fund (Tobacco)	5,000,000	5,000,000
General Fund	76,129,000	77,075,000
Restricted Funds	90,783,900	89,519,000
Federal Funds	74,910,300	71,733,800
Road Fund	320,900	320,900
<b>TOTAL</b>	<b>247,144,100</b>	<b>243,648,700</b>

## F. FINANCE AND ADMINISTRATION CABINET

### Budget Units

#### 1. GENERAL ADMINISTRATION

	2016-17	2017-18
General Fund	12,866,700	13,356,300
Restricted Funds	33,431,600	33,638,200
Road Fund	445,100	448,100
<b>TOTAL</b>	<b>46,743,400</b>	<b>47,442,600</b>

(1) **Debt Service:** Included in the above General Fund appropriation is \$3,025,000 in fiscal year 2016-2017 and \$6,443,000 in fiscal year 2017-2018 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

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

#### 2. CONTROLLER

	2016-17	2017-18
--	---------	---------

General Fund	5,848,700	5,893,900
Restricted Funds	11,342,200	11,521,200
<b>TOTAL</b>	<b>17,190,900</b>	<b>17,415,100</b>

(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.

**3. DEBT SERVICE**

	<b>2016-17</b>	<b>2017-18</b>
General Fund (Tobacco)	26,985,300	26,667,700
General Fund	423,105,900	469,749,500
<b>TOTAL</b>	<b>450,091,200</b>	<b>496,417,200</b>

(1) **General Fund (Tobacco) Debt Service Lapse:** Notwithstanding Part X, (4) of this Act, \$2,151,400 in fiscal year 2016-2017 and \$2,218,000 in fiscal year 2017-2018 shall lapse.

**4. FACILITIES AND SUPPORT SERVICES**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	5,406,700	6,110,800
Restricted Funds	47,785,700	45,755,100
<b>TOTAL</b>	<b>53,192,400</b>	<b>51,865,900</b>

(1) **Debt Service:** Included in the above General Fund appropriation is \$161,500 in fiscal year 2016-2017 and \$813,500 in fiscal year 2017-2018 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

**5. COUNTY COSTS**

	<b>2016-17</b>	<b>2017-18</b>
--	----------------	----------------

# Unofficial Document

General Fund	15,897,000	15,897,000
Restricted Funds	1,702,500	1,702,500
<b>TOTAL</b>	<b>17,599,500</b>	<b>17,599,500</b>

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

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

## 6. COMMONWEALTH OFFICE OF TECHNOLOGY

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	138,856,000	136,376,100
Federal Funds	1,262,800	1,262,800
<b>TOTAL</b>	<b>140,118,800</b>	<b>137,638,900</b>

(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.

## 7. REVENUE

	<b>2016-17</b>	<b>2017-18</b>
General Fund (Tobacco)	250,000	250,000
General Fund	84,876,600	85,468,300
Restricted Funds	12,533,000	12,660,600

# Unofficial Document

Road Fund	3,078,000	3,097,800
<b>TOTAL</b>	<b>100,737,600</b>	<b>101,476,700</b>

(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.

## 8. PROPERTY VALUATION ADMINISTRATORS

	<b>2016-17</b>	<b>2017-18</b>
General Fund	42,724,700	43,680,200
Restricted Funds	6,033,300	6,094,800
<b>TOTAL</b>	<b>48,758,000</b>	<b>49,775,000</b>

(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.

## TOTAL - FINANCE AND ADMINISTRATION CABINET

	<b>2016-17</b>	<b>2017-18</b>
General Fund (Tobacco)	27,235,300	26,917,700
General Fund	590,726,300	640,156,000
Restricted Funds	251,684,300	247,748,500
Federal Funds	1,262,800	1,262,800
Road Fund	3,523,100	3,545,900
<b>TOTAL</b>	<b>874,431,800</b>	<b>919,630,900</b>

## G. HEALTH AND FAMILY SERVICES CABINET

### Budget Units

#### 1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT

	<b>2016-17</b>	<b>2017-18</b>
General Fund	34,510,500	37,065,700



Restricted Funds	16,961,500	16,550,400
Federal Funds	42,460,600	42,710,300
TOTAL	93,932,600	96,326,400

(1) **Debt Service:** Included in the above General Fund appropriation is \$106,000 in fiscal year 2016-2017 and \$318,000 in fiscal year 2017-2018 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(2) **Human Services Transportation Delivery:** Notwithstanding KRS 281.010, the Kentucky Works Program shall not participate in the Human Services Transportation Delivery Program or the Coordinated Transportation Advisory Committee.

(3) **Reallocation of Appropriations Among Budget Units:** The Secretary of the Cabinet for Health and Family Services shall operate the Cabinet within the appropriations for the Cabinet authorized in this Act. The Secretary may request a revision or reallocation among the departments and offices of the Cabinet up to fifteen percent of the General Fund or Restricted Funds appropriations contained in Part I, Operating Budget, of this Act for fiscal years 2016-2017 and 2017-2018 for approval by the State Budget Director. No request shall relate to moneys in a fiduciary fund account. A request shall explain the need and use for the transfer authority under this subsection.

(4) **Expenditure of Waste, Fraud, and Abuse Savings:** Included in the above General Fund appropriation is \$4,000,000 in fiscal year 2016-2017 and \$6,000,000 in fiscal year 2017-2018 for delivery of services to adults and children as directed by the Secretary of the Cabinet for Health and Family Services. These funds are contingent on the identification and elimination of waste, fraud, and abuse in programs under the Department for Community Based Services and the Department for Medicaid Services. Allocations shall include but are not limited to the following:

- (a) \$800,000 in each fiscal year to the Brain Injury Trust Fund;

(b) \$100,000 in each fiscal year to Day Spring in Louisville;

(c) \$1,700,000 in each fiscal year to restore funding to Adult Services (Rape Crisis Centers, Adult Abuse Centers, Child Advocacy Centers, and Domestic Violence Centers); and

(d) An additional \$450,000 in each fiscal year to the Healing Place in Louisville.

**(5) Ensuring Safe Standards for Surgical Procedure Facilities:** Notwithstanding KRS 216B.020, 216B.0431, 216B.0435, 216B.990, or any other statute or provision of law to the contrary, the Secretary of the Cabinet for Health and Family Services shall ensure that at the time of an application for a certificate of need, an abortion facility that performs abortions in the Commonwealth, has been licensed to perform abortions in the Commonwealth for less than five years effective July 1, 2016, or that applies for initial licensure on or after July 1, 2016, shall comply with licensure standards and certificate of need requirements equivalent to those required for licensed ambulatory surgical centers in the Commonwealth, unless granted an extension by the Secretary.

No later than January 1, 2017, unless granted an extension by the Secretary, an abortion facility shall be required to have a health care practitioner on staff who has admitting privileges at an acute care hospital within 50 miles of the abortion facility.

An abortion facility that has been licensed to perform abortions in the Commonwealth for a minimum of five years prior to July 1, 2016, shall:

(a) Be exempt from certificate of need requirements, provided there is no lapse or revocation of license; and

(b) No later than January 1, 2017, meet licensure standards equivalent to those required for licensed ambulatory surgical centers.

## **2. COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS**

**2016-17**

**2017-18**

# Unofficial Document

General Fund	5,711,100	5,824,800
Restricted Funds	9,587,500	9,864,900
Federal Funds	4,566,100	4,566,100
<b>TOTAL</b>	<b>19,864,700</b>	<b>20,255,800</b>

### 3. MEDICAID SERVICES

#### a. Medicaid Administration

	2016-17	2017-18
General Fund	41,085,800	40,549,800
Restricted Funds	10,401,600	10,401,600
Federal Funds	143,993,900	145,316,600
<b>TOTAL</b>	<b>195,481,300</b>	<b>196,268,000</b>

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

#### b. Medicaid Benefits

2015-16	2016-17	2017-18
---------	---------	---------

General Fund	-0-	1,742,921,900	1,941,630,200
Restricted Funds	109,079,600	532,759,500	547,420,200
Federal Funds	-0-	8,299,738,200	8,586,627,900
<b>TOTAL</b>	<b>109,079,600</b>	<b>10,575,419,600</b>	<b>11,075,678,300</b>

(1) **Medicaid Copayments:** Notwithstanding KRS 205.6312, the Department for Medicaid Services may impose copayments for services rendered to Medicaid recipients, not to exceed the amounts permitted by federal law.

(2) **Medicaid and KCHIP Premiums and Cost-Sharing:** Notwithstanding KRS 205.6312 and 205.6485(1)(c), the Department for Medicaid Services may utilize premiums and cost-sharing for services rendered to Medicaid and KCHIP recipients not to exceed amounts permitted by federal law or waivers. KCHIP premiums are suspended for the 2016-2018 biennium.

(3) **Disproportionate Share Hospital Program:** Hospitals shall report indigent inpatient and outpatient care for which, under federal law, the hospital is eligible to receive disproportionate share payments. Disproportionate Share Hospital payments shall equal the maximum amounts established by federal law. Notwithstanding KRS 205.641, the disproportionate share factor for hospitals in fiscal years 2016-2017 and 2017-2018 shall be the same disproportionate share factor for the hospitals established as the final fiscal year 2013-2014 disproportionate share factor. In the interim, based upon the Centers for Medicare and Medicaid Services' revised rules for the Disproportionate Share Hospital Program, the hospitals shall work with the Cabinet for Health and Family Services to develop or select a method for determining the hospital share factor.

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

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

(6) **Critical Access Hospitals:** Beginning with the effective date of this Act through June 30, 2018, no acute care hospital shall convert to a critical access hospital unless the hospital has either received funding for a feasibility study from the Kentucky State Office of Rural Health or filed a written request by January 1, 2016, with the Kentucky State Office of Rural Health requesting funding for conducting a feasibility study.

(7) **Waiver Slots:** Included in the above appropriation are the necessary funds to support the phase-in of the following additional waiver slots:

(a) Supports for Community Living - 41 additional slots in fiscal year 2016-2017 and 130 additional slots in fiscal year 2017-2018 for a total of 171 new slots added over the 2016-2018 fiscal biennium; and

(b) Michelle P - 83 additional slots in fiscal year 2016-2017 and 166 additional slots in fiscal year 2017-2018 for a total of 249 new slots added over the 2016-2018 fiscal biennium.

(8) **Waste, Fraud, and Abuse:** The Commissioner of the Department for Medicaid Services shall take the necessary actions to reduce waste, fraud, and abuse in the Medicaid program.

**(9) Medicaid Managed Care Reporting:** Except as provided by KRS 61.878, all records and correspondence relating to Kentucky Medicaid, revenues derived from Kentucky Medicaid funds, and expenditures utilizing Kentucky Medicaid funds of a Medicaid managed care company operating within the Commonwealth shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. All records and correspondence relating to Medicaid specifically prohibited from disclosure by the federal Health Insurance Portability and Accountability Act privacy rules shall not be provided under this Act.

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

**(10) Appeals:** An appeal from denial of a service or services provided by a Medicaid managed care organization for medical necessity, or denial, limitation, or termination of a health care service in a case involving a medical or surgical specialty or subspecialty, shall, upon request of the recipient, authorized person, or provider, include a review by a board-eligible or board-certified physician in the appropriate specialty or subspecialty area; except in the case of a health care service rendered by a chiropractor or optometrist, in which case, the denial shall be

# Unofficial Document

made respectively by a chiropractor or optometrist duly licensed in Kentucky as specified in KRS 304.17A-607(1)(b). The physician reviewer shall not have participated in the initial review and denial of service and shall not be the provider of service or services under consideration in the appeal.

**TOTAL - MEDICAID SERVICES**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund	-0-	1,784,007,700	1,982,180,000
Restricted Funds	109,079,600	543,161,100	557,821,800
Federal Funds	-0-	8,443,732,100	8,731,944,500
<b>TOTAL</b>	<b>109,079,600</b>	<b>10,770,900,900</b>	<b>11,271,946,300</b>

**4. BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL  
 DISABILITIES**

	<b>2016-17</b>	<b>2017-18</b>
General Fund (Tobacco)	891,400	891,400
General Fund	180,371,200	180,846,400
Restricted Funds	209,398,300	209,706,700
Federal Funds	40,215,900	40,232,000
<b>TOTAL</b>	<b>430,876,800</b>	<b>431,676,500</b>

(1) **Disproportionate Share Hospital Funds:** Mental health disproportionate share funds are budgeted at the maximum amounts permitted by Section 1923(f) of the Social Security Act. Upon publication in the Federal Register of the Annual Institutions for Mental Disease (IMD) Disproportionate Share Hospital (DSH) limit, 92.3 percent of the federal IMD DSH limit goes to the state-operated mental hospitals.

(2) **Lease Payments for Eastern State Hospital:** Included in the above General Fund appropriation is \$11,257,800 in each fiscal year to make lease payments to the Lexington-Fayette

# Unofficial Document

Urban County Government to retire its debt for the construction of the new facility.

(3) **Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$891,400 in each fiscal year for substance abuse prevention and treatment for pregnant women with a history of substance abuse problems.

(4) **Debt Service:** Included in the above General Fund appropriation is \$22,500 in fiscal year 2016-2017 and \$240,500 in fiscal year 2017-2018 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

## 5. PUBLIC HEALTH

	<b>2016-17</b>	<b>2017-18</b>
General Fund (Tobacco)	13,933,100	14,168,100
General Fund	73,703,400	74,548,200
Restricted Funds	85,262,900	85,680,900
Federal Funds	188,417,600	187,879,400
<b>TOTAL</b>	<b>361,317,000</b>	<b>362,276,600</b>

(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 the 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 \$2,353,100 in fiscal year 2016-2017 and \$2,588,100 in fiscal year 2017-2018 for Smoking Cessation.

## 6. HEALTH POLICY

	<b>2016-17</b>	<b>2017-18</b>
General Fund	437,400	441,500
Restricted Funds	818,600	818,600
Federal Funds	1,511,100	1,013,100



TOTAL	2,767,100	2,273,200
-------	-----------	-----------

(1) **Health Facility Licensing:** Notwithstanding any statute to the contrary, the document required under KRS 216B.015(28) shall contain a utilization-based need methodology which accounts for all sites of service in the review of applications proposing the establishment of a health facility to be licensed under 902 KAR 20:106.

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

	2016-17	2017-18
General Fund	1,402,300	1,412,600
Federal Funds	4,869,100	4,869,100
TOTAL	6,271,400	6,281,700

**8. INCOME SUPPORT**

	2016-17	2017-18
General Fund	7,635,600	7,635,600
Restricted Funds	16,130,800	16,130,800
Federal Funds	83,226,700	84,968,900
TOTAL	106,993,100	108,735,300

**9. COMMUNITY BASED SERVICES**

	2015-16	2016-17	2017-18
General Fund (Tobacco)	2,046,600	6,668,400	8,894,700
General Fund	-0-	369,805,000	369,835,000
Restricted Funds	-0-	155,293,900	156,517,300
Federal Funds	-0-	514,443,900	519,023,000
TOTAL	2,046,600	1,046,211,200	1,054,270,000

(1) **Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$2,046,600 in fiscal year 2015-2016 for the Early Childhood Development

# Unofficial Document

Program. The \$2,046,600 shall not be expended in fiscal year 2015-2016, and shall continue into fiscal year 2016-2017. Included in the above General Fund (Tobacco) appropriation is \$6,668,400 in fiscal year 2016-2017 and \$8,894,700 in fiscal year 2017-2018 for the Early Childhood Development Program.

(2) **Supplemental Nutrition Assistance Program (SNAP):** The Commissioner of the Department for Community Based Services shall take necessary steps to phase in the reinstatement of the work requirement statewide for SNAP recipients and shall take necessary administrative actions to reduce waste, fraud, and abuse in the SNAP program.

## 10. AGING AND INDEPENDENT LIVING

	2016-17	2017-18
General Fund	42,583,200	42,716,800
Restricted Funds	3,184,400	3,184,400
Federal Funds	24,829,300	24,829,300
TOTAL	70,596,900	70,730,500

(1) **Local Match Requirements:** Notwithstanding KRS 205.460, entities contracting with the Cabinet for Health and Family Services to provide essential services under KRS 205.455 and 205.460 shall provide local match equal to or greater than the amount in effect during fiscal year 2015-2016. Local match may include any combination of materials, commodities, transportation, office space, personal services, or other types of facility services or funds. The Secretary of the Cabinet for Health and Family Services shall prescribe the procedures to certify the local match compliance.

## 11. HEALTH BENEFIT AND INFORMATION EXCHANGE

	2016-17	2017-18
Restricted Funds	20,370,100	8,186,800
Federal Funds	22,658,500	9,227,000

# Unofficial Document

TOTAL 43,028,600 17,413,800

(1) **Kentucky Access Fund:** Notwithstanding KRS 304.17B-021, excess Restricted Funds in the amount of \$23,500,000 in fiscal year 2015-2016 shall be transferred to the Department for Medicaid Services from the Kentucky Access Fund.

(2) **Assessment on Insurers:** Notwithstanding KRS 304.17B-021 or any other provision of the Kentucky Revised Statutes to the contrary, for participating insurers who offer Qualified Health Plans (QHPs), as defined in 42 U.S.C sec. 18021, being sold on the Federal Exchange in the individual market segment, the assessment in KRS 304.17B-021(1)(a) 2. to 4. shall not be imposed in the 2017 or 2018 plan year on any health benefit plan premium written by that insurer in the individual market segment.

**TOTAL - HEALTH AND FAMILY SERVICES CABINET**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund (Tobacco)	2,046,600	21,492,900	23,954,200
General Fund	-0-	2,500,167,400	2,702,506,600
Restricted Funds	109,079,600	1,060,169,100	1,064,462,600
Federal Funds	-0-	9,370,930,900	9,651,262,700
<b>TOTAL</b>	<b>111,126,200</b>	<b>12,952,760,300</b>	<b>13,442,186,100</b>

**H. JUSTICE AND PUBLIC SAFETY CABINET**

**Budget Units**

**1. JUSTICE ADMINISTRATION**

	<b>2016-17</b>	<b>2017-18</b>
General Fund (Tobacco)	1,609,100	1,769,800
General Fund	28,812,800	29,499,800
Restricted Funds	1,554,500	1,493,000
Federal Funds	21,172,100	21,178,700

# Unofficial Document

TOTAL 53,148,500 53,941,300

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

(2) **Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$1,609,100 in fiscal year 2016-2017 and \$1,769,800 in fiscal year 2017-2018 for the Office of Drug Control Policy.

(3) **Madisonville Medical Examiner's Office:** Included in the above General Fund appropriation is \$297,800 in each fiscal year for the operation of the Madisonville Medical Examiner's Office. The office shall not be relocated or closed during the 2016-2018 biennium.

## 2. CRIMINAL JUSTICE TRAINING

	2015-16	2016-17	2017-18
Restricted Funds	1,100,000	74,695,000	70,576,200
Federal Funds	47,600	249,500	260,000
TOTAL	1,147,600	74,944,500	70,836,200

(1) **Kentucky Law Enforcement Foundation Program Fund:** Included in the above Restricted Funds appropriation is \$73,451,900 in fiscal year 2016-2017 and \$69,327,500 in fiscal year 2017-2018 for the Kentucky Law Enforcement Foundation Program Fund.

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

(3) **Training Incentive Stipends Expansion to Other Peace Officers:** Notwithstanding KRS 15.410, 15.420(2), 15.460(1), and 15.470(2) and (4), included in the above Restricted Funds appropriation is sufficient funding for a \$4,000 annual training incentive stipend and associated fringe benefit costs for Kentucky state troopers, Kentucky State Police arson investigators, Kentucky State Police hazardous device investigators, Kentucky State Police

# Unofficial Document

legislative security specialists, Kentucky vehicle enforcement officers, Horse Park mounted patrol officers, Parks rangers, Agriculture investigators, Charitable Gaming investigators, Alcoholic Beverage Control investigators, Insurance Fraud investigators, School Resource officers, and Attorney General investigators from the Kentucky Law Enforcement Foundation Program Fund.

**(4) Support for Statewide Law Enforcement Purposes:** Notwithstanding KRS 15.470, included in the above Restricted Funds appropriation is \$2,000,000 in fiscal year 2016-2017 and \$2,350,000 in fiscal year 2017-2018 to be transferred to law enforcement capital projects for the State Police as set forth in Part II, Capital Projects Budget, of this Act. Notwithstanding KRS 15.470, included in the above Restricted Funds appropriation is \$1,100,000 in fiscal year 2015-2016, \$5,013,300 in fiscal year 2016-2017, and \$4,466,400 in fiscal year 2017-2018 to be transferred to the State Police for law enforcement purposes.

### 3. JUVENILE JUSTICE

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund	-0-	85,770,200	86,488,700
Restricted Funds	1,795,100	13,559,400	13,651,000
Federal Funds	-0-	12,226,500	12,323,400
<b>TOTAL</b>	<b>1,795,100</b>	<b>111,556,100</b>	<b>112,463,100</b>

### 4. STATE POLICE

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund	-0-	80,787,000	81,863,800
Restricted Funds	1,100,000	30,432,200	30,095,200
Federal Funds	-0-	11,764,400	11,801,000
Road Fund	-0-	102,676,700	103,596,700
<b>TOTAL</b>	<b>1,100,000</b>	<b>225,660,300</b>	<b>227,356,700</b>

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

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

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

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

(5) **Salary Increase:** Effective July 1, 2016, an increase shall be provided on the base salary or wages in the amount of \$3,100 for employees in the following job classifications: Trooper Senior, Sergeant, Lieutenant, Captain, Major, Lieutenant Colonel, Trooper R, Executive Security Officer I, Executive Security Officer II, CVE Captain, CVE Lieutenant, CVE Sergeant, and CVE Officer II. Effective July 1, 2016, an increase shall be provided on the base salary or wages in the amount of \$1,100 for employees in the Trooper and CVE Officer I job classifications.

(6) **Trooper R Class Officers:** Included in the above General Fund appropriation is \$804,800 in each fiscal year to support 15 Trooper R Class officers.

## 5. CORRECTIONS

### a. Corrections Management

	2016-17	2017-18
General Fund	9,335,300	9,404,900
Restricted Funds	300,000	300,000
Federal Funds	75,000	75,000
TOTAL	9,710,300	9,779,900

(1) **Appropriations Adjustments:** The General Assembly has determined that the Department of Corrections shall be permitted to adjust appropriations between the Community Services and Local Facilities budget unit and the Adult Correctional Institutions budget unit in each fiscal year. Only adjustments necessary to manage the diverse mix of inmate classifications, custody levels, probation and parole caseloads, and population increases or decreases shall be permitted. Any appropriations transferred or otherwise directed between these appropriation units shall be documented and justified in writing. No adjustments may be made except upon the prior written concurrence of the State Budget Director. The State Budget Director shall report the adjustments and the necessity of the adjustments to the Interim Joint Committee on Appropriations and Revenue. The State Budget Director shall certify that any authority granted in this section shall not create an existing, projected, or potential deficit in the unit from which funds were transferred.

(2) **Jailer Mental Health Screening Training:** The Kentucky Commission on Services and Supports for Individuals with Mental Illness, Alcohol and Other Drug Abuse Disorders, and Dual Diagnoses shall, in its annual review of the Commission plan, include in its duties recommendations for improvements in identifying, treating, housing, and transporting prisoners in jails and juveniles with mental illness who reside in detention centers. Items to be reviewed shall include but not be limited to recommendations for statutory and regulatory changes, training

and treatment funding, cost sharing, housing and transportation costs, appropriate treatment sites, and training requirements for local jailers and other officers of the court who may come in contact with persons deemed mentally ill who are incarcerated or in detention.

The training shall continue to be delivered by Regional Mental Health/Mental Retardation Board staff to new jailers and new jail staff, except administrative support, on screening and responding to the needs of inmates with mental illness within six months of employment. Treatment services may also be provided for within this funding allocation.

**(3) Local Correctional Facilities:** Notwithstanding KRS 441.420, no funds shall be provided for reimbursement to counties for design fees for architectural and engineering services associated with any new local correctional facility approved by the Kentucky Local Correctional Facilities Construction Authority in the 2016-2018 fiscal biennium.

**(4) Local Correctional Facilities Design Fees:** Pursuant to KRS 441.420(3), the Department of Corrections shall provide General Fund support for the cost of architectural plans and engineering services up to \$1,000,000 in fiscal year 2016-2017 for each of the following counties that were approved by the Kentucky Local Correctional Facilities Construction Authority during the 2014-2016 fiscal biennium: Knox, Laurel, Oldham, and Rowan.

**b. Adult Correctional Institutions**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund	15,800,000	270,471,700	271,142,800
Restricted Funds	-0-	17,454,400	17,459,700
Federal Funds	-0-	521,500	521,500
<b>TOTAL</b>	<b>15,800,000</b>	<b>288,447,600</b>	<b>289,124,000</b>

**(1) Debt Service:** Included in the above General Fund appropriation is \$267,500 in fiscal year 2016-2017 and \$973,000 in fiscal year 2017-2018 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.



# Unofficial Document

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

**c. Community Services and Local Facilities**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	205,525,300	210,713,200
Restricted Funds	6,200,000	3,000,000
Federal Funds	695,500	695,500
<b>TOTAL</b>	<b>212,420,800</b>	<b>214,408,700</b>

(1) **Excess Local Jail Per Diem Costs:** In the event that actual local jail per diem payments exceed the amounts provided to support the budgeted average daily population of state felons in county jails for each fiscal year, the payments shall be deemed necessary government expenses and may be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705), subject to notification as to necessity and amount by the State Budget Director who shall report any certified expenditure to the Interim Joint Committee on Appropriations and Revenue. The State Budget Director shall certify that any authority granted in this section shall not create an existing, projected, or potential deficit in the unit from which funds were transferred.

(2) **Local Jails Funding:** Notwithstanding KRS 441.605 to 441.695, funds in the amount of \$5,333,200 in fiscal year 2016-2017 and \$2,000,000 in fiscal year 2017-2018 shall be expended from the Kentucky Local Correctional Facilities Construction Authority for local correctional facility and operational support.

**d. Local Jail Support**

<b>2016-17</b>	<b>2017-18</b>
----------------	----------------

General Fund 16,712,300 16,712,300

**(1) Local Corrections Assistance Fund Allocation:** Notwithstanding KRS 196.288(5)(a), included in the above General Fund appropriation is \$4,917,600 in each fiscal year for the Local Corrections Assistance Fund. Moneys in the fund shall be distributed to the counties each year. Amounts distributed from the fund shall be used to support local correctional facilities and programs, including the transportation of prisoners. The amounts shall be distributed to each county based on a ratio, the numerator of which shall be the county's county inmate population on the second Thursday in January during the prior fiscal year, and the denominator of which shall be the total counties' county inmate population for the entire state on the second Thursday in January during the prior fiscal year.

**TOTAL - CORRECTIONS**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund	15,800,000	502,044,600	507,973,200
Restricted Funds	-0-	23,954,400	20,759,700
Federal Funds	-0-	1,292,000	1,292,000
<b>TOTAL</b>	<b>15,800,000</b>	<b>527,291,000</b>	<b>530,024,900</b>

**6. PUBLIC ADVOCACY**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund	377,500	51,789,900	52,231,900
Restricted Funds	-0-	2,855,200	2,716,100
Federal Funds	937,100	2,004,800	1,962,900
<b>TOTAL</b>	<b>1,314,600</b>	<b>56,649,900</b>	<b>56,910,900</b>

**(1) Compensatory Leave Conversion to Sick Leave:** If the Department for Public Advocacy determines that internal budgetary pressures warrant further austerity measures, the Public Advocate may institute a policy to suspend payment of 50-hour blocks of compensatory

# Unofficial Document

time for those attorneys who have accumulated 240 hours of compensatory time and instead convert those hours to sick leave.

**TOTAL - JUSTICE AND PUBLIC SAFETY CABINET**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund (Tobacco)	-0-	1,609,100	1,769,800
General Fund	16,177,500	749,204,500	758,057,400
Restricted Funds	3,995,100	147,050,700	139,291,200
Federal Funds	984,700	48,709,300	48,818,000
Road Fund	-0-	102,676,700	103,596,700
<b>TOTAL</b>	<b>21,157,300</b>	<b>1,049,250,300</b>	<b>1,051,533,100</b>

**I. LABOR CABINET**

**Budget Units**

**1. SECRETARY**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	4,596,900	4,640,700
Federal Funds	139,800	139,800
<b>TOTAL</b>	<b>4,736,700</b>	<b>4,780,500</b>

**2. GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	3,193,600	3,219,000
Restricted Funds	3,106,100	3,111,000
Federal Funds	73,400	73,400
<b>TOTAL</b>	<b>6,373,100</b>	<b>6,403,400</b>

**3. WORKPLACE STANDARDS**

	<b>2016-17</b>	<b>2017-18</b>
--	----------------	----------------

# Unofficial Document

General Fund	1,757,400	1,775,300
Restricted Funds	81,774,200	83,865,900
Federal Funds	3,436,300	3,436,300
<b>TOTAL</b>	<b>86,967,900</b>	<b>89,077,500</b>

**4. WORKERS' CLAIMS**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	18,876,000	19,040,800

**5. OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	806,500	813,100

**6. WORKERS' COMPENSATION FUNDING COMMISSION**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	115,325,100	117,379,800

**TOTAL - LABOR CABINET**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	4,951,000	4,994,300
Restricted Funds	224,484,800	228,851,300
Federal Funds	3,649,500	3,649,500
<b>TOTAL</b>	<b>233,085,300</b>	<b>237,495,100</b>

**J. PERSONNEL CABINET**

**Budget Units**

**1. GENERAL OPERATIONS**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	27,063,500	27,798,300

(1) **Pro Rata Assessment:** Included in the above Restricted Funds appropriation is

# Unofficial Document

\$2,692,600 in each fiscal year are funds to be transferred to the General Fund to support debt service on bonds previously issued for the Kentucky Human Resources Information System. The Personnel Cabinet shall collect a pro rata assessment from all state agencies, in all three branches of government, and other organizations that are supported by the System. Those collections shall be deposited and retained in a Restricted Funds account within the Personnel Cabinet.

**2. PUBLIC EMPLOYEES DEFERRED COMPENSATION AUTHORITY**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	9,315,500	9,340,700

**3. WORKERS' COMPENSATION BENEFITS AND RESERVE**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	25,280,300	26,328,600

**4. STATE GROUP HEALTH INSURANCE FUND**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	873,200	873,200

(1) **Group Health Insurance:** The above General Fund appropriation is provided to support a dependent subsidy for full-time employees of quasi-governmental employers, excluding state agencies, participating in the State Group Health Insurance program. To participate in this fund, each quasi-governmental employer shall certify to the Secretary of the Personnel Cabinet that no funds received from the pool are being utilized to fund any benefits for persons other than full-time employees.

**5. STATE SALARY AND COMPENSATION FUND**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	76,908,500	91,393,100

**TOTAL - PERSONNEL CABINET**

	<b>2016-17</b>	<b>2017-18</b>
--	----------------	----------------

# Unofficial Document

General Fund	77,781,700	92,266,300
Restricted Funds	61,659,300	63,467,600
<b>TOTAL</b>	<b>139,441,000</b>	<b>155,733,900</b>

## K. POSTSECONDARY EDUCATION

### Budget Units

#### 1. COUNCIL ON POSTSECONDARY EDUCATION

	2016-17	2017-18
General Fund (Tobacco)	4,706,100	5,176,100
General Fund	75,514,000	76,438,400
Restricted Funds	5,041,000	5,045,100
Federal Funds	18,102,500	18,102,500
<b>TOTAL</b>	<b>103,363,600</b>	<b>104,762,100</b>

(1) **Carry Forward of General Fund Appropriation Balance:** Notwithstanding KRS 45.229, the General Fund appropriation in fiscal year 2015-2016 and fiscal year 2016-2017 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 2015-2016 and fiscal year 2016-2017 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:** Notwithstanding KRS 164.476(1), General Fund (Tobacco) moneys in the amount of \$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) **Adult Education:** Included in the above General Fund appropriation are funds in each fiscal year for the Kentucky Adult Education Funding Program. The amount appropriated in fiscal year 2016-2017 and fiscal year 2017-2018 shall not be reduced greater than five percent from the fiscal year 2013-2014 appropriated amount of \$19,548,600.

(5) **Contract Spaces:** Included in the above General Fund appropriation is \$5,168,900 in each fiscal year for the Contract Spaces Program.

(6) **Veterinary Medicine:** If General Fund appropriations are not sufficient to fully fund 141 veterinary slots, the Council on Postsecondary Education shall fully fund the 141 slots out of the Council's base budget.

(7) **Optometry Slots:** If General Fund appropriations are not sufficient to fully fund 38 optometry slots, the Council on Postsecondary Education shall fully fund the 38 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, 2016.

(8) **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.

(9) **Increased Teachers' Retirement System Employer Match:** Included in the above General Fund appropriation is \$21,161,100 in fiscal year 2016-2017 and \$21,559,000 in fiscal year 2017-2018 for increased employer costs in fiscal year 2017-2018 authorized in Part I, A.,

29., (8) of this Act, which shall be paid on behalf of regional universities, the Kentucky Community and Technical College System, the Kentucky Department of Education Office of Career and Technical Education, and any participating units within the Education and Workforce Development Cabinet. These funds shall be in addition to the employer costs for qualified employees as provided for by KRS 161.550, and shall not constitute any portion of any employer contribution required by KRS Chapter 161.

## 2. KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

	2015-16	2016-17	2017-18
General Fund (Tobacco)	1,710,000	1,100,000	1,100,000
General Fund	2,300,000	206,956,000	207,785,100
Restricted Funds	754,500	32,328,200	34,151,700
Federal Funds	-0-	33,800	33,800
TOTAL	4,764,500	240,418,000	243,070,600

(1) **College Access Program:** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$59,514,400 in each fiscal year for the College Access Program.

(2) **Kentucky Tuition Grant Program:** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$32,419,100 in each fiscal year for the Kentucky Tuition Grant Program.

(3) **Teacher Scholarship Program:** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$1,732,800 in each fiscal year for the Teacher Scholarship Program.

(4) **Kentucky National Guard Tuition Award Program:** Included in the above General Fund appropriation is \$2,300,000 in fiscal year 2015-2016 for the 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 of the biennium for the National Guard Tuition Award Program.



(5) **Kentucky Educational Excellence Scholarships (KEES):** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$105,320,100 in fiscal year 2016-2017 and \$106,149,200 in fiscal year 2017-2018 for the Kentucky Educational Excellence Scholarships (KEES). Included in the above Restricted Funds appropriation is \$9,338,200 in fiscal year 2016-2017 and \$11,123,100 in fiscal year 2017-2018 for KEES.

(6) **Early Childhood Scholarships:** Included in the above General Fund (Tobacco) appropriation is \$1,100,000 in each fiscal year for Early Childhood Scholarships.

(7) **Pharmacy Scholarship Program:** Included in the above General Fund (Tobacco) appropriation is \$1,085,000 in fiscal year 2015-2016 for the Coal County Pharmacy Scholarship Program. Notwithstanding KRS 164.7890(11), no coal severance tax revenues are provided in fiscal years 2016-2017 and 2017-2018 for the Coal County Pharmacy Scholarship Program.

(8) **Osteopathic Medicine Scholarship Program:** Included in the above General Fund (Tobacco) appropriation is \$625,000 in fiscal year 2015-2016 for the Osteopathic Medicine Scholarship Program. Notwithstanding KRS 164.7891(11) and (12), no coal severance tax revenues are provided in fiscal years 2016-2017 and 2017-2018 for the Osteopathic Medicine Scholarship Program.

(9) **Work Study:** Included in the above General Fund appropriation is \$364,000 in each fiscal year for the Work Study Program.

### 3. EASTERN KENTUCKY UNIVERSITY

	2016-17	2017-18
General Fund	61,910,800	61,910,800
Restricted Funds	201,038,500	207,018,900
Federal Funds	104,484,500	105,529,100
TOTAL	367,433,800	374,458,800

(1) **Retirement System Options:** Notwithstanding KRS 61.525 and 161.220, Eastern

Kentucky University shall utilize 403(b) retirement plans to provide retirement benefits to newly hired employees beginning July 1, 2016.

(2) **Employee Tuition Waiver:** Notwithstanding KRS 164.020(33), Eastern Kentucky University may elect not to offer the tuition waiver provided to employees from July 1, 2016, to June 30, 2018.

(3) **Fire and Tornado Insurance:** Notwithstanding KRS 56.065 to 56.185, Eastern Kentucky University is offered the flexibility to access the private insurance market to secure more favorable rates and/or coverage offerings, variable deductible options, and dedicated limits for fire and tornado insurance coverage if the coverage level is approved by the Secretary of the Finance and Administration Cabinet.

#### 4. KENTUCKY STATE UNIVERSITY

	2016-17	2017-18
General Fund	26,785,400	25,819,300
Restricted Funds	18,220,000	19,220,000
Federal Funds	19,000,000	19,000,000
TOTAL	64,005,400	64,039,300

(1) **Special Initiative Funding:** Included in the above General Fund appropriation is \$2,733,900 in fiscal year 2016-2017 and \$1,767,800 in fiscal year 2017-2018 for initiatives focused on student recruitment and retention.

(2) **Land-Grant Match:** Included in the above General Fund appropriation is \$2,730,500 in each fiscal year to fully fund the state match payments required of land-grant universities under federal law for the 2016-2018 fiscal biennium.

(3) **Retirement System Options:** Notwithstanding KRS 61.525 and 161.220, Kentucky State University shall utilize 403(b) retirement plans to provide retirement benefits to newly hired employees beginning July 1, 2016.

(4) **Employee Tuition Waiver:** Notwithstanding KRS 164.020(33), Kentucky State University may elect not to offer the tuition waiver provided to employees from July 1, 2016, to June 30, 2018.

(5) **Fire and Tornado Insurance:** Notwithstanding KRS 56.065 to 56.185, Kentucky State University is offered the flexibility to access the private insurance market to secure more favorable rates and/or coverage offerings, variable deductible options, and dedicated limits for fire and tornado insurance coverage if the coverage level is approved by the Secretary of the Finance and Administration Cabinet.

**5. MOREHEAD STATE UNIVERSITY**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	39,645,900	39,645,900
Restricted Funds	120,719,600	125,861,500
Federal Funds	102,084,900	103,930,500
<b>TOTAL</b>	<b>262,450,400</b>	<b>269,437,900</b>

(1) **Craft Academy:** Included in the above General Fund appropriation is \$2,300,000 in each fiscal year for the Craft Academy.

(2) **Retirement System Options:** Notwithstanding KRS 61.525 and 161.220, Morehead State University shall utilize 403(b) retirement plans to provide retirement benefits to newly hired employees beginning July 1, 2016.

(3) **Employee Tuition Waiver:** Notwithstanding KRS 164.020(33), Morehead State University may elect not to offer the tuition waiver provided to employees from July 1, 2016, to June 30, 2018.

(4) **Fire and Tornado Insurance:** Notwithstanding KRS 56.065 to 56.185, Morehead State University is offered the flexibility to access the private insurance market to secure more favorable rates and/or coverage offerings, variable deductible options, and dedicated limits for

fire and tornado insurance coverage if the coverage level is approved by the Secretary of the Finance and Administration Cabinet.

**6. MURRAY STATE UNIVERSITY**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	43,702,900	43,702,900
Restricted Funds	129,754,600	135,149,500
Federal Funds	18,692,100	18,692,100
<b>TOTAL</b>	<b>192,149,600</b>	<b>197,544,500</b>

(1) **Retirement System Options:** Notwithstanding KRS 61.525 and 161.220, Murray State University shall utilize 403(b) retirement plans to provide retirement benefits to newly hired employees beginning July 1, 2016.

(2) **Employee Tuition Waiver:** Notwithstanding KRS 164.020(33), Murray State University may elect not to offer the tuition waiver provided to employees from July 1, 2016, to June 30, 2018.

(3) **Fire and Tornado Insurance:** Notwithstanding KRS 56.065 to 56.185, Murray State University is offered the flexibility to access the private insurance market to secure more favorable rates and/or coverage offerings, variable deductible options, and dedicated limits for fire and tornado insurance coverage if the coverage level is approved by the Secretary of the Finance and Administration Cabinet.

**7. NORTHERN KENTUCKY UNIVERSITY**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	49,503,400	54,837,600
Restricted Funds	177,415,800	180,924,700
Federal Funds	16,849,400	16,849,400
<b>TOTAL</b>	<b>243,768,600</b>	<b>252,611,700</b>

# Unofficial Document

(1) **Conveyance of Property:** Notwithstanding KRS 45.777 and 164A.575(7), Northern Kentucky University may dispose of real property and improvements located in Covington, Kentucky that will become surplus to its needs and retain the proceeds from any sale.

(2) **Retirement System Options:** Notwithstanding KRS 61.525 and 161.220, Northern Kentucky University shall utilize 403(b) retirement plans to provide retirement benefits to newly hired employees beginning July 1, 2016.

(3) **Employee Tuition Waiver:** Notwithstanding KRS 164.020(33), Northern Kentucky University may elect not to offer the tuition waiver provided to employees from July 1, 2016, to June 30, 2018.

(4) **Fire and Tornado Insurance:** Notwithstanding KRS 56.065 to 56.185, Northern Kentucky University is offered the flexibility to access the private insurance market to secure more favorable rates and/or coverage offerings, variable deductible options, and dedicated limits for fire and tornado insurance coverage if the coverage level is approved by the Secretary of the Finance and Administration Cabinet.

## 8. UNIVERSITY OF KENTUCKY

	2015-16	2016-17	2017-18
General Fund (Tobacco)	2,000,000	-0-	-0-
General Fund	-0-	253,146,300	253,146,300
Restricted Funds	-0-	3,133,535,600	3,439,190,500
Federal Funds	-0-	241,824,500	255,681,300
<b>TOTAL</b>	<b>2,000,000</b>	<b>3,628,506,400</b>	<b>3,948,018,100</b>

(1) **Employee Tuition Waiver:** Notwithstanding KRS 164.020(33), the University of Kentucky may elect not to offer the tuition waiver provided to employees from July 1, 2016, to June 30, 2018.

(2) **Fire and Tornado Insurance:** Notwithstanding KRS 56.065 to 56.185, the

University of Kentucky is offered the flexibility to access the private insurance market to secure more favorable rates and/or coverage offerings, variable deductible options, and dedicated limits for fire and tornado insurance coverage if the coverage level is approved by the Secretary of the Finance and Administration Cabinet.

(3) **Robinson Scholars Program:** Included in the above General Fund (Tobacco) appropriation is \$2,000,000 in fiscal year 2015-2016 for the Robinson Scholars Program at the University of Kentucky.

## 9. UNIVERSITY OF LOUISVILLE

	2016-17	2017-18
General Fund	125,649,900	125,649,900
Restricted Funds	1,001,343,000	1,029,921,100
Federal Funds	113,548,100	114,333,600
TOTAL	1,240,541,000	1,269,904,600

(1) **Employee Tuition Waiver:** Notwithstanding KRS 164.020(33), the University of Louisville may elect not to offer the tuition waiver provided to employees from July 1, 2016, to June 30, 2018.

(2) **Fire and Tornado Insurance:** Notwithstanding KRS 56.065 to 56.185, the University of Louisville is offered the flexibility to access the private insurance market to secure more favorable rates and/or coverage offerings, variable deductible options, and dedicated limits for fire and tornado insurance coverage if the coverage level is approved by the Secretary of the Finance and Administration Cabinet.

## 10. WESTERN KENTUCKY UNIVERSITY

	2016-17	2017-18
General Fund	70,962,400	73,550,400
Restricted Funds	288,960,600	294,816,600

# Unofficial Document

Federal Funds	38,811,000	38,811,000
<b>TOTAL</b>	<b>398,734,000</b>	<b>407,178,000</b>

(1) **Gatton Academy:** Included in the above General Fund appropriation is \$4,926,800 in each fiscal year for the Gatton Academy.

(2) **Retirement System Options:** Notwithstanding KRS 61.525 and 161.220, Western Kentucky University shall utilize 403(b) retirement plans to provide retirement benefits to newly hired employees beginning July 1, 2016.

(3) **Employee Tuition Waiver:** Notwithstanding KRS 164.020(33), Western Kentucky University may elect not to offer the tuition waiver provided to employees from July 1, 2016, to June 30, 2018.

(4) **Fire and Tornado Insurance:** Notwithstanding KRS 56.065 to 56.185, Western Kentucky University is offered the flexibility to access the private insurance market to secure more favorable rates and/or coverage offerings, variable deductible options, and dedicated limits for fire and tornado insurance coverage if the coverage level is approved by the Secretary of the Finance and Administration Cabinet.

## 11. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

	<b>2016-17</b>	<b>2017-18</b>
General Fund	173,047,700	173,047,700
Restricted Funds	470,316,400	486,161,000
Federal Funds	257,392,000	270,270,700
<b>TOTAL</b>	<b>900,756,100</b>	<b>929,479,400</b>

(1) **Firefighters Foundation Program Fund:** Included in the above Restricted Funds appropriation is \$48,800,300 in fiscal year 2016-2017 and \$46,348,100 in fiscal year 2017-2018 for the Firefighters Foundation Program Fund. Notwithstanding KRS 95A.250(1), supplemental payments for each qualified professional firefighter under the Firefighters Foundation Program

Fund shall be \$4,000 in each fiscal year. Notwithstanding KRS 95A.262(2), aid payments for each qualified volunteer fire department shall be \$11,000 in each fiscal year. Notwithstanding KRS 95A.200 to 95A.300, \$3,000,000 in fiscal year 2016-2017 shall be transferred to support projects as set forth in Part II, Capital Projects Budget, of this Act.

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

(3) **Conveyance of Property:** Notwithstanding KRS 45.777 and 164A.575(7), the Kentucky Community and Technical College System may dispose of real property and improvements that have become surplus to its needs and retain the proceeds from any sale.

(4) **Housing Allowance for the President:** Beginning January 1, 2016, no housing allowance shall be provided for the President of the Kentucky Community and Technical College System.

(5) **Retirement System Options:** Notwithstanding KRS 61.525 and 161.220, the Kentucky Community and Technical College System shall utilize 403(b) retirement plans to provide retirement benefits to newly hired employees beginning July 1, 2016.

(6) **Employee Tuition Waiver:** Notwithstanding KRS 164.020(33), the Kentucky Community and Technical College System may elect not to offer the tuition waiver provided to employees from July 1, 2016, to June 30, 2018.

(7) **Fire and Tornado Insurance:** Notwithstanding KRS 56.065 to 56.185, the Kentucky Community and Technical College System is offered the flexibility to access the private insurance market to secure more favorable rates and/or coverage offerings, variable deductible options, and dedicated limits for fire and tornado insurance coverage if the coverage level is approved by the Secretary of the Finance and Administration Cabinet.

## 12. POSTSECONDARY EDUCATION PERFORMANCE FUND

2016-17

2017-18



(1) **Postsecondary Education Performance Task Force:** The Council on Postsecondary Education shall establish the Postsecondary Education Performance Task Force to determine performance goals and the corresponding distribution of the Postsecondary Education Performance Fund. The Task Force shall submit to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Education an annual report by December 1 of each fiscal year of the biennium, with the first report due on December 1, 2016. The Task Force shall consist of:

- (a) The President of the Council on Postsecondary Education;
- (b) One member named by the President of the Senate;
- (c) One member named by the Minority Floor Leader of the Senate;
- (d) One member named by the Speaker of the House;
- (e) One member named by the House Minority Floor Leader;
- (f) The president of each public university (University of Kentucky, University of Louisville, Murray State University, Morehead State University, Western Kentucky University, Eastern Kentucky University, Northern Kentucky University, and Kentucky State University);
- (g) The President of the Kentucky Community and Technical College System;
- (h) The Secretary of the Education and Workforce Development Cabinet;
- (i) The State Budget Director; and
- (j) Five members appointed by the Governor.

The Task Force shall be administratively attached to the Council on Postsecondary Education and shall have no authority to employ staff of any kind. The Task Force shall not enter into any contract or memorandum of agreement for personnel services. The Council on Postsecondary Education shall provide staff to the Task Force as deemed necessary.

**TOTAL - POSTSECONDARY EDUCATION**

**2015-16**

**2016-17**

**2017-18**

# Unofficial Document

General Fund (Tobacco)	3,710,000	5,806,100	6,276,100
General Fund	2,300,000	1,126,824,700	1,135,534,300
Restricted Funds	754,500	5,578,673,300	5,957,460,600
Federal Funds	-0-	930,822,800	961,234,000
<b>TOTAL</b>	<b>6,764,500</b>	<b>7,642,126,900</b>	<b>8,060,505,000</b>

## L. PUBLIC PROTECTION CABINET

### Budget Units

#### 1. SECRETARY

	<b>2016-17</b>	<b>2017-18</b>
General Fund	276,400	279,700
Restricted Funds	6,297,700	6,346,000
<b>TOTAL</b>	<b>6,574,100</b>	<b>6,625,700</b>

#### 2. BOXING AND WRESTLING AUTHORITY

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	161,300	161,800

#### 3. ALCOHOLIC BEVERAGE CONTROL

	<b>2016-17</b>	<b>2017-18</b>
General Fund	587,100	591,700
Restricted Funds	7,146,300	7,154,700
<b>TOTAL</b>	<b>7,733,400</b>	<b>7,746,400</b>

#### 4. CHARITABLE GAMING

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	3,714,300	3,742,200

#### 5. BOARD OF CLAIMS/CRIME VICTIMS' COMPENSATION BOARD

	<b>2016-17</b>	<b>2017-18</b>
--	----------------	----------------

# Unofficial Document

General Fund	709,800	721,800
Restricted Funds	957,700	967,900
Federal Funds	246,400	157,200
<b>TOTAL</b>	<b>1,913,900</b>	<b>1,846,900</b>

**6. FINANCIAL INSTITUTIONS**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	12,274,100	12,678,500

**7. HORSE RACING COMMISSION**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	2,623,000	2,647,200
Restricted Funds	29,038,800	29,646,200
<b>TOTAL</b>	<b>31,661,800</b>	<b>32,293,400</b>

**8. HOUSING, BUILDINGS AND CONSTRUCTION**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	2,392,800	2,414,500
Restricted Funds	21,000,000	20,783,000
<b>TOTAL</b>	<b>23,392,800</b>	<b>23,197,500</b>

**(1) Funding Flexibility:** Notwithstanding KRS 198B.090(10), 198B.095(2), 198B.4037(2), (3), and (4), 198B.6674, 227.620(5), 227A.050(1) and (2), 227.715, 236.130(3), and 318.136, the Department of Housing, Buildings and Construction may expend, with the approval of any affected boards, any Restricted Funds for programs administered by the Department. The Department shall return any funds transferred within the fiscal biennium.

**9. INSURANCE**

	<b>2016-17</b>	<b>2017-18</b>
Restricted Funds	18,375,200	18,422,200

# Unofficial Document

Federal Funds	1,123,000	1,138,500
<b>TOTAL</b>	<b>19,498,200</b>	<b>19,560,700</b>

**10. TAX APPEALS**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	450,000	453,800

**TOTAL - PUBLIC PROTECTION CABINET**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	7,039,100	7,108,700
Restricted Funds	98,965,400	99,902,500
Federal Funds	1,369,400	1,295,700
<b>TOTAL</b>	<b>107,373,900</b>	<b>108,306,900</b>

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

**Budget Units**

**1. SECRETARY**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	2,531,500	2,561,000
Restricted Funds	13,299,900	14,303,200
<b>TOTAL</b>	<b>15,831,400</b>	<b>16,864,200</b>

**2. ARTISANS CENTER**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	399,000	404,400
Restricted Funds	1,585,400	1,585,400
Road Fund	439,800	445,200
<b>TOTAL</b>	<b>2,424,200</b>	<b>2,435,000</b>

**3. TRAVEL**

# Unofficial Document

	<b>2016-17</b>	<b>2017-18</b>
General Fund	3,008,400	3,034,300
Restricted Funds	41,100	41,100
<b>TOTAL</b>	<b>3,049,500</b>	<b>3,075,400</b>

(1) **Bluegrass State Games:** Included in the above General Fund appropriation is \$45,500 in each fiscal year for the Bluegrass State Games.

#### 4. PARKS

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund	12,380,000	34,994,000	35,634,800
Restricted Funds	-0-	49,556,400	49,570,600
<b>TOTAL</b>	<b>12,380,000</b>	<b>84,550,400</b>	<b>85,205,400</b>

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

(2) **Debt Service:** Included in the above General Fund appropriation is \$168,500 in fiscal year 2016-2017 and \$505,500 in fiscal year 2017-2018 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

#### 5. HORSE PARK COMMISSION

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund	-0-	2,395,800	2,417,600
Restricted Funds	1,200,000	12,026,600	12,062,000
<b>TOTAL</b>	<b>1,200,000</b>	<b>14,422,400</b>	<b>14,479,600</b>

#### 6. STATE FAIR BOARD

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund	2,300,000	4,385,200	4,917,200
Restricted Funds	-0-	41,864,100	43,232,600

# Unofficial Document

TOTAL	2,300,000	46,249,300	48,149,800
-------	-----------	------------	------------

(1) **Debt Service:** Included in the above General Fund appropriation is \$34,000 in fiscal year 2016-2017 and \$388,000 in fiscal year 2017-2018 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

## 7. FISH AND WILDLIFE RESOURCES

	2016-17	2017-18
Restricted Funds	38,129,600	38,246,700
Federal Funds	17,310,200	17,207,500
TOTAL	55,439,800	55,454,200

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

## 8. HISTORICAL SOCIETY

	2016-17	2017-18
General Fund	5,557,200	5,596,500
Restricted Funds	457,800	457,800
Federal Funds	207,900	180,400
TOTAL	6,222,900	6,234,700

## 9. ARTS COUNCIL

	2016-17	2017-18
General Fund	2,625,700	2,640,700
Restricted Funds	151,600	151,600
Federal Funds	708,500	708,500
TOTAL	3,485,800	3,500,800

(1) **Open Meetings:** Any entity involved in producing or financing arts on a local or

# Unofficial Document

statewide basis, since the inception of fiscal year 2004-2005, which received a total of \$25,000 or less as a result of appropriations or grants from state or local governmental units, shall be exempt from the requirements of KRS 61.800 to 61.850.

(2) **Open Records:** Any entity involved in producing or financing arts on a local or statewide basis, since the inception of fiscal year 2004-2005, which received a total of \$25,000 or less as a result of appropriations or grants from state or local governmental units shall be exempt from the requirements of KRS 61.870 to 61.884.

## 10. HERITAGE COUNCIL

	<b>2016-17</b>	<b>2017-18</b>
General Fund	711,300	717,100
Restricted Funds	276,800	278,700
Federal Funds	857,700	863,800
<b>TOTAL</b>	<b>1,845,800</b>	<b>1,859,600</b>

## 11. KENTUCKY CENTER FOR THE ARTS

	<b>2016-17</b>	<b>2017-18</b>
General Fund	885,300	887,300

## TOTAL - TOURISM, ARTS AND HERITAGE CABINET

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund	14,680,000	57,493,400	58,810,900
Restricted Funds	1,200,000	157,389,300	159,929,700
Federal Funds	-0-	19,084,300	18,960,200
Road Fund	-0-	439,800	445,200
<b>TOTAL</b>	<b>15,880,000</b>	<b>234,406,800</b>	<b>238,146,000</b>

## N. BUDGET RESERVE TRUST FUND

### Budget Units

**1. BUDGET RESERVE TRUST FUND**

	<b>2016-17</b>	<b>2017-18</b>
General Fund	153,436,000	160,960,900

(1) **Direct Appropriation to Budget Reserve Trust Fund:** Included in the above General Fund appropriation is \$89,336,000 in fiscal year 2016-2017 and \$89,335,900 in fiscal year 2017-2018 to the Budget Reserve Trust Fund.

(2) **Contingent General Fund Appropriation to Budget Reserve Trust Fund:** Included in the above General Fund appropriation is \$64,100,000 in fiscal year 2016-2017 and \$71,625,000 in fiscal year 2017-2018 to the Budget Reserve Trust Fund. The amount of these appropriations to be allotted and made available in fiscal year 2016-2017 shall be calculated as 50 percent of the amount that actual General Fund receipts at the end of each fiscal year exceed \$10,489,000,000, compared to the enacted estimate. The amount of these appropriations to be allotted and made available in fiscal year 2017-2018 shall be calculated as 50 percent of the amount that actual General Fund receipts at the end of each fiscal year exceed \$10,732,250,000, compared to the enacted estimate.

**PART II**

**CAPITAL PROJECTS BUDGET**

(1) **Capital Construction Fund Appropriations and Reauthorizations:** Moneys in the Capital Construction Fund are appropriated for the following capital projects subject to the conditions and procedures in this Act. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 2016-2018 fiscal biennium. Unless otherwise specified, reauthorized projects shall conform to the original authorization enacted by the General Assembly.

(2) **Expiration of Existing Line-Item Capital Construction Projects:** All



appropriations to existing line-item capital construction projects expire on June 30, 2016, unless reauthorized in this Act with the following exceptions: (a) A construction or purchase contract for the project shall have been awarded by June 30, 2016; (b) Permanent financing or a short-term line of credit sufficient to cover the total authorized project scope shall have been obtained in the case of projects authorized for bonds, if the authorized project completes an initial draw on the line of credit within the fiscal biennium immediately subsequent to the original authorization; and (c) Grant or loan agreements, if applicable, shall have been finalized and properly signed by all necessary parties by June 30, 2016. Notwithstanding the criteria set forth in this subsection, the disposition of 2016-2018 fiscal biennium nonstatutory appropriated maintenance pools funded from Capital Construction Investment Income shall remain subject to the provisions of KRS 45.770(5)(c).

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

**(4) Appropriations for Projects Not Line-Itemized:** Inasmuch as the identification of specific projects in a variety of areas of the state government cannot be ascertained with absolute certainty at this time, amounts are appropriated for specific purposes to projects which are not individually identified in this Act in the following areas: Kentucky Infrastructure Authority Water and Sewer projects; Repair of State-Owned Dams; Guaranteed Energy Savings Performance Contract projects; Wetland and Stream Mitigation projects; Economic Development projects, which shall include authorization for the High-Tech Construction Pool and the High-Tech Investment Pool; Flood Control projects; Bond-funded maintenance pools; Postsecondary Education pools; and Commonwealth Office of Technology Infrastructure Upgrades. Any projects estimated to cost over \$600,000 and equipment estimated to cost over \$200,000 shall be

reported to the Capital Projects and Bond Oversight Committee.

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

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

**(7) Expiring Debt:** The following amount of previously appropriated bond funds shall expire upon passage of this Act: Maxey Flats Cap (\$9,000,000) as set forth in 2012 Ky. Acts ch. 144, Part II, E., 2., 001..

**A. GENERAL GOVERNMENT**

Budget Units	2015-16	2016-17	2017-18
<b>1. DEPARTMENT OF VETERANS' AFFAIRS</b>			
<b>001. Maintenance Pool - 2016-2018</b>			
Investment Income	-0-	400,000	400,000
<b>002. Construct Bowling Green Veterans' Center</b>			
Federal Funds	-0-	19,500,000	-0-
Bond Funds	-0-	10,500,000	-0-
TOTAL	-0-	30,000,000	-0-

**(1) Bowling Green Veterans' Center:** No bonds shall be sold for this project until it has been approved by the United States Department of Veterans Affairs and the Commonwealth has

# Unofficial Document

been notified by the United States Department of Veterans Affairs that Federal Funds are available to support this construction.

## 2. KENTUCKY INFRASTRUCTURE AUTHORITY

### 001. KIA Fund A - Federally Assisted Wastewater Program - 2016-2018

Federal Funds	-0-	17,870,000	17,870,000
Bond Funds	-0-	3,750,000	3,750,000
Agency Bonds	-0-	100,000,000	-0-
TOTAL	-0-	121,620,000	21,620,000

(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 - 2016-2018

Federal Funds	-0-	13,770,000	13,770,000
Bond Funds	-0-	3,050,000	3,050,000
Agency Bonds	-0-	25,000,000	-0-
TOTAL	-0-	41,820,000	16,820,000

(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. KIA Fund A - Federally Assisted Wastewater Program - 2014-2016

Reauthorization (\$100,000,000 Agency Bonds)

### 004. KIA Fund F - Drinking Water Revolving Loan Program - 2014-2016

Reauthorization (\$25,000,000 Agency Bonds)

## 3. MILITARY AFFAIRS

### 001. Construct Building 352 - Bluegrass Station

Other Funds	-0-	7,000,000	-0-
-------------	-----	-----------	-----

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

**002. Construct Replacement Human Resources Office Building - Frankfort**

Restricted Funds	-0-	525,000	-0-
Federal Funds	-0-	1,575,000	-0-
TOTAL	-0-	2,100,000	-0-

**003. Maintenance Pool - 2016-2018**

Investment Income	-0-	1,000,000	1,000,000
-------------------	-----	-----------	-----------

**004. Renovation of Bay A in Building 3 at Bluegrass Station**

Restricted Funds	2,000,000	-0-	-0-
------------------	-----------	-----	-----

**005. Construct Structural Repairs Harrodsburg Armory**

Restricted Funds	-0-	330,000	-0-
Federal Funds	-0-	330,000	-0-
TOTAL	-0-	660,000	-0-

**006. Construct Structural Repairs Walton Armory**

Restricted Funds	-0-	330,000	-0-
Federal Funds	-0-	330,000	-0-
TOTAL	-0-	660,000	-0-

**007. Renovation Butler Building Property Phase 2 - Louisville**

Reauthorization (\$2,000,000 Restricted Funds)

**4. REGISTRY OF ELECTION FINANCE**

**001. System Modernization**

General Fund	-0-	1,836,000	-0-
--------------	-----	-----------	-----

**5. ATTORNEY GENERAL**

**001. Franklin County - Lease**

**6. UNIFIED PROSECUTORIAL SYSTEM**

**a. Commonwealth's Attorneys**

001. Jefferson County - Lease

7. **TREASURY**

001. Lease-Purchase Check Printers

Investment Income	-0-	115,600	-0-
-------------------	-----	---------	-----

8. **OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS**

a. **Nursing**

001. Jefferson County - Lease

9. **KENTUCKY RIVER AUTHORITY**

001. Construct Lock and Dam 10

Agency Bonds	-0-	34,000,000	-0-
--------------	-----	------------	-----

002. Design and Repair Dam 7

Agency Bonds	-0-	292,000	2,789,000
--------------	-----	---------	-----------

003. Design and Repair Dam 6

Agency Bonds	-0-	197,000	2,102,000
--------------	-----	---------	-----------

10. **SCHOOL FACILITIES CONSTRUCTION COMMISSION**

001. Special Offers of Assistance - 2014-2016

Bond Funds	-0-	103,112,000	-0-
------------	-----	-------------	-----

002. Offers of Assistance - 2014-2016

Bond Funds	-0-	91,000,000	-0-
------------	-----	------------	-----

003. School Facilities Construction Commission Reauthorization

(\$94,532,000 Bond Funds)

**B. ECONOMIC DEVELOPMENT CABINET**

(1) **Economic Development Bond Issues:** Before any economic development bonds are issued, the proposed bond issue shall be approved by the Secretary of the Finance and Administration Cabinet and the State Property and Buildings Commission under KRS 56.440 to

56.590. In addition to the terms and conditions of KRS 154.12-100, administration of the Economic Development Bond Program by the Secretary of the Cabinet for Economic Development is subject to the following guideline: project selection shall be documented when presented to the Secretary of the Finance and Administration Cabinet. Included in the documentation shall be the rationale for selection and expected economic development impact.

(2) **Use of New Economy Funds:** Notwithstanding KRS 154.12-100, 154.12-278(4) and (5), and 154.20.035, the Secretary of the Cabinet for Economic Development may use funds appropriated in the Economic Development Bond Program, High-Tech Construction/Investment Pool, and the Kentucky Economic Development Finance Authority Loan Pool interchangeably for economic development projects.

<b>Budget Units</b>	<b>2016-17</b>	<b>2017-18</b>
<b>1. ECONOMIC DEVELOPMENT</b>		
<b>001. Economic Development Bond Program - 2016-2018</b>		
Bond Funds	-0-	7,000,000
<b>002. High-Tech Construction/Investment Pool - 2016-2018</b>		
Bond Funds	-0-	7,000,000
<b>003. Kentucky Economic Development Finance Authority Loan Pool - 2016-2018</b>		
Bond Funds	-0-	7,000,000

**C. DEPARTMENT OF EDUCATION**

<b>Budget Units</b>	<b>2016-17</b>	<b>2017-18</b>
<b>1. OPERATIONS AND SUPPORT SERVICES</b>		
<b>001. Maintenance Pool - 2016-2018</b>		
Investment Income	675,000	675,000

**D. EDUCATION AND WORKFORCE DEVELOPMENT CABINET**

# Unofficial Document

Budget Units	2016-17	2017-18
<b>1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT</b>		
<b>001. Kentucky Workforce Investment Fund</b>		
Bond Funds	100,000,000	-0-
<b>002. Maintenance Pool - 2016-2018</b>		
Investment Income	400,000	400,000
<b>2. KENTUCKY EDUCATIONAL TELEVISION</b>		
<b>001. Maintenance Pool - 2016-2018</b>		
Investment Income	300,000	300,000
<b>3. EMPLOYMENT AND TRAINING</b>		
<b>001. Hardin County - Lease</b>		
<b>002. Kenton County - Lease</b>		
<b>4. VOCATIONAL REHABILITATION</b>		
<b>001. Fayette County - Lease</b>		

**E. ENERGY AND ENVIRONMENT CABINET**

Budget Units	2016-17	2017-18
<b>1. SECRETARY</b>		
<b>001. Maintenance Pool - 2016-2018</b>		
Investment Income	200,000	200,000
<b>2. ENVIRONMENTAL PROTECTION</b>		
<b>001. State-Owned Dam Repair - 2016-2018</b>		
Bond Funds	4,000,000	-0-

**F. FINANCE AND ADMINISTRATION CABINET**

Budget Units	2016-17	2017-18
<b>1. GENERAL ADMINISTRATION</b>		

**001. Business One-Stop Portal - Phase III**

Bond Funds	6,000,000	6,000,000
------------	-----------	-----------

**002. Lexington Convention Center**

Bond Funds	60,000,000	-0-
------------	------------	-----

(1) **Expenditure of Bond Proceeds:** These funds shall be considered a loan to Lexington-Fayette Urban County Government. The funds will be advanced when the financing components of the project and repayment terms of the loan are identified, secured, and in the public domain.

**2. FACILITIES AND SUPPORT SERVICES**

**001. Maintenance Pool - 2016-2018**

Bond Funds	2,850,000	2,850,000
------------	-----------	-----------

**002. HVAC Replacement - CHR Building**

Bond Funds	4,500,000	-0-
------------	-----------	-----

**003. Upgrade L&N Building**

Bond Funds	4,375,000	-0-
------------	-----------	-----

**004. Guaranteed Energy Savings Performance Contracts**

**3. COMMONWEALTH OFFICE OF TECHNOLOGY**

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

**001. Enterprise Infrastructure - 2016-2018**

Restricted Funds	3,000,000	3,000,000
------------------	-----------	-----------

**002. Enterprise Document Management**

Restricted Funds	3,000,000	-0-
------------------	-----------	-----

**003. Boone County - Lease**



004. Franklin County - Lease

**4. KENTUCKY LOTTERY CORPORATION**

001. Replace Sales Force Management Solution

Other Funds	700,000	-0-
-------------	---------	-----

002. Enterprise Resource Planning Upgrade

Other Funds	-0-	600,000
-------------	-----	---------

**G. HEALTH AND FAMILY SERVICES CABINET**

Budget Units	2016-17	2017-18
--------------	---------	---------

**1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

001. Maintenance Pool - 2016-2018

Bond Funds	2,375,000	2,375,000
------------	-----------	-----------

002. Fayette County - Lease

**2. HEALTH BENEFIT AND INFORMATION EXCHANGE**

001. Franklin County - Lease

**3. COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS**

001. Jefferson County - Lease

**4. BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES**

001. Western State Hospital - Electrical Upgrade - Phase I

Bond Funds	4,867,500	-0-
------------	-----------	-----

**5. INCOME SUPPORT**

001. Franklin County - Lease

002. Jefferson County - Lease

**6. COMMUNITY BASED SERVICES**

- 001. Boone County - Lease
- 002. Boyd County - Lease
- 003. Campbell County - Lease
- 004. Daviess County - Lease
- 005. Fayette County - Lease
- 006. Fayette County - Lease - Centre Parkway
- 007. Hardin County - Lease
- 008. Johnson County - Lease
- 009. Kenton County - Lease
- 010. Perry County - Lease
- 011. Shelby County - Lease
- 012. Warren County - Lease
- 013. Warren County - Lease - Suwannee Trail Court

**H. JUSTICE AND PUBLIC SAFETY CABINET**

<b>Budget Units</b>	<b>2016-17</b>	<b>2017-18</b>
<b>1. CRIMINAL JUSTICE TRAINING</b>		
001. Bizzack Complex HVAC Repair/Replacement		
Restricted Funds	2,812,000	-0-
002. Funderburk Building HVAC Upgrade		
Restricted Funds	1,200,000	-0-
<b>2. JUVENILE JUSTICE</b>		
001. Maintenance Pool - 2016-2018		
Investment Income	750,000	750,000
<b>3. STATE POLICE</b>		
001. Replace/Upgrade Existing Kentucky AFIS Phase II		

# Unofficial Document

Restricted Funds	2,000,000	600,000
<b>002. Replace Gas Chromatograph/Mass Spectrometers</b>		
Restricted Funds	-0-	1,500,000
<b>003. Maintenance Pool - 2016-2018</b>		
Investment Income	400,000	400,000
<b>004. Ion Trap GC/MSD</b>		
Restricted Funds	-0-	250,000
<b>4. CORRECTIONS</b>		
<b>a. Adult Correctional Institutions</b>		
<b>001. Maintenance Pool - 2016-2018</b>		
Bond Funds	2,612,500	2,612,500
<b>002. Stabilization of Dorm 8 Kentucky State Reformatory</b>		
Bond Funds	4,155,000	-0-
<b>003. Repair and Stabilize Tower Kentucky State Reformatory</b>		
Bond Funds	3,797,000	-0-
<b>004. Kentucky Correctional Institution for Women - Sewer Plant/Line</b>		
Bond Funds	2,560,000	-0-
<b>5. COMMUNITY SERVICES AND LOCAL FACILITIES</b>		
<b>001. Fayette County - Lease</b>		
<b>6. PUBLIC ADVOCACY</b>		
<b>001. Franklin County - Lease</b>		
<b>I. LABOR CABINET</b>		
<b>Budget Units</b>	<b>2016-17</b>	<b>2017-18</b>
<b>1. SECRETARY</b>		
<b>001. Franklin County - Lease</b>		

## 2. WORKERS' CLAIMS

### 001. Franklin County - Lease

#### J. POSTSECONDARY EDUCATION

(1) **Lease-Purchase Agreements for Public Postsecondary Institutions:** Where applicable, authorization for a lease-purchase capital project for a public postsecondary institution as set forth in Part II, Capital Projects Budget, of this Act is provided pursuant to KRS 45.763.

(2) **Operations and Maintenance Funding:** It is the intent of the 2016 General Assembly that public postsecondary institutions should not base any decision to proceed with any capital project authorized in Part II, Capital Projects Budget, of this Act, that is funded from Restricted Funds or Other Funds on an expectation of receiving General Fund moneys for the operations and maintenance of that facility in future biennia.

(3) **Capital Projects for Public Postsecondary Institutions:** Notwithstanding any statute to the contrary, a capital project that will be managed and owned by a public postsecondary institution may be considered authorized even if it is not specifically listed in this Act, provided that 100 percent of the actual cost, whether financed through the issuance of bonds or another form of debt, or the expenditure of cash, shall be funded by the institution's Restricted Funds or a combination of Restricted Funds, Federal Funds, and Other Funds. The capital project shall be subject to the same statutory provisions as other capital projects listed in this Act. It is the intent of the 2016 General Assembly that no General Fund moneys shall be appropriated in subsequent fiscal years to support the capital project, including its maintenance and operation. A listing of approved capital projects shall be submitted to the Interim Joint Committee on Appropriations and Revenue by August 1 of each fiscal year. If the financing for the proposed capital project includes the issuance of debt, the institution shall have an institutional debt policy in place, which has been approved by the Secretary of the Finance and Administration Cabinet,

# Unofficial Document

and the issuance of the debt shall conform with that policy. The governing board of the postsecondary institution shall certify in writing prior to issuance of the debt that the capital project: (a) Will generate sufficient funds to retire the bonded indebtedness and pay for ongoing operating expenses; or (b) Will not result in an increase in tuition. The governing board shall submit a copy of the certification to the President of the Council on Postsecondary Education, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee.

<b>Budget Units</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
<b>1. COUNCIL ON POSTSECONDARY EDUCATION</b>			
<b>001.</b> Franklin County - Lease			
<b>2. KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION</b>			
<b>001.</b> Jefferson County - Lease			
<b>3. EASTERN KENTUCKY UNIVERSITY</b>			
<b>001.</b> Replace and Renovate Student Housing			
Other Funds	-0-	50,000,000	-0-
<b>(1) Authorization:</b> The above authorization is approved pursuant to KRS 45.763.			
<b>002.</b> Construct Dining Facility			
Other Funds	-0-	35,000,000	-0-
<b>003.</b> Construct Regional Health Facility			
Federal Funds	-0-	12,500,000	-0-
<b>004.</b> Construct Alumni and Welcome Center			
Other Funds	-0-	12,000,000	-0-
<b>005.</b> Construct EKV Scholar House			
Restricted Funds	-0-	1,200,000	-0-
Other Funds	-0-	10,800,000	-0-

TOTAL	-0-	12,000,000	-0-
<b>006. Miscellaneous Maintenance Pool - 2016-2018</b>			
Restricted Funds	-0-	5,000,000	5,000,000
<b>007. Purchase Networked Education System Components</b>			
Restricted Funds	-0-	3,450,000	3,500,000
<b>008. Upgrade and Improve Residence Halls Pool</b>			
Restricted Funds	-0-	3,000,000	3,000,000
<b>009. Renovate HVAC Systems Pool</b>			
Restricted Funds	-0-	5,000,000	-0-
<b>010. Upgrade Academic Computing</b>			
Restricted Funds	-0-	2,500,000	2,500,000
<b>011. Construct Pedestrian Improvements</b>			
Restricted Funds	-0-	4,500,000	-0-
<b>012. Upgrade and Improve Athletics Facilities Pool</b>			
Restricted Funds	-0-	1,750,000	-0-
Other Funds	-0-	1,750,000	-0-
TOTAL	-0-	3,500,000	-0-
<b>013. Construct EKV Early Childhood Center</b>			
Restricted Funds	-0-	3,350,000	-0-
<b>014. Expand Indoor Tennis Facility</b>			
Other Funds	-0-	3,225,000	-0-
<b>015. Upgrade Administrative Computing System</b>			
Restricted Funds	-0-	1,650,000	1,500,000
<b>016. Renovate Baseball Complex</b>			
Other Funds	-0-	3,000,000	-0-

**017. Renovate Women's Softball and Soccer Complex**

Other Funds	-0-	3,000,000	-0-
-------------	-----	-----------	-----

**018. Construct Student Health Center**

Other Funds	-0-	2,705,000	-0-
-------------	-----	-----------	-----

**019. Pedestrian Bridge**

Restricted Funds	-0-	2,000,000	-0-
------------------	-----	-----------	-----

**020. Renovate Lancaster Center Building**

Other Funds	-0-	1,472,000	-0-
-------------	-----	-----------	-----

**021. Renovate Ambulance Building**

Restricted Funds	-0-	980,000	-0-
------------------	-----	---------	-----

**022. Alumni Coliseum Sound System Upgrade**

Restricted Funds	-0-	750,000	-0-
------------------	-----	---------	-----

**023. Guaranteed Energy Savings Performance Contracts**

**024. New Housing Space - Lease**

**025. Madison County - Student Housing - Lease**

**4. KENTUCKY STATE UNIVERSITY**

**001. Life Safety Upgrade Pool - 2016-2018**

Restricted Funds	-0-	5,000,000	-0-
------------------	-----	-----------	-----

**002. Expand Emergency Notification System**

Restricted Funds	-0-	4,580,000	-0-
------------------	-----	-----------	-----

**003. Construct Warehouse**

Restricted Funds	-0-	3,642,000	-0-
------------------	-----	-----------	-----

**004. Replace Enterprise Resource Planning System**

Restricted Funds	1,750,000	-0-	-0-
------------------	-----------	-----	-----

Federal Funds	1,750,000	-0-	-0-
---------------	-----------	-----	-----

---

TOTAL	3,500,000	-0-	-0-
<b>005.</b> Improvements to Instructional Technology			
Restricted Funds	-0-	2,500,000	-0-
<b>006.</b> Guaranteed Energy Savings Performance Contracts			
<b>007.</b> School of Nursing			
Other Funds	-0-	13,014,000	-0-
<b>5. MOREHEAD STATE UNIVERSITY</b>			
<b>001.</b> Capital Renewal and Maintenance Pool			
Restricted Funds	-0-	5,000,000	-0-
<b>002.</b> ADA Modifications Pool			
Restricted Funds	-0-	5,000,000	-0-
<b>003.</b> Upgrade Administrative Office Systems			
Restricted Funds	-0-	4,864,000	-0-
<b>004.</b> Construct New Volleyball Facility - Phase 2			
Restricted Funds	-0-	3,300,000	-0-
<b>005.</b> Purchase Instructional Technology Initiatives			
Restricted Funds	-0-	3,021,000	-0-
<b>006.</b> Enhance Network/Infrastructure Resources - Additional			
Restricted Funds	-0-	3,000,000	-0-
<b>007.</b> Reconstruct Central Campus			
Restricted Funds	-0-	3,000,000	-0-
<b>008.</b> Upgrade Campus Fire and Security Systems			
Restricted Funds	-0-	2,670,000	-0-
<b>009.</b> Construct Classroom/Lab Building at Browning Orchard			
Restricted Funds	-0-	1,942,000	-0-



**010.** Replace Electrical Switchgear B

Restricted Funds	-0-	1,800,000	-0-
------------------	-----	-----------	-----

**011.** Upgrade and Expand Distance Learning

Restricted Funds	-0-	1,700,000	-0-
------------------	-----	-----------	-----

**012.** Enhance Library Automation Resources

Restricted Funds	-0-	1,539,000	-0-
------------------	-----	-----------	-----

**013.** Water Plant Sediment Basin

Restricted Funds	-0-	1,500,000	-0-
------------------	-----	-----------	-----

**014.** Renovate Howell-McDowell

Restricted Funds	-0-	1,296,000	-0-
------------------	-----	-----------	-----

**015.** Purchase Equipment for Biochemistry Lab

Restricted Funds	-0-	548,000	-0-
------------------	-----	---------	-----

**016.** Guaranteed Energy Savings Performance Contracts

**6. MURRAY STATE UNIVERSITY**

**001.** Construct Residential Suite-Style Housing

Other Funds	-0-	20,000,000	-0-
-------------	-----	------------	-----

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

**002.** Construct Sorority Suites

Other Funds	-0-	13,500,000	-0-
-------------	-----	------------	-----

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

**003.** Provide Bookstore

Other Funds	-0-	8,000,000	-0-
-------------	-----	-----------	-----

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

**004.** Renovate Winslow Cafeteria

Restricted Funds	-0-	4,550,000	-0-
------------------	-----	-----------	-----

**005. Provide Alternate Dining Facility**

Other Funds	-0-	4,000,000	-0-
-------------	-----	-----------	-----

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

**006. College of Science Instructional/Research Equipment Pool**

Restricted Funds	-0-	3,500,000	-0-
------------------	-----	-----------	-----

**007. Upgrade Campus Network**

Restricted Funds	-0-	3,162,000	-0-
------------------	-----	-----------	-----

**008. Construct Livestock Instructional Laboratory**

Restricted Funds	-0-	2,824,000	-0-
------------------	-----	-----------	-----

**009. Demolish Woods Hall**

Restricted Funds	-0-	2,301,000	-0-
------------------	-----	-----------	-----

**010. Renovate White Hall HVAC System**

Restricted Funds	-0-	2,074,000	-0-
------------------	-----	-----------	-----

**011. Install Solar Panels and/or Geothermal Power**

Restricted Funds	-0-	2,000,000	-0-
------------------	-----	-----------	-----

**012. Renovate Wrather Hall**

Restricted Funds	-0-	2,000,000	-0-
------------------	-----	-----------	-----

**013. Repairs of Biology Building**

Restricted Funds	-0-	2,000,000	-0-
------------------	-----	-----------	-----

**014. Repairs of Chemistry Building**

Restricted Funds	-0-	2,000,000	-0-
------------------	-----	-----------	-----

**015. Upgrade Campus Phone System**

Restricted Funds	-0-	1,781,000	-0-
------------------	-----	-----------	-----

**016. Upgrade Applied Science Electrical System**

Restricted Funds	-0-	1,626,000	-0-
------------------	-----	-----------	-----

---

<b>017.</b> Install Sprinkler System - Blackburn Science Building			
Restricted Funds	-0-	1,599,000	-0-
<b>018.</b> Renovate White Hall Interior			
Restricted Funds	-0-	1,558,000	-0-
<b>019.</b> Renovate Pogue Library Electric and HVAC			
Restricted Funds	-0-	1,555,000	-0-
<b>020.</b> ITV Upgrades to Murray State University System			
Restricted Funds	-0-	1,547,000	-0-
<b>021.</b> Construct Open-Sided Stall Barn at Expo Center			
Restricted Funds	-0-	1,521,000	-0-
<b>022.</b> Install CFSB Center Generator			
Restricted Funds	-0-	1,500,000	-0-
<b>023.</b> Replace CFSB Center Seating			
Restricted Funds	-0-	1,500,000	-0-
<b>024.</b> Renovate Regents Hall Electrical System			
Restricted Funds	-0-	1,446,000	-0-
<b>025.</b> Renovate Curris Center			
Restricted Funds	-0-	1,400,000	-0-
<b>026.</b> Renovate White Hall Electrical System			
Restricted Funds	-0-	1,336,000	-0-
<b>027.</b> Renovate Hart Hall Electrical System			
Restricted Funds	-0-	1,286,000	-0-
<b>028.</b> Replace E&G Chiller/CFC Compliance			
Restricted Funds	-0-	1,221,000	-0-
<b>029.</b> Replace Exposition Center Roof			

---

Restricted Funds	-0-	1,201,000	-0-
<b>030.</b> Replace CFSB Center Scoreboard			
Restricted Funds	-0-	1,200,000	-0-
<b>031.</b> Waterproof Stewart Stadium			
Restricted Funds	-0-	1,116,000	-0-
<b>032.</b> Replace White Hall Domestic Water Piping			
Restricted Funds	-0-	1,112,000	-0-
<b>033.</b> Renovate General Services			
Restricted Funds	-0-	1,000,000	-0-
<b>034.</b> Agriculture Instructional Laboratory and Technology Equipment			
Restricted Funds	-0-	800,000	-0-
<b>035.</b> Information Technology Infrastructure for TSM and IET			
Restricted Funds	-0-	791,000	-0-
<b>036.</b> Replace Blackburn Science Roof			
Restricted Funds	-0-	750,000	-0-
<b>037.</b> Broadcasting Education Laboratory Equipment			
Restricted Funds	-0-	225,000	-0-
<b>038.</b> Guaranteed Energy Savings Performance Contracts			
<b>7. NORTHERN KENTUCKY UNIVERSITY</b>			
<b>001.</b> Construct Mixed-Use Facility with Student Housing			
Other Funds	-0-	125,000,000	-0-
<b>(1) Authorization:</b> The above authorization is approved pursuant to KRS 45.763.			
<b>002.</b> Construct Basketball Practice Facility			
Other Funds	-0-	15,000,000	-0-
<b>003.</b> Renew Electrical Distribution Systems Pool			

---

Restricted Funds	-0-	5,000,000	-0-
<b>004. Scientific/Technology Equipment Pool</b>			
Restricted Funds	-0-	5,000,000	-0-
<b>005. Renovate Civic Center Building</b>			
Restricted Funds	-0-	4,600,000	-0-
<b>006. Upgrade Instructional Technology Pool</b>			
Restricted Funds	-0-	3,500,000	-0-
<b>007. Repair Norse/Woodcrest Exterior Stairs/Landings</b>			
Restricted Funds	-0-	3,000,000	-0-
<b>008. Replace Underground Gas Mains</b>			
Restricted Funds	-0-	2,500,000	-0-
<b>009. Campus Telecommunications Upgrade</b>			
Restricted Funds	-0-	1,500,000	-0-
<b>010. Enhance/Upgrade Cyber Security System</b>			
Restricted Funds	-0-	1,500,000	-0-
<b>011. Upgrade Infrastructure for Administrative Systems</b>			
Restricted Funds	-0-	1,500,000	-0-
<b>012. Budget Planning System</b>			
Restricted Funds	-0-	1,400,000	-0-
<b>013. Capital Equipment Pool</b>			
Restricted Funds	-0-	1,250,000	-0-
<b>014. Renew Kenton Garage</b>			
Restricted Funds	-0-	1,100,000	-0-
<b>015. Purchase Large Format Color Press</b>			
Restricted Funds	-0-	700,000	-0-

# Unofficial Document

**016.** Purchase Coach Bus

Restricted Funds	-0-	690,000	-0-
------------------	-----	---------	-----

**017.** Construct Center for Applied Ecology Building Reauthorization  
 (\$1,000,000 Restricted, \$1,000,000 Other Funds)

**018.** Renovate Brown Building Reauthorization (\$3,000,000 Restricted  
 Funds, \$1,000,000 Other Funds)

**019.** Academic Space - Lease

**020.** Guaranteed Energy Savings Performance Contracts

**8. UNIVERSITY OF KENTUCKY**

**001.** Construct Student Housing Pool - Additional Reauthorization  
 (\$202,000,000 Other Funds)

Restricted Funds	-0-	50,000,000	-0-
Other Funds	-0-	100,000,000	-0-
<b>TOTAL</b>	<b>-0-</b>	<b>150,000,000</b>	<b>-0-</b>

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

**002.** Construct New Alumni Center

Other Funds	-0-	38,000,000	-0-
-------------	-----	------------	-----

**003.** Renovate/Expand Wildcat Coal Lodge

Other Funds	-0-	21,000,000	-0-
-------------	-----	------------	-----

**004.** Upgrade Dining Facilities - Additional Reauthorization (\$50,000,000  
 Other Funds)

Other Funds	-0-	20,000,000	-0-
-------------	-----	------------	-----

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

**005.** Clinical Services Pool - UK HealthCare

Restricted Funds	-0-	15,000,000	-0-
------------------	-----	------------	-----

<b>006.</b> Design Library - Knowledge Center			
Restricted Funds	-0-	13,335,000	-0-
<b>007.</b> Disaster Recovery and Business Continuity IT Project			
Restricted Funds	-0-	12,000,000	-0-
<b>008.</b> Fit-up Pool for New Housing and Dining Facilities			
Restricted Funds	-0-	12,000,000	-0-
<b>009.</b> Construct Equine Campus - Phase 2			
Restricted Funds	-0-	10,500,000	-0-
<b>010.</b> Renovate Chemistry/Physics Building			
Restricted Funds	-0-	10,500,000	-0-
<b>011.</b> Renovate Taylor Education Building			
Restricted Funds	-0-	10,500,000	-0-
<b>012.</b> Acquire Telemedicine/Virtual ICU			
Restricted Funds	-0-	10,000,000	-0-
<b>013.</b> Acquire/Upgrade UK HealthCare IT Systems			
Restricted Funds	-0-	10,000,000	-0-
<b>014.</b> Clinical Information System Pool			
Restricted Funds	-0-	10,000,000	-0-
<b>015.</b> Fit-Up Academic/Administrative Space 2			
Restricted Funds	-0-	10,000,000	-0-
<b>016.</b> Fit-Up Academic/Administrative Space 1			
Restricted Funds	-0-	10,000,000	-0-
<b>017.</b> Implement Enterprise Security System - UK HealthCare			
Restricted Funds	-0-	10,000,000	-0-
<b>018.</b> Implement Medication Bar Coding System - UK HealthCare			

---

Restricted Funds	-0-	10,000,000	-0-
<b>019.</b> Implement Patient Communication System - UK HealthCare			
Restricted Funds	-0-	10,000,000	-0-
<b>020.</b> Purchase Digital Medical Record Expansion			
Restricted Funds	-0-	10,000,000	-0-
<b>021.</b> Purchase Document Scanning System			
Restricted Funds	-0-	10,000,000	-0-
<b>022.</b> Purchase Document Scanning System - UK HealthCare			
Restricted Funds	-0-	10,000,000	-0-
<b>023.</b> Renovate/Expand Cooper House			
Restricted Funds	-0-	10,000,000	-0-
<b>024.</b> Renovate/Expand Patterson Hall			
Restricted Funds	-0-	10,000,000	-0-
<b>025.</b> Renovate/Upgrade Academic/Administrative Space 1			
Restricted Funds	-0-	10,000,000	-0-
<b>026.</b> Renovate/Upgrade Academic/Administrative Space 2			
Restricted Funds	-0-	10,000,000	-0-
<b>027.</b> Expand Boone Tennis Center			
Other Funds	-0-	9,500,000	-0-
<b>028.</b> Renovate Dentistry			
Restricted Funds	-0-	9,500,000	-0-
<b>029.</b> Fit-Up Student Center			
Restricted Funds	-0-	9,000,000	-0-
<b>030.</b> Improve DLAR Facilities Pool			
Restricted Funds	-0-	9,000,000	-0-



<b>031.</b> Improve Vivarium Spaces Pool			
Restricted Funds	-0-	9,000,000	-0-
<b>032.</b> Upgrade and Renovate Dining Facilities Pool			
Restricted Funds	-0-	8,000,000	-0-
<b>033.</b> Renovate/Expand Terrell Civil Engineering Building			
Restricted Funds	-0-	7,500,000	-0-
<b>034.</b> Construct and Fit-Up Retail Space Pool			
Other Funds	-0-	6,500,000	-0-
<b>(1) Authorization:</b> The above authorization is approved pursuant to KRS 45.763.			
<b>035.</b> Renovate Multi-Disciplinary Science Building			
Restricted Funds	-0-	6,500,000	-0-
<b>036.</b> Renovate Nursing Units - UK HealthCare			
Restricted Funds	-0-	6,500,000	-0-
<b>037.</b> Renovate/Upgrade Commonwealth Stadium			
Other Funds	-0-	6,500,000	-0-
<b>038.</b> Upgrade Clinical Enterprise Network - UK HealthCare			
Restricted Funds	-0-	6,500,000	-0-
<b>039.</b> Renovate and Upgrade Memorial Hall			
Restricted Funds	-0-	6,000,000	-0-
<b>040.</b> Renovate Frazee Hall			
Restricted Funds	-0-	6,000,000	-0-
<b>041.</b> Renovate Mineral Industries Building			
Restricted Funds	-0-	6,000,000	-0-
<b>042.</b> Upgrade/Expand Campus Security Platform			
Restricted Funds	-0-	6,000,000	-0-

<b>043.</b> Construct Transit Center			
Restricted Funds	-0-	5,500,000	-0-
<b>044.</b> Construct University Storage Facility			
Restricted Funds	-0-	5,500,000	-0-
<b>045.</b> Expand KGS Well Sample and Core Repository			
Restricted Funds	-0-	5,500,000	-0-
<b>046.</b> Renovate/Upgrade Ecological Research Facility			
Restricted Funds	-0-	5,500,000	-0-
<b>047.</b> Acquire Enterprise Resource Planning Phase V			
Restricted Funds	-0-	5,350,000	-0-
<b>048.</b> Acquire Data Repository System			
Restricted Funds	-0-	5,000,000	-0-
<b>049.</b> Acquire Data Repository System - UK HealthCare			
Restricted Funds	-0-	5,000,000	-0-
<b>050.</b> Acquire Personal Electronic Health Records			
Restricted Funds	-0-	5,000,000	-0-
<b>051.</b> ADA Compliance Pool			
Restricted Funds	-0-	5,000,000	-0-
<b>052.</b> Construct or Renovate/Upgrade Athletic Facility 1			
Other Funds	-0-	5,000,000	-0-
<b>053.</b> Improve Athletics Facility 1			
Other Funds	-0-	5,000,000	-0-
<b>054.</b> Improve Building Electrical Systems Pool			
Restricted Funds	-0-	5,000,000	-0-
<b>055.</b> Improve Building Shell Systems Pool			

---

Restricted Funds	-0-	5,000,000	-0-
<b>056.</b> Improve Elevator Systems Pool			
Restricted Funds	-0-	5,000,000	-0-
<b>057.</b> Improve Spindletop Hall Facilities Pool			
Restricted Funds	-0-	5,000,000	-0-
<b>058.</b> Improve W.T. Young Facility			
Restricted Funds	-0-	5,000,000	-0-
<b>059.</b> Purchase Oncology Information System - UK HealthCare			
Restricted Funds	-0-	5,000,000	-0-
<b>060.</b> Purchase/Expand PACS System			
Restricted Funds	-0-	5,000,000	-0-
<b>061.</b> Renovate Central Computing Facility			
Restricted Funds	-0-	5,000,000	-0-
<b>062.</b> Renovate Fine Arts			
Restricted Funds	-0-	5,000,000	-0-
<b>063.</b> Renovate Nutter Facility			
Restricted Funds	-0-	5,000,000	-0-
<b>064.</b> Renovate/Upgrade Academic/Administrative Space 3			
Restricted Funds	-0-	5,000,000	-0-
<b>065.</b> Renovate/Upgrade Academic/Administrative Space 4			
Restricted Funds	-0-	5,000,000	-0-
<b>066.</b> Renovate/Upgrade Academic/Administrative Space 5			
Restricted Funds	-0-	5,000,000	-0-
<b>067.</b> Surgical Services Pool - UK HealthCare			
Restricted Funds	-0-	5,000,000	-0-

<b>068.</b> Construct and Fit-Up Retail Space			
Other Funds	-0-	4,500,000	-0-
<b>069.</b> Construct Hall of Fame Plaza			
Other Funds	-0-	4,500,000	-0-
<b>070.</b> Acquire/Renovate Golf Facility			
Other Funds	-0-	4,000,000	-0-
<b>071.</b> Purchase Cardiology Information System - UK HealthCare			
Restricted Funds	-0-	4,000,000	-0-
<b>072.</b> Renovate Anderson Tower			
Restricted Funds	-0-	4,000,000	-0-
<b>073.</b> Expand/Renovate Sturgill Development Building			
Restricted Funds	-0-	3,500,000	-0-
<b>074.</b> Install Artificial Turf on Pieratt Recreational Fields			
Restricted Funds	-0-	3,500,000	-0-
<b>075.</b> Support Services Projects Pool - UK HealthCare			
Restricted Funds	-0-	3,500,000	-0-
<b>076.</b> Acquire Mainframe Computer - UK HealthCare			
Restricted Funds	-0-	3,000,000	-0-
<b>077.</b> Construct or Renovate/Upgrade Athletic Facility 2			
Other Funds	-0-	3,000,000	-0-
<b>078.</b> Implement Unified Communication System - UK HealthCare			
Restricted Funds	-0-	3,000,000	-0-
<b>079.</b> Improve UK Radio Communications System			
Restricted Funds	-0-	3,000,000	-0-
<b>080.</b> Purchase Telephone System Replacement - UK HealthCare			

---

Restricted Funds	-0-	3,000,000	-0-
<b>081.</b> Upgrade Perioperative Information System			
Restricted Funds	-0-	3,000,000	-0-
<b>082.</b> Improve Parking Garage 1			
Restricted Funds	-0-	2,500,000	-0-
<b>083.</b> Improve Parking Garage 2			
Restricted Funds	-0-	2,500,000	-0-
<b>084.</b> Purchase Upgraded Communications Infrastructure 1			
Restricted Funds	-0-	2,500,000	-0-
<b>085.</b> Purchase Upgraded Communications Infrastructure 2			
Restricted Funds	-0-	2,500,000	-0-
<b>086.</b> Relocate/Replace Greenhouses			
Restricted Funds	-0-	2,500,000	-0-
<b>087.</b> Emerging Technologies Academic Support			
Restricted Funds	-0-	2,000,000	-0-
<b>088.</b> Healthcare Services Pool			
Restricted Funds	-0-	2,000,000	-0-
<b>089.</b> Improve Athletics Facilities II			
Other Funds	-0-	2,000,000	-0-
<b>090.</b> Purchase Transport Buses			
Restricted Funds	-0-	2,000,000	-0-
<b>091.</b> Remote Site Fiber Infrastructure			
Restricted Funds	-0-	2,000,000	-0-
<b>092.</b> Renovate Dickey Hall			
Restricted Funds	-0-	2,000,000	-0-

---

<b>093.</b> Renovate/Upgrade Athletics Playing Fields 1			
Other Funds	-0-	2,000,000	-0-
<b>094.</b> Renovate/Upgrade Athletics Playing Fields 2			
Other Funds	-0-	2,000,000	-0-
<b>095.</b> Upgrade Financial Systems			
Restricted Funds	-0-	2,000,000	-0-
<b>096.</b> Acquire Communications Equipment			
Restricted Funds	-0-	1,500,000	-0-
<b>097.</b> Renovate and Upgrade Eagle Building			
Restricted Funds	-0-	1,500,000	-0-
<b>098.</b> Purchase Allergy Information System - UK HealthCare			
Restricted Funds	-0-	1,000,000	-0-
<b>099.</b> Renovate Nursing Building			
Restricted Funds	-0-	1,000,000	-0-
<b>100.</b> UK Mobile Communication Center			
Restricted Funds	-0-	200,000	-0-
Federal Funds	-0-	200,000	-0-
TOTAL	-0-	400,000	-0-
<b>101.</b> Guaranteed Energy Savings Performance Contracts			
<b>102.</b> Fayette County - Lease - Administrative Office			
<b>103.</b> Fayette County - Lease - Good Samaritan Hospital			
<b>104.</b> Fayette County - Lease - Grant Project 2			
<b>105.</b> Fayette County - Lease - Kentucky Utilities Building			
<b>106.</b> Lease - Grant Project 1			
<b>107.</b> Lease - Grant Project 3			

- 108. Lease - Health Affairs Office
- 109. Lease - Health Affairs Office 10
- 110. Lease - Health Affairs Office 11
- 111. Lease - Health Affairs Office 12
- 112. Lease - Health Affairs Office 2
- 113. Lease - Health Affairs Office 3
- 114. Lease - Health Affairs Office 4
- 115. Lease - Health Affairs Office 5
- 116. Lease - Health Affairs Office 6
- 117. Lease - Health Affairs Office 7
- 118. Lease - Health Affairs Office 8
- 119. Lease - Health Affairs Office 9
- 120. Lease - Off Campus - Athletics
- 121. Lease - Off Campus 1
- 122. Lease - Off Campus 2
- 123. Lease - Off Campus 3
- 124. Lease - Off Campus 4
- 125. Lease - Off Campus 5
- 126. Lease - Off Campus 6
- 127. Lease - Off Campus 7
- 128. Lease - Off Campus 8
- 129. Lease - Off Campus 9
- 130. Lease - Off Campus Housing 1
- 131. Lease - Off Campus Housing 2
- 132. Lease - Off Campus Housing 3

- 133. Lease - Off Campus Housing 4
- 134. Lease - Rural Health Expansion - Perry County
- 135. Lease - UK HealthCare Off Campus Facility 5
- 136. Lease - UK HealthCare Grant Project 1
- 137. Lease - UK HealthCare Grant Project 2
- 138. Lease - UK HealthCare Off Campus Facility 1
- 139. Lease - UK HealthCare Off Campus Facility 2
- 140. Lease - UK HealthCare Off Campus Facility 3
- 141. Lease - UK HealthCare Off Campus Facility 4

**9. UNIVERSITY OF LOUISVILLE**

<b>001.</b> Construct Institute for Product Realization			
Other Funds	-0-	35,980,000	-0-
<b>002.</b> Construct Shelbyhurst Parking Garage			
Other Funds	-0-	28,000,000	-0-
<b>003.</b> Construct Shelbyhurst Hotel/Conference Center			
Other Funds	-0-	18,720,000	-0-
<b>004.</b> Improve Life Safety Projects Pool			
Restricted Funds	-0-	15,000,000	-0-
<b>005.</b> Renovate Health Science Center Simulation Center			
Restricted Funds	-0-	15,000,000	-0-
<b>006.</b> Renovate J. B. Speed Building			
Restricted Funds	-0-	13,260,000	-0-
<b>007.</b> Improve/Expand Parking			
Restricted Funds	-0-	13,000,000	-0-
<b>008.</b> Construct Executive MBA/Business Facility			



---

Restricted Funds	-0-	12,000,000	-0-
<b>009. Purchase Storage System</b>			
Restricted Funds	-0-	12,000,000	-0-
<b>010. Expand School of Public Health and Information Sciences</b>			
Restricted Funds	-0-	11,610,000	-0-
<b>011. Construct Center for Creative Studies</b>			
Restricted Funds	-0-	10,193,000	-0-
<b>012. Improve Housing Facilities Pool</b>			
Restricted Funds	-0-	8,000,000	-0-
<b>013. IT Data Center Power Upgrade</b>			
Restricted Funds	-0-	8,000,000	-0-
<b>014. Purchase Computer Processing System</b>			
Restricted Funds	-0-	8,000,000	-0-
<b>015. Purchase Networking System</b>			
Restricted Funds	-0-	8,000,000	-0-
<b>016. Purchase Security and Firewall Infrastructure</b>			
Restricted Funds	-0-	8,000,000	-0-
<b>017. Purchase Research Computing Infrastructure</b>			
Restricted Funds	-0-	7,000,000	-0-
<b>018. Purchase Next Generation/ERP Support System</b>			
Restricted Funds	-0-	6,000,000	-0-
<b>019. Accessibility Improvement Pool</b>			
Restricted Funds	-0-	5,000,000	-0-
<b>020. Improve Elevator Systems Pool</b>			
Restricted Funds	-0-	5,000,000	-0-

<b>021. Purchase Content Management System</b>			
Restricted Funds	-0-	4,000,000	-0-
<b>022. Lease Digital Output System</b>			
Restricted Funds	-0-	2,500,000	-0-
<b>023. Construct Physical Plant Space in Health Science Center Garage</b>			
Restricted Funds	-0-	2,440,000	-0-
<b>024. Construct Soccer Stadium Practice Field</b>			
Restricted Funds	-0-	2,000,000	-0-
<b>025. Construct Visitors Center</b>			
Restricted Funds	-0-	2,000,000	-0-
<b>026. Purchase Electronic Video Boards</b>			
Other Funds	-0-	2,000,000	-0-
<b>027. Construct Athletic Grounds Building</b>			
Other Funds	-0-	1,550,000	-0-
<b>028. Resurface Track and Cardio Path</b>			
Other Funds	-0-	1,500,000	-0-
<b>029. Purchase Artificial Turf Field I</b>			
Other Funds	-0-	1,250,000	-0-
<b>030. Purchase Artificial Turf Field II</b>			
Other Funds	-0-	1,250,000	-0-
<b>031. Renovate Football Practice Field Lighting</b>			
Other Funds	-0-	780,000	-0-
<b>032. Guaranteed Energy Savings Performance Contracts</b>			
<b>033. Jefferson County - Clinic Space 1 - Lease</b>			
<b>034. Jefferson County - Clinic Space 2 - Lease</b>			

- 035. Jefferson County - Clinic Space 3 - Lease
- 036. Jefferson County - Clinic Space -State of Kentucky - Lease
- 037. Master of Fine Arts - Lease
- 038. Med Center One - Lease
- 039. Med Center One - 2 - Lease
- 040. Nucleus 1 Building - Lease
- 041. Nucleus 1 Building - 2 - Lease
- 042. Jefferson County - Office Space 1 - Lease
- 043. Jefferson County - Office Space 2 - Lease
- 044. Jefferson County - Office Space 3 - Lease
- 045. Jefferson County - Office Space 4 - Lease
- 046. Academic Space 1 - Lease
- 047. Academic Space 2 - Lease
- 048. Research Space - State of Kentucky - Lease
- 049. Purchase Fiber Infrastructure

Restricted Funds	-0-	7,000,000	-0-
------------------	-----	-----------	-----

**10. WESTERN KENTUCKY UNIVERSITY**

- 001. Renovate Garrett Conference Center

Other Funds	-0-	12,000,000	-0-
-------------	-----	------------	-----

- 002. Construct Football Pressbox

Other Funds	-0-	5,000,000	-0-
-------------	-----	-----------	-----

- 003. Renovate Center for Research and Development Phase I

Restricted Funds	-0-	5,000,000	-0-
------------------	-----	-----------	-----

- 004. Renovate Central Heat Plant

Restricted Funds	-0-	5,000,000	-0-
------------------	-----	-----------	-----

<b>005.</b> Upgrade IT Infrastructure			
Restricted Funds	-0-	5,000,000	-0-
<b>006.</b> Construct Baseball Grandstand			
Other Funds	-0-	4,500,000	-0-
<b>007.</b> Renovate Art Lab/Museum			
Restricted Funds	-0-	4,200,000	-0-
<b>008.</b> Construct Track and Field Facilities Phase I			
Other Funds	-0-	4,000,000	-0-
<b>009.</b> Renovate Gordon Wilson Hall			
Restricted Funds	-0-	4,000,000	-0-
<b>010.</b> Acquire Equipment Diddle Arena			
Other Funds	-0-	3,000,000	-0-
<b>011.</b> Renovate Thompson Complex Center Wing			
Restricted Funds	-0-	3,000,000	-0-
<b>012.</b> Construct Science Gallery			
Other Funds	-0-	2,500,000	-0-
<b>013.</b> Construct South Plaza			
Other Funds	-0-	2,500,000	-0-
<b>014.</b> Major Items of Equipment Pool - 2016-2018			
Restricted Funds	-0-	2,500,000	-0-
<b>015.</b> Add Club Seating at Diddle Arena			
Other Funds	-0-	2,200,000	-0-
<b>016.</b> Construct Academic/Retail Space			
Restricted Funds	-0-	2,000,000	-0-
<b>017.</b> Design Environmental Science and Technology Hall Renovation			

---

Restricted Funds	-0-	2,000,000	-0-
<b>018.</b> Renovate International Center to Multicultural Center			
Restricted Funds	-0-	1,500,000	-0-
<b>019.</b> Renovate Foundation Building			
Restricted Funds	-0-	1,200,000	-0-
<b>020.</b> Renovate Tate Page Hall			
Restricted Funds	-0-	1,200,000	-0-
<b>021.</b> Design Agriculture Expo Center Renovation			
Restricted Funds	-0-	1,000,000	-0-
<b>022.</b> Renovate Jones Jagers Interior			
Restricted Funds	-0-	1,000,000	-0-
<b>023.</b> Renovate Grise Hall Restrooms (ADA)			
Restricted Funds	-0-	930,000	-0-
<b>024.</b> Remove and Replace Student Housing at Farm			
Restricted Funds	-0-	800,000	-0-
<b>025.</b> Alumni Center - Lease			
<b>026.</b> Guaranteed Energy Savings Performance Contracts			
<b>027.</b> Nursing and Physical Therapy - Lease			
<b>028.</b> Parking Garage - Lease			
<b>11. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM</b>			
<b>001.</b> Construct 3rd Floor Addition to Learning Resource Center - Madisonville CC			
Restricted Funds	-0-	5,000,000	-0-
<b>002.</b> KCTCS Equipment Pool - 2016-2018			
Restricted Funds	-0-	5,000,000	-0-

<b>003.</b>	Renovate Learning Resource Center Building - Hopkinsville CC			
	Restricted Funds	-0-	4,900,000	-0-
<b>004.</b>	Renovate Sullivan Technology Center - Henderson CC			
	Restricted Funds	-0-	4,900,000	-0-
<b>005.</b>	Expansion of Fine Arts Center - Henderson CC			
	Restricted Funds	-0-	4,400,000	-0-
<b>006.</b>	Renovate Student Center Building - Elizabethtown CTC			
	Restricted Funds	-0-	4,300,000	-0-
<b>007.</b>	Renovate Administration Building Newtown Campus - Bluegrass CTC			
	Restricted Funds	-0-	3,800,000	-0-
<b>008.</b>	Renovate Administration Building - Whitesburg - Southeast Kentucky CTC			
	Restricted Funds	-0-	3,800,000	-0-
<b>009.</b>	Replace HVAC System Phase I - Owensboro CTC			
	Restricted Funds	-0-	3,500,000	-0-
<b>010.</b>	Renovate Owensboro Downtown Campus - Owensboro CTC			
	Restricted Funds	-0-	3,000,000	-0-
<b>011.</b>	Renovate Southeastern Campus - Owensboro CTC			
	Restricted Funds	-0-	3,000,000	-0-
<b>012.</b>	Replace HVAC Units - Somerset CC South			
	Restricted Funds	-0-	2,200,000	-0-
<b>013.</b>	KCTCS CEMCS Upgrades Pool			
	Restricted Funds	-0-	2,000,000	-0-
<b>014.</b>	Renovations Main Campus - West Kentucky CTC			
	Restricted Funds	-0-	2,000,000	-0-

---

<b>015.</b>	Renovate Building for Skilled Crafts Training Center, Phase III - West Kentucky CTC			
	Restricted Funds	-0-	1,800,000	-0-
<b>016.</b>	Expansion of Welding Facility - Hopkinsville CC			
	Restricted Funds	-0-	1,600,000	-0-
<b>017.</b>	Acquire CPAT Center - Fire Commission			
	Restricted Funds	-0-	1,500,000	-0-
<b>018.</b>	Install Sprinkler Systems - West Kentucky CTC			
	Restricted Funds	-0-	1,500,000	-0-
<b>019.</b>	Upgrade Welding Shop - Big Sandy CTC - Mayo Campus			
	Restricted Funds	-0-	1,500,000	-0-
<b>020.</b>	Construct Parking Lot and Lighting - Madisonville CC			
	Restricted Funds	-0-	1,300,000	-0-
<b>021.</b>	Construct New Entrance - Leestown - Bluegrass CTC			
	Restricted Funds	-0-	1,000,000	-0-
<b>022.</b>	Construct Second Entrance - Main - Madisonville CC			
	Restricted Funds	-0-	1,000,000	-0-
<b>023.</b>	Renovate Welding Lab - Maysville CTC			
	Restricted Funds	-0-	1,000,000	-0-
<b>024.</b>	Renovate Auditorium Building Roof - Hopkinsville CC			
	Restricted Funds	-0-	1,000,000	-0-
<b>025.</b>	Replace Fire Alarm and Security System - Maysville CTC			
	Restricted Funds	-0-	1,000,000	-0-
<b>026.</b>	Upgrade Safety and Security Systems - Hazard CTC			
	Restricted Funds	-0-	1,000,000	-0-





<b>001. Maintenance Pool - 2016-2018</b>			
Bond Funds	-0-	3,800,000	3,800,000
<b>2. HORSE PARK COMMISSION</b>			
<b>001. Maintenance Pool - 2016-2018</b>			
Investment Income	-0-	575,000	575,000
<b>3. STATE FAIR BOARD</b>			
<b>001. Kentucky Exposition Center Roof Repair</b>			
Restricted Funds	-0-	4,322,000	-0-
Bond Funds	-0-	8,000,000	-0-
TOTAL	-0-	12,322,000	-0-
<b>4. FISH AND WILDLIFE RESOURCES</b>			
<b>001. Fees-in-Lieu-of Stream Mitigation Projects Pool</b>			
Restricted Funds	-0-	20,000,000	20,000,000
<b>002. Camp Currie Dining Hall Construction</b>			
Restricted Funds	-0-	1,400,000	-0-
Federal Funds	-0-	855,000	-0-
Other Funds	-0-	1,245,000	-0-
TOTAL	-0-	3,500,000	-0-
<b>003. FILO Office Space</b>			
Restricted Funds	1,050,000	-0-	-0-
<b>5. KENTUCKY CENTER FOR THE ARTS</b>			
<b>001. Maintenance Pool - 2016-2018</b>			
Investment Income	-0-	160,000	160,000

**PART III**  
**GENERAL PROVISIONS**

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

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

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

**2. Expenditure of Excess Restricted Funds or Federal Funds and Interim Appropriation Increases:** (1) (a) If amounts received or credited to the Restricted Funds accounts or Federal Funds accounts of a budget unit during fiscal year 2015-2016, fiscal year 2016-2017, or fiscal year 2017-2018, and any balance carried forward to the credit of the same account from the prior fiscal year exceed the appropriation made for a specific sum for these accounts of the budget unit as provided in Part I, Operating Budget, of this Act, those amounts shall be maintained in the account until appropriated by the General Assembly unless the provisions of paragraph (c) of this subsection apply.

(b) If a budget unit receives unanticipated Restricted Funds or Federal Funds during fiscal year 2015-2016, fiscal year 2016-2017, or fiscal year 2017-2018 that are of a type or from a source that was not included in an appropriation in Part I, Operating Budget, of this Act for that budget unit, then the Secretary of the Finance and Administration Cabinet, upon written request from the agency head with appropriate documentation of the amount, source, purpose, necessity, and use of the moneys, may authorize the acceptance, obligation, credit, or allotment of the funds and shall establish and maintain a separate discrete account for the receipt of the funds. The funds shall be maintained in the account until appropriated by the General Assembly unless the provisions of paragraph (c) of this subsection apply.

(c) 1. If:

a. The Governor declares a state of emergency under KRS 39A.100, and addressing that emergency requires the expenditure of Restricted or Federal Funds that are in excess of the appropriation made for a specific sum for these accounts of the budget unit as provided in Part I, Operating Budget, of this Act; or

b. Federal Funds become available from a new source, those funds were not appropriated to the budget unit in Part I, Operating Budget, of this Act, and the ability to retain those funds requires that the funds be obligated, allotted, or expended prior to the General

# Unofficial Document

Assembly being in regular session; then,

The Secretary of the Finance and Administration Cabinet may authorize the obligation, allotment, and expenditure of the funds if the requirements established in subparagraph 2. of this paragraph are met.

2. a. The agency head shall submit a written request with appropriate documentation of the amount, source, purpose, necessity, and use of the moneys to the State Budget Director;

b. If he or she approves the request, the State Budget Director shall include written documentation of his or her approval and shall forward the written request to the Secretary of the Finance and Administration Cabinet; and

c. The Secretary of the Finance and Administration Cabinet shall submit the written request and documentation of approval by the State Budget Director to the Interim Joint Committee on Appropriations and Revenue for review pursuant to the conditions and procedures established by subsection (2) of this section.

3. The Secretary shall establish a separate discrete account for the obligation, allotment, receipt, and disbursement of these Federal or Restricted Funds and shall establish the maximum sum which may be obligated, allotted to, and expended from the account.

(2) (a) Any request referred to the Interim Joint Committee on Appropriations and Revenue pursuant to subsection (1)(c)2.c. of this section shall be reviewed as provided for in this subsection.

(b) The Interim Joint Committee on Appropriations and Revenue shall have 30 days to review any request.

(c) If the Interim Joint Committee on Appropriations and Revenue fails to review a referred request within the 30 day period, the proposed revision shall be deemed to have been reviewed and favorably acted upon.

(d) If the Interim Joint Committee on Appropriations and Revenue objects to a proposed

obligation, allotment, or expenditure of funds, the basis for the objection shall be communicated to the Secretary of the Finance and Administration Cabinet and the State Budget Director in writing within five days of the meeting at which the proposal was considered. The proposed obligation, allotment, or expenditure of funds shall not be implemented unless:

1. The request is revised to address the objections of the committee; or
2. The committee is informed by the Secretary of the Finance and Administration Cabinet, in writing, in detail, within 30 days of receipt by the Secretary of the committee's objections, that a determination has been made not to comply with the objections of the committee.

(3) Institutions of higher education shall be exempt from all conditions and procedures in this section with respect to the authority of the State Budget Director and the Secretary of the Finance and Administration Cabinet to review and approve the expenditure of unappropriated Restricted Funds or Federal Funds or revisions to appropriations in excess of any enacted appropriations; however, in the event of a revision, an institution of higher education shall report Restricted Funds and Federal Funds that have not been appropriated to the State Budget Director and the Interim Joint Committee on Appropriations and Revenue.

(4) The Legislative Research Commission shall maintain records of the findings of the Interim Joint Committee on Appropriations and Revenue and the determinations and reports of actions by the State Budget Director and shall transmit these records to the General Assembly when next convened.

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

**4. Appropriations Expenditure Purpose and Transfer Restrictions:** Funds appropriated in this Act shall not be expended for any purpose not specifically authorized by the

General Assembly in this Act nor shall funds appropriated in this Act be transferred to or between any cabinet, department, board, commission, institution, agency, or budget unit of state government unless specifically authorized by the General Assembly in this Act and KRS 48.400, 48.500, 48.600, 48.605, 48.610, 48.620, 48.630, 48.700, 48.705, 48.710, 48.720, 48.730, 48.800, and 48.810. Compliance with the provisions of this section shall be reviewed and determined by the Interim Joint Committee on Appropriations and Revenue.

**5. Permitted Appropriation Obligations:** No state agency, cabinet, department, office, or program shall incur any obligation against the General Fund or Road Fund appropriations contained in this Act unless the obligation may be reasonably determined to have been contemplated in the enacted budget and is based upon supporting documentation considered by the General Assembly and legislative and executive records.

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

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

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

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

**10. Construction of Budget Provisions on Statutory Budget Administration Powers and Duties:** Nothing in this Act is to be construed as amending or altering Chapters 42, 45, and

48 of the Kentucky Revised Statutes pertaining to the duties and powers of the Secretary of the Finance and Administration Cabinet except as otherwise provided in this Act.

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

**12. Publication of the Budget of the Commonwealth:** The State Budget Director shall cause the Governor's Office for Policy and Management, within 60 days of adjournment of the 2016 Regular Session of the General Assembly, to publish a final enacted budget document, styled the Budget of the Commonwealth, based upon the Legislative Budget, Executive Budget, Transportation Cabinet Budget, and Judicial Budget as enacted by the 2016 Regular Session, as well as other Acts which contain appropriation provisions for the 2016-2018 fiscal biennium, and based upon supporting documentation and legislative records as considered by the 2016 Regular Session. This document shall include, for each agency and budget unit, a consolidated budget summary statement of available regular and continuing appropriated revenue by fund source, corresponding appropriation allocations by program or subprogram as appropriate, budget expenditures by principal budget class, and any other fiscal data and commentary considered necessary for budget execution by the Governor's Office for Policy and Management and oversight by the Interim Joint Committee on Appropriations and Revenue. The enacted Executive Budget and Transportation Cabinet Budget shall be revised or adjusted only upon approval by the Governor's Office for Policy and Management as provided in each Part of this Act and by KRS 48.400, 48.500, 48.600, 48.605, 48.610, 48.620, 48.630, 48.700, 48.705, 48.710, 48.720, 48.730, 48.800, and 48.810, and upon review and action by the Interim Joint Committee on Appropriations and Revenue.

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

**14. Prorating Administrative Costs:** The Secretary of the Finance and Administration Cabinet is authorized to establish a system or formula or a combination of both for prorating the administrative costs of the Finance and Administration Cabinet, the Department of the Treasury, and the Office of the Attorney General relative to the administration of programs in which there is joint participation by the state and federal governments for the purpose of receiving the maximum amount of participation permitted under the appropriate federal laws and regulations governing the programs. The receipts and allotments under this section shall be reported to the Interim Joint Committee on Appropriations and Revenue prior to any transfer of funds.

**15. Construction of Budget Provisions Regarding Executive Reorganization Orders:** Nothing in this Act shall be construed to confirm or ratify, under KRS 12.027 or 12.028, any executive reorganization order unless the executive order was confirmed or ratified by appropriate amendment to the Kentucky Revised Statutes in another Act of the 2016 Regular Session of the General Assembly.

**16. Budget Planning Report:** By August 15, 2017, the State Budget Director, in conjunction with the Consensus Forecasting Group, shall provide to each branch of government, pursuant to KRS 48.120, a budget planning report.

**17. Tax Expenditure Revenue Loss Estimates:** By May 31, 2017, the Office of State Budget Director shall provide to each branch of government detailed estimates for the General Fund and Road Fund for the current and next two fiscal years of the revenue loss affected by tax expenditures. The Department of Revenue shall provide assistance and furnish data which is not restricted by KRS 131.190. "Tax expenditure" as used in this section means an exemption, exclusion, or deduction from the base of a tax, a credit against the tax, a deferral of a tax, or a preferential tax rate. The estimates shall include for each tax expenditure the amount of revenue



loss, a citation of the legal authority for the tax expenditure, the year in which it was enacted, and the tax year in which it became effective.

**18. Duplicate Appropriations:** Any appropriation item and sum in Parts I to X of this Act and in an appropriation provision in any Act of the 2016 Regular Session which constitutes a duplicate appropriation shall be governed by KRS 48.312.

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

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

**21. Unclaimed Lottery Prize Money:** For fiscal year 2016-2017 and fiscal year 2017-2018, all unclaimed lottery prize money under KRS 154A.110(3) shall be credited to the Kentucky Educational Excellence Scholarship Reserve Account to be held as a subsidiary account within the Finance and Administration Cabinet for the purpose of funding the KEES Program as appropriated in this Act. If the Kentucky Higher Education Assistance Authority certifies to the State Budget Director that the appropriations in this Act for the KEES Program under the existing award schedule are insufficient to meet funds required for eligible applicants, then the State Budget Director shall provide the necessary allotment of funds in the balance of the KEES Reserve Account to fund the KEES Program. Actions taken under this section shall be reported to the Interim Joint Committee on Appropriations and Revenue on a timely basis.

**22. Workers' Compensation:** Notwithstanding KRS 342.340(1) or any other provision of law, public sector self-insured employers are not required to deposit funds as security, indemnity, or bond to secure the payment of compensation liabilities, provided that each public

sector employer has the authority to impose taxes or raise tuition in an amount sufficient to recoup payments of compensation liabilities as they are incurred. Notwithstanding KRS 342.340(1) and 803 KAR 25:021, Section 5, the Personnel Cabinet shall be exempt from procuring excess risk insurance in fiscal year 2016-2017 and fiscal year 2017-2018 for the Workers' Compensation Benefits and Reserve program administered by the Cabinet.

**23. Premium and Retaliatory Taxes:** Notwithstanding KRS 304.17B-021(4)(d), premium taxes collected under KRS Chapter 136 from any insurer and retaliatory taxes collected under KRS 304.3-270 from any insurer shall be credited to the General Fund.

**24. Carry Forward and Undesignated General Fund and Road Fund Carry Forward:** Notwithstanding KRS 48.700, 48.705, and other Parts of this Act, the Secretary of the Finance and Administration Cabinet shall determine and certify, within 30 days of the close of fiscal year 2015-2016 and fiscal year 2016-2017, the actual amount of undesignated balance of the General Fund and the Road Fund for the year just ended. The amounts from the undesignated fiscal year 2015-2016 and fiscal year 2016-2017 General Fund and Road Fund balances that are designated and carried forward for budgeted purposes in the 2016-2018 fiscal biennium shall be determined by the State Budget Director during the close of the respective fiscal year and shall be reported to the Interim Joint Committee on Appropriations and Revenue within 30 days of the close of the fiscal year. Any General Fund undesignated balance in excess of the amount designated for budgeted purposes under this section shall be made available for the General Fund Surplus Expenditure Plan contained in Part VII of this Act unless otherwise provided in this Act. The Road Fund undesignated balance in excess of the amount designated for budgeted purposes under this section shall be made available for the Road Fund Surplus Expenditure Plan contained in Part IX of this Act unless otherwise provided in this Act.

**25. Adoption of Budget Reductions:** Notwithstanding KRS 48.130 and 48.600, the General Assembly adopts and enacts the revised General Fund appropriation levels for the

budget units of the Executive Branch identified in General Fund Budget Reduction Order 14-01 and enacts the transfers to the General Fund of non-General Fund moneys identified in General Fund Budget Reduction Order 14-01. Notwithstanding KRS 48.130 and 48.600, the General Assembly adopts and enacts the revised Road Fund appropriation levels for the budget units of the Executive Branch identified in Road Fund Budget Reduction Order 14-01 and Road Fund Budget Reduction Order 16-01.

**26. Use of Public Funds:** Notwithstanding KRS 311.710, KRS 311.715, or any other provision of the Kentucky Revised Statutes to the contrary, public funds, including moneys received from the federal government, shall not directly or indirectly be used, granted, paid, or distributed to any entity, organization, or individual that provides abortions or abortion services, or that is an affiliate of any entity, organization, or individual that provides abortions or abortion services. Notwithstanding any provision of the Kentucky Revised Statutes to the contrary, state and federal family planning funds shall be awarded to eligible individuals, organizations, or entities applying to be family planning contractors in the following order of descending priority: (1) Public entities that directly provide family planning services, including state, county, and local community health clinics and federally qualified health centers; (2) Nonpublic entities that directly provide comprehensive primary and preventative health services, as described in 42 U.S.C. sec. 254b(b)(1)(A), in addition to family planning services; and (3) Nonpublic entities that directly provide family planning services, but do not provide comprehensive primary and preventative services.

**27. Budget Implementation:** The General Assembly directs that the Executive Branch shall carry out all appropriations and budgetary language provisions as contained in the State/Executive Budget. The Legislative Research Commission shall review quarterly expenditure data to determine if an agency is out of compliance with this directive. If the Legislative Research Commission suspects that any entity has acted in non-conformity with this

section, the Legislative Research Commission may order an audit or review at the agency's expense. Such audit findings, reviews, and reports shall be subject to the Kentucky Open Records law.

**28. Civil War Reenactors:** Notwithstanding KRS 38.440, Civil War reenactors may associate, drill, and parade with firearms and/or swords without permission from the Governor before, during, and after Civil War reenactments and events.

**29. Language Provisions:** Any language provision in this Act that expresses legislative intent regarding a specific appropriation shall be expended only for the purposes outlined in that language provision. Any funds not expended for that specific purpose shall be transferred to the Budget Reserve Trust Fund Account (KRS 48.705) by June 30 of each fiscal year.

**30. Unexpended Debt Service:** Notwithstanding KRS 48.720, any General Fund moneys appropriated for debt service in fiscal years 2016-2017 and 2017-2018 that are not expended specifically for debt service shall be transferred to the Budget Reserve Trust Fund Account (KRS 48.705).

**31. Effects of Subsequent Legislation:** If any measure enacted during the 2016 Regular Session of the General Assembly subsequent to this Act contains an appropriation or is projected to increase or decrease General Fund revenues, the amount in the Budget Reserve Trust Fund shall be revised to accommodate the appropriation or the reduction or increase in projected revenues. Notwithstanding any provision of KRS 48.120(4) and (5) to the contrary, the official enacted revenue estimates of the Commonwealth described in KRS 48.120(5) shall be adjusted at the conclusion of the 2016 Regular Session of the General Assembly to incorporate any projected revenue increases or decreases that will occur as a result of actions taken by the General Assembly subsequent to the passage of this Act by both chambers.

**32. Permitted Use of Water and Sewer Bond Funds:** Notwithstanding Part II, (3) of this Act and any statute to the contrary, any balances remaining for either closed or open project

grant agreements authorized pursuant to bond pools set forth in 2003 Ky. Acts ch. 156, Part II, A., 3., d. Water and Sewer Resources Development Fund for Tobacco Counties and e. Water and Sewer Resources Development Fund For Coal Producing Counties, 2005 Ky. Acts ch. 173, Part II, A., 3., 003. Infrastructure for Economic Development Fund for Coal-Producing Counties and 004. Infrastructure for Economic Development Fund for Tobacco Counties, 2006 Ky. Acts ch. 252, Part II, A., 2., 003. Infrastructure for Economic Development Fund for Non-Coal Producing Counties and 004. Infrastructure for Economic Development Fund for Coal-Producing Counties, 2008 Ky. Acts ch. 123, Section 3., 004. Infrastructure for Economic Development Fund for Coal-Producing Counties and 005. Infrastructure for Economic Development Fund for Non-Coal Producing Counties, and 2008 Ky. Acts ch. 174, Section 2. and 2009 Ky. Acts ch. 87, Section 2. shall not lapse and shall remain to the credit of projects previously authorized by the General Assembly unless expressly reauthorized and reallocated by action of the General Assembly.

**33. Settlement Funds Received by Constitutional Officers:** Notwithstanding KRS 48.005, whenever funds or assets of any kind are recovered by judgment or settlement of a legal action by or on behalf of the Commonwealth by an elected statewide constitutional officer under that officer's statutory or common law authority, the constitutional officer may first recover the reasonable costs of litigation incurred by his or her office, as determined by the court and approved by the Secretary of the Finance and Administration Cabinet. After recovery of reasonable costs, any required consumer restitution or payments shall be made. All remaining funds shall be deposited in the State Treasury in a separate account and shall not be expended until appropriated by the General Assembly.

**34. Kentucky Public Employee Benefit Reserve Trust Fund:** The Kentucky Public Employee Benefit Reserve Trust Fund is hereby created as a separate trust fund in the State Treasury. The fund shall be administered by the Personnel Cabinet, and shall consist of amounts received from appropriations, transfers, gifts, grants, or other resources. Amounts deposited in

the fund shall remain in the fund until specifically appropriated by the General Assembly in an enacted appropriation. Amounts in the fund shall be invested as provided in KRS 42.500 to 42.530 and any interest or income earned on those investments shall be deposited in the fund and shall become a part of the fund. Notwithstanding KRS 45.229, any amounts in the fund not expended at the close of a fiscal year shall not lapse and shall carry forward in the fund. Beginning on October 1, 2016, and each quarter thereafter, the Secretary of the Personnel Cabinet shall provide to the Legislative Research Commission a quarterly report of the balance of the fund, including all receipts, investments, and income. Notwithstanding KRS 18A.2254(3), \$300,000,000 in fiscal year 2016-2017 and \$200,000,000 in fiscal year 2017-2018 shall be transferred to the Kentucky Public Employee Benefit Reserve Trust Fund from the Public Employee Health Insurance Trust Fund. These surplus funds were accumulated during prior health insurance plan years and are not needed to fulfill health insurance claims payments for any prior plan year. These funds shall not be expended or appropriated without the express authority within an enacted biennial budget.

**35. Line of Duty Death Benefits:** (a) Notwithstanding KRS 61.315, funds shall be provided for payment of benefits for survivors of state and local firefighters if the firefighter's death was the result of cancer and if he or she:

1. Was a firefighter for at least five consecutive years;
2. Developed one or more of the cancers listed in paragraph (b) of this section which caused the firefighter's death within 10 years of separation from service as a firefighter;
3. Did not use tobacco products for a period of 10 years prior to the diagnosis of cancer;
4. Was under the age of 65 at the time of death;
5. Was not diagnosed with any cancer prior to employment as a firefighter; and
6. Was exposed while in the course of firefighting to a known carcinogen as defined by the International Agency for Research on Cancer or the National Toxicology Program, and the

carcinogen is reasonably associated with one or more of the cancers listed in paragraph (b) of this section.

(b) This section shall apply to the following cancers:

1. Bladder cancer;
2. Brain cancer;
3. Colon cancer;
4. Non-Hodgkin's lymphoma;
5. Kidney cancer;
6. Liver cancer;
7. Lymphatic or haematopoietic cancer;
8. Prostate cancer;
9. Testicular cancer;
10. Skin cancer;
11. Cervical cancer; and
12. Breast cancer.

(c) 1. The provisions of this section creating an entitlement to the line of duty death benefits shall apply exclusively to this general provision and shall not be interpreted or otherwise construed to create either an express or implied presumption of work-relatedness for any type of claim filed pursuant to KRS Chapter 342.

2. This section shall not be used as a bar or other type of limitation to impair or alter the rights and ability of a claimant to prove work-relatedness under KRS Chapter 342 or other laws.

#### **PART IV**

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

**1. Authorized Personnel Complement:** On July 1, 2016, the Personnel Cabinet and the Office of State Budget Director shall establish a record for each budget unit of authorized

permanent full-time and other positions based upon the enacted Executive Budget of the Commonwealth and any adjustments authorized by provisions in this Act. The total number of filled permanent full-time and all other positions shall not exceed the authorized complements pursuant to this section. An agency head may request an increase in the number of authorized positions to the State Budget Director. Upon approval, the Secretary of the Personnel Cabinet may authorize the employment of individuals in addition to the authorized complement. A report of the actions authorized in this section shall be provided to the Interim Joint Committee on Appropriations and Revenue on a monthly basis.

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

**3. Monthly Per Employee Health Insurance Benefits Assessment:** The Personnel Cabinet shall collect a benefits assessment per month per employee eligible for health insurance coverage in the state group for duly authorized use by the Personnel Cabinet in administering its statutory and administrative responsibilities, including but not limited to administration of the Commonwealth's health insurance program.

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

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

**6. Base Employer Retirement Contribution Rates:** Pursuant to KRS 61.565 and 61.702, the base employer contribution rates for Kentucky Employees Retirement Systems from July 1, 2016, through June 30, 2017, shall be 48.59 percent, consisting of 40.24 percent for



pension and 8.35 percent for insurance for nonhazardous duty employees and 23.82 percent, consisting of 21.08 percent for pension and 2.74 percent for insurance for hazardous duty employees; for the same period the employer contribution for employees of the State Police Retirement System shall be 89.21 percent, consisting of 70.34 percent for pension and 18.87 percent for insurance. Notwithstanding KRS 61.565 and 61.702, the base employer contribution rates for Kentucky Employees Retirement Systems from July 1, 2017, through June 30, 2018, shall be 49.47 percent, consisting of 41.06 percent for pension and 8.41 percent for insurance for nonhazardous duty employees and 23.70 percent, consisting of 21.44 percent for pension and 2.26 percent for insurance for hazardous duty employees; for the same period the employer contribution for employees of the State Police Retirement System shall be 91.24 percent, consisting of 72.47 percent for pension and 18.77 percent for insurance. The rates above apply to wages and salaries earned for work performed during the described period regardless of when the employee is paid for the time worked.

**7. Employer Overmatch Contribution Rate:** In addition to the base employer retirement contribution rates established in Section 6. of this Part, each employer shall contribute to the Kentucky Employees Retirement Systems nonhazardous pension fund an additional overmatch of 6.75 percent of payroll in each fiscal year. This overmatch rate will bring the total pension rate contributed to the nonhazardous pension fund to 46.99 percent in fiscal year 2016-2017 and 47.81 percent in fiscal year 2017-2018.

**8. Governor's Emergency Match:** In addition to the base employer retirement contribution rates established in Section 6. of this Part and the employer overmatch contribution rate established in Section 7. of this Part, the Governor may require each employer to contribute to the Kentucky Employees Retirement Systems nonhazardous pension fund an emergency match of up to an additional 9.03 percent of payroll during all or part of each fiscal year as funds are available.

**9. Issuance of Paychecks to State Employees:** Notwithstanding 101 KAR 2:095, Section 10, the state payroll that would normally be scheduled to be paid on June 30, 2017, and June 30, 2018, shall not be issued prior to July 1, 2017, and July 1, 2018.

**10. Health Care Spending Account:** Notwithstanding KRS 18A.2254(2)(a) and (b), if a public employee waives coverage provided by his or her employer under the Public Employee Health Insurance Program, the employer shall forward a monthly amount to be determined by the Secretary of the Personnel Cabinet for that employee as an employer contribution to a health reimbursement account or a health flexible spending account, but not less than \$175 per month, subject to any conditions or limitations imposed by the Secretary of the Personnel Cabinet to comply with applicable federal law. The administrative fees associated with a health reimbursement account or health flexible spending account shall be an authorized expense to be charged to the Public Employee Health Insurance Trust Fund.

**11. Salary and Compensation Fund Distribution:** The State Budget Director shall determine the amount of funds from the appropriation in Part I, J., 5., of this Act that is necessary for each budget unit to pay the General Fund portion of the increased costs of the employer contribution rates for the Kentucky Employees Retirement Systems and the increment provided in Section 2. of this Part. The State Salary and Compensation Fund shall be supplemented by Restricted Funds, Federal Funds, the Road Fund, and other General Fund amounts otherwise appropriated to state agencies. The amount of moneys transferred from the State Salary and Compensation Fund to state agencies shall not exceed the additional General Fund cost of the employer overmatch contribution rate, the Governor's emergency match for the Kentucky Employees Retirement Systems, and the increment provided in Section 2. of this Part. The State Budget Director shall report distributions from the State Salary and Compensation Fund to the Interim Joint Committee on Appropriations and Revenue.

**12. Public Employee Health Insurance Program Premium Rates:** Notwithstanding

# Unofficial Document

KRS 18A.2254 or any other provision of law, Public Employee Health Insurance Program premium rates for Plan Year 2017 and Plan Year 2018 shall not exceed Plan Year 2016 premium rates.

## PART V

### FUNDS TRANSFER

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

Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2016-2017 and fiscal year 2017-2018:

	2016-17	2017-18
<b>A. GENERAL GOVERNMENT</b>		
<b>1. Secretary of State</b>		
Agency Revenue Fund	1,000,000	1,000,000
<b>2. Agriculture</b>		
Agency Revenue Fund	1,500,000	-0-
(KRS 217.570)		
<b>B. ECONOMIC DEVELOPMENT CABINET</b>		
<b>1. Economic Development</b>		
Other Special Revenue Fund	200,000	200,000
<b>C. ENERGY AND ENVIRONMENT CABINET</b>		
<b>1. Secretary</b>		
Kentucky Heritage Land		
Conservation Fund	5,000,000	5,000,000
(KRS 146.570)		

**2. Secretary**

Kentucky Pride Trust Fund	2,006,300	2,006,300
---------------------------	-----------	-----------

Pursuant to KRS 224.43-505(2)(a)3., these funds transfers to the General Fund support the General Fund debt service on the bonds sold as appropriated by 2003 Ky. Acts ch. 156, Part II, A., 3., c..

**3. Environmental Protection**

Insurance Administration Fund	7,500,000	7,500,000
-------------------------------	-----------	-----------

(KRS 224.60-130, 224.60-140, 224.60-145, and 224.60-150)

**D. FINANCE AND ADMINISTRATION CABINET**

**1. General Administration**

Agency Revenue Fund	1,000,000	-0-
---------------------	-----------	-----

**2. General Administration**

Fleet Management Fund	5,000,000	5,000,000
-----------------------	-----------	-----------

**3. Facilities and Support Services**

Agency Revenue Fund	300,000	-0-
---------------------	---------	-----

**E. HEALTH AND FAMILY SERVICES CABINET**

**1. General Administration and Program Support**

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

**2. Commission for Children with Special Health**

**Care Needs**

Agency Revenue Fund	1,000,000	-0-
---------------------	-----------	-----

**F. PERSONNEL CABINET**

**1. General Operations**

Agency Revenue Fund	2,692,600	2,692,600
---------------------	-----------	-----------

These fund transfers to the General Fund support General Fund debt service on bonds sold

# Unofficial Document

for the new Personnel/Payroll system.

## 2. General Operations

Agency Revenue Fund	2,522,500	2,522,500
---------------------	-----------	-----------

## G. PUBLIC PROTECTION CABINET

### 1. Alcoholic Beverage Control

Agency Revenue Fund	300,000	300,000
---------------------	---------	---------

(KRS 243.025(3))

### 2. Financial Institutions

Agency Revenue Fund	5,000,000	5,000,000
---------------------	-----------	-----------

(KRS 286.1-485)

### 3. Insurance

Agency Revenue Fund	24,400,000	24,400,000
---------------------	------------	------------

(KRS 304.2-300 and 304.2-400)

TOTAL - FUNDS TRANSFER	59,921,400	56,121,400
------------------------	------------	------------

## 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 \$10,617,200,000 in fiscal year 2016-2017 and \$10,875,500,000 in fiscal year 2017-2018, 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 the 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 biennial 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;

(3) Use of the unappropriated balance of the General Fund surplus shall be applied;

(4) 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) 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) 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 2016-2017 and 50 percent in fiscal year 2017-2018; and

(7) Pursuant to KRS 48.130 and 48.600, if the actions contained in subsections (1) to (6) 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.

## **PART VII**

### **GENERAL FUND SURPLUS EXPENDITURE PLAN**

(1) Notwithstanding KRS 48.130(7), 48.140(3), 48.700, and 48.705, there is established a plan for the expenditure of General Fund surplus moneys pursuant to a General Fund Surplus Expenditure Plan contained in this Part for fiscal years 2016-2017 and 2017-2018. Pursuant to the enactment of the Surplus Expenditure Plan, General Fund moneys made available for the General Fund Surplus Expenditure Plan pursuant to Part III, General Provisions, Section 25, of this Act are appropriated to the following:

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

# Unofficial Document

- (b) Half of the remaining amount to the Budget Reserve Trust Fund;
  - (c) 25 percent of the remaining amount to the Kentucky Teachers' Retirement System's unfunded pension liability; and
  - (d) 25 percent of the remaining amount to the State Salary and Compensation Fund to be used for unfunded pension liabilities.
- (2) The Secretary of the Finance and Administration Cabinet shall determine, within 30 days after the close of fiscal year 2015-2016, and the close of fiscal year 2016-2017, based on the official financial records of the Commonwealth, the amount of actual General Fund undesignated fund balance for the General Fund Surplus Account that may be available for expenditure pursuant to the Plan respectively in fiscal year 2016-2017 and fiscal year 2017-2018. The Secretary of the Finance and Administration Cabinet shall certify to the Legislative Research Commission the amount of actual General Fund undesignated fund balance available for expenditure.

## **PART VIII**

### **ROAD FUND BUDGET REDUCTION PLAN**

There is established a Road Fund Budget Reduction Plan for fiscal year 2016-2017 and fiscal year 2017-2018. Pursuant to KRS 48.130(1) and (3) relating to statutory appropriation adjustments related to the revenue sharing of motor fuels taxes, in the event of an actual or projected revenue shortfall in Road Fund revenue receipts of \$1,456,900,000 in fiscal year 2016-2017 and \$1,478,200,000 in fiscal year 2017-2018 as determined by KRS 48.120 and modified by related Acts and actions of the General Assembly in an extraordinary or regular session, the Governor shall implement sufficient reductions as may be required to protect the highest possible level of service.

## **PART IX**

### **ROAD FUND SURPLUS EXPENDITURE PLAN**



Notwithstanding KRS 48.110, 48.140, and 48.710, there is established a plan for the expenditure of the Road Fund Surplus Account. All moneys in the Road Fund Surplus Account shall be appropriated in the State Construction Account within the Highways budget unit and utilized to support projects in the fiscal biennium 2016-2018 Biennial Highway Construction Program.

## 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 official estimates of the Consensus Forecasting Group, the amount of MSA payments expected to be received in fiscal year 2015-2016 is \$88,100,000 and in fiscal year 2016-2017 is \$87,000,000 and in fiscal year 2017-2018 is \$92,800,000. It is recognized that MSA payments to be received by the Commonwealth are estimated and are subject to change. If MSA payments received are less than the official estimates, appropriation reductions shall be applied as follows: after exempting appropriations for debt service and the Department of Revenue, 50 percent to the Agricultural Development Fund, 36 percent to the Early Childhood Development Fund, and 14 percent to the Health Care Improvement Fund. If MSA payments received exceed the official estimates, appropriation increases shall be applied as follows: after exempting appropriations for debt service and the Department of Revenue, 50 percent to the Agricultural Development Fund, 36 percent to the Early Childhood Development Fund, and 14 percent to the Health Care Improvement Fund.

a. **State Enforcement:** Notwithstanding KRS 248.654, a total of \$250,000 of the MSA payments received in each fiscal year 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), \$26,985,300 in MSA payments in fiscal year 2016-2017 and \$26,667,700 in MSA payments in fiscal year 2017-2018 are appropriated to the Finance and Administration Cabinet, Debt Service budget unit.

c. **Agricultural Development Initiatives:** Notwithstanding KRS 248.654 and 248.703(4), \$30,958,000 in MSA payments in fiscal year 2016-2017 and \$34,050,200 in MSA payments in fiscal year 2017-2018 are appropriated to the Kentucky Agricultural Development Fund to be used for agricultural development initiatives as specified in this Part.

**d. Early Childhood Development Initiatives:** Notwithstanding KRS 248.654, \$22,289,800 in MSA payments in fiscal year 2016-2017 and \$24,516,100 in MSA payments in fiscal year 2017-2018 are appropriated to the Early Childhood Development Initiatives as specified in this Part.

**e. Health Care Initiatives:** Notwithstanding KRS 248.654 and 304.17B-003(5), \$8,668,300 in MSA payments in fiscal year 2016-2017 and \$9,534,000 in MSA payments in fiscal year 2017-2018 are appropriated to the Health Care Improvement Fund for health care initiatives as specified in this Part.

**(6) MSA Appropriation Adjustments – Fiscal Year 2015-2016:** The Consensus Forecasting Group increased the fiscal year 2015-2016 Phase I Master Settlement Agreement revenues by \$15,700,000 to \$88,100,000. There is \$7,446,100 in actual receipts from fiscal year 2013-2014 that remain unappropriated. The total of \$23,146,100 is appropriated below in fiscal year 2015-2016.

**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**

<b>Budget Unit</b>	<b>2016-17</b>	<b>2017-18</b>
a. Revenue	250,000	250,000

**B. DEBT SERVICE**

**GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS**

Notwithstanding KRS 248.654 and 248.703(4), appropriations for debt service shall be as follows:

**1. FINANCE AND ADMINISTRATION CABINET**

<b>Budget Unit</b>	<b>2016-17</b>	<b>2017-18</b>
--------------------	----------------	----------------

# Unofficial Document

a. Debt Service 26,985,300 26,667,700

(1) **Debt Service:** To the extent that revenues sufficient to support the required debt service appropriations are received from the Tobacco Settlement Program, those revenues shall be made available from those accounts to the appropriate account of the General Fund. All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there is a sufficient amount available to be transferred from tobacco-supported funding program accounts to other accounts of the General Fund.

(2) **General Fund (Tobacco) Debt Service Lapse:** Notwithstanding Part X, (4) of this Act, \$2,151,400 in fiscal year 2016-2017 and \$2,218,000 in fiscal year 2017-2018 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:

#### 1. GENERAL GOVERNMENT

Budget Unit	2015-16	2016-17	2017-18
a. Governor's Office of Agricultural Policy	15,389,500	25,358,000	28,450,200

(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) **Agriculture:** Notwithstanding KRS 248.703(1), included in the above General Fund (Tobacco) appropriation is \$8,875,300 in fiscal year 2016-2017 and \$9,957,600 in fiscal year 2017-2018, for the counties account as specified in KRS 248.703(1)(a).

(3) **Breathitt Veterinary Center:** Included in the above General Fund (Tobacco)

appropriation is \$4,000,000 in fiscal year 2015-2016 for the Breathitt Veterinary Center at Murray State University. Notwithstanding KRS 48.130, 48.600, and Part VI of this Act, the appropriations set forth in this subsection shall not be reduced.

(4) **Water Management Initiatives:** Included in the above General Fund (Tobacco) appropriation is \$3,000,000 in fiscal year 2015-2016 for on-farm and rural community drought and water assessment, monitoring, and improvements for agricultural purposes.

(5) **Appropriation of Unexpended Tobacco Debt Service:** Any unexpended balance from the fiscal year 2016-2017 or the fiscal year 2017-2018 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.

b. Department for	2,000,000	-0-	-0-
Local Government			

(1) **Trover Clinic Grant:** Included in the above General Fund (Tobacco) appropriation is \$2,000,000 in fiscal year 2015-2016 for the Trover Clinic Grant within the Department for Local Government.

## 2. DEPARTMENT OF AGRICULTURE

Budget Unit	2016-17	2017-18
a. Agriculture	600,000	600,000

(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.

## 3. ENERGY AND ENVIRONMENT CABINET

Budget Unit	2016-17	2017-18
a. Natural Resources	5,000,000	5,000,000

(1) **Environmental Stewardship Program:** Included in the above General Fund

# Unofficial Document

(Tobacco) appropriation is \$5,000,000 in each fiscal year for the Environmental Stewardship Program.

#### 4. POSTSECONDARY EDUCATION

Budget Unit	2015-16	2016-17	2017-18
a. Kentucky Higher Education Assistance Authority	1,710,000	-0-	-0-

(1) **Osteopathic Medicine Scholarship Program:** Included in the above General Fund (Tobacco) appropriation is \$625,000 in fiscal year 2015-2016 for the Osteopathic Medicine Scholarship Program.

(2) **Pharmacy Scholarships:** Included in the above General Fund (Tobacco) appropriation is \$1,085,000 in fiscal year 2015-2016 for the Coal County Pharmacy Scholarship Program.

b. University of Kentucky	2,000,000	-0-	-0-
---------------------------	-----------	-----	-----

(1) **Robinson Scholars Program:** Included in the above General Fund (Tobacco) appropriation is \$2,000,000 in fiscal year 2015-2016 for the Robinson Scholars Program at the University of Kentucky.

TOTAL - AGRICULTURAL	21,099,500	30,958,000	34,050,200
----------------------	------------	------------	------------

#### APPROPRIATIONS

#### 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	2016-17	2017-18
a. Office of the Governor	2,050,000	2,050,000

# Unofficial Document

(1) **Governor’s Office for Early Childhood Development:** Included in the above General Fund (Tobacco) appropriation is \$2,050,000 in each fiscal year of the biennium for the Early Childhood Advisory Council.

## 2. CABINET FOR HEALTH AND FAMILY SERVICES

Budget Units	2015-16	2016-17	2017-18
a. Community Based Services	2,046,600	6,668,400	8,894,700

(1) **Early Childhood Development Program:** Included in the above General Fund (Tobacco) appropriation is \$2,046,600 in fiscal year 2015-2016 for the Early Childhood Development Program. The \$2,046,600 shall not be expended in fiscal year 2015-2016 and shall continue into fiscal year 2016-2017. Included in the above General Fund (Tobacco) appropriation is \$6,668,400 in fiscal year 2016-2017 and \$8,894,700 in fiscal year 2017-2018 for the Early Childhood Development Program.

b. Public Health	11,580,000	11,580,000
------------------	------------	------------

(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
---	---------	---------

(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 for substance abuse prevention and treatment for pregnant women with a history of substance abuse problems.

**3. POSTSECONDARY EDUCATION**

<b>Budget Unit</b>	<b>2016-17</b>	<b>2017-18</b>
a. Kentucky Higher Education Assistance Authority	1,100,000	1,100,000

(1) **Early Childhood Scholarships:** Included in the above General Fund (Tobacco) appropriation is \$1,100,000 in each fiscal year for Early Childhood Scholarships.

TOTAL - EARLY CHILDHOOD	2,046,600	22,289,800	24,516,100
-------------------------	-----------	------------	------------

APPROPRIATIONS

**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**

<b>Budget Unit</b>	<b>2016-17</b>	<b>2017-18</b>
a. Public Health	2,353,100	2,588,100

(1) **Smoking Cessation Program:** Included in the above General Fund (Tobacco) appropriation is \$2,353,100 in fiscal year 2016-2017 and \$2,588,100 in fiscal year 2017-2018 for the Smoking Cessation Program.

**2. JUSTICE AND PUBLIC SAFETY CABINET**

<b>Budget Unit</b>	<b>2016-17</b>	<b>2017-18</b>
a. Justice Administration	1,609,100	1,769,800

(1) **Office of Drug Control Policy:** Included in the above General Fund (Tobacco) appropriation is \$1,609,100 in fiscal year 2016-2017 and \$1,769,800 in fiscal year 2017-2018 for the Office of Drug Control Policy.

**3. POSTSECONDARY EDUCATION**



<b>Budget Unit</b>	<b>2016-17</b>	<b>2017-18</b>
a. Council on Postsecondary Education	4,706,100	5,176,100

**(1) Ovarian Cancer Screening:** Notwithstanding KRS 164.476, General Fund (Tobacco) moneys in the amount of \$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.

TOTAL - HEALTH CARE APPROPRIATIONS	8,668,300	9,534,000
------------------------------------	-----------	-----------

TOTAL - PHASE I TOBACCO SETTLEMENT

FUNDING PROGRAM	23,146,100	89,151,400	95,018,000
-----------------	------------	------------	------------

**PART XI**

**STATE/EXECUTIVE BRANCH BUDGET SUMMARY**

**OPERATING BUDGET**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund (Tobacco)	23,146,100	89,151,400	95,018,000
General Fund	33,157,500	10,401,893,600	10,783,947,900
Restricted Funds	117,305,400	8,027,974,400	8,447,691,700
Federal Funds	1,854,700	12,223,777,400	12,533,496,900
Road Fund	-0-	107,479,700	108,429,100
<b>SUBTOTAL</b>	<b>175,463,700</b>	<b>30,850,276,500</b>	<b>31,968,583,600</b>

**CAPITAL PROJECTS BUDGET**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund	-0-	1,836,000	-0-
Restricted Funds	4,800,000	1,072,641,000	40,850,000
Federal Funds	1,750,000	66,930,000	31,640,000
Bond Funds	-0-	425,304,000	45,437,500

# Unofficial Document

Agency Bonds	-0-	159,489,000	4,891,000
Investment Income	-0-	4,975,600	4,860,000
Other Funds	-0-	690,641,000	600,000
<b>SUBTOTAL</b>	<b>6,550,000</b>	<b>2,421,816,600</b>	<b>128,278,500</b>

**TOTAL - STATE/EXECUTIVE BUDGET**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund (Tobacco)	23,146,100	89,151,400	95,018,000
General Fund	33,157,500	10,403,729,600	10,783,947,900
Restricted Funds	122,105,400	9,100,615,400	8,488,541,700
Federal Funds	3,604,700	12,290,707,400	12,565,136,900
Road Fund	-0-	107,479,700	108,429,100
Bond Funds	-0-	425,304,000	45,437,500
Agency Bonds	-0-	159,489,000	4,891,000
Investment Income	-0-	4,975,600	4,860,000
Other Funds	-0-	690,641,000	600,000
<b>TOTAL FUNDS</b>	<b>182,013,700</b>	<b>33,272,093,100</b>	<b>32,096,862,100"</b>

**SUMMARY:** Amend original provisions of the bill with the following: Retain original provisions with the following exceptions: increase General Fund appropriation for the Department of Veterans' Affairs in each fiscal year; provide funding for grants to Veterans' Service Organization programs; provide debt service for the Bowling Green Veterans' Center contingent upon federal funding; reduce General Fund (Tobacco) appropriation for the Governor's Office of Agricultural Policy in fiscal year 2015-2016; provide funding for the Breathitt Veterinary Center in fiscal year 2015-2016; provide funding for water management initiatives in fiscal year 2015-2016; insert language regarding the appropriation of unexpended tobacco debt service; provide funding for residential youth at-risk programs; increase General Fund (Tobacco) appropriation in fiscal year 2015-2016 and reduce General Fund appropriation in each fiscal year of the biennium for the Department for Local Government; provide funding for Mary Kendall Homes and Gateway Juvenile Diversion; provide funding for the Trover Clinic Grant; increase General Fund appropriation in each fiscal year for the Local Government Economic Assistance Fund; increase General Fund appropriation for the Local Government Economic Development Fund; stipulate that no funds are provided for the Osteopathic Medicine Scholarship Program and Pharmacy Scholarships within the Local Government Economic

Development Fund budget unit; remove Trover Clinic Grant, Operation Unite, Coal County College Completion Scholarship Program, Shaping Our Appalachian Region Administrative Costs, Robinson Scholars, Mining Engineering Scholarship Program, School Technology in Coal Counties, Save the Children, Regional Strategic Development Fund, and Local Government Economic Development Fund language provisions within the Local Government Economic Development Fund budget unit; amend Kentucky Infrastructure Authority and Department for Local Government language provisions within the Local Government Economic Development Fund budget unit; stipulate that Lexington-Fayette Urban County Government remit payment to the Commonwealth for reimbursement to the Local Government Economic Development Fund; set out parameters for county flexibility and distribution of funds; provide for Area Development District flexibility; reduce General Fund appropriation and increase Restricted Funds appropriation for the Executive Branch Ethics Commission; increase executive agency lobbyists registration fee to \$250; direct Executive Branch agencies with employees covered under Chapter 11A to be assessed each fiscal year the amount required for the operation of the Executive Branch Ethics Commission; direct funds recovered through litigation by the Attorney General to the General Fund Surplus Account; increase General Fund appropriation for County Attorneys in each fiscal year; reduce General Fund appropriation and Restricted Funds appropriation in each fiscal year for Kentucky Retirement Systems; remove Direct Appropriation for Pension Liability and Contingent General Fund Appropriation for Pension Liability language provisions from the Kentucky Retirement Systems budget unit; insert Operations and Transparency language provision for Kentucky Retirement Systems; increase Restricted Funds appropriation in each fiscal year for Podiatry; change debt service fund source from General Fund to Restricted Funds for the Kentucky River Authority; decrease General Fund appropriation and Restricted Funds appropriation in each fiscal year for the Teachers' Retirement System; remove language regarding direct appropriation for pension liability from the Teachers' Retirement System; amend State Annual Appropriations Deficit language provision; insert language regarding the dependent subsidy for retirees under age 65, amortization of sick leave, contribution for retiree medical insurance, operations and transparency, and employer contribution rate within the Teachers' Retirement System budget unit; increase General Fund appropriation in each fiscal year for SEEK; amend Salary Supplements for Nationally Certified Teachers, Retroactive Equalized Facility Funding, and Hold Harmless Guarantee language provisions; provide additional SEEK funding in fiscal year 2015-2016 as a necessary government expense; insert language regarding increased Teachers' Retirement System employer match; insert language regarding the review of the classification of primary and secondary school buildings; decrease General Fund appropriation in each fiscal year for Learning and Results Services; insert language regarding preschool program eligibility, use of local district capital funds, surplus property, advisory council for gifted and talented education, allocation of Safe School Funds, Kentucky School for the Blind and Kentucky School for the Deaf, Learning and Results Service programs, and participation in the Education Technology Program by area vocational education centers within the Learning and Results Services budget unit; provide funds for the Governor's Scholars Program, the Kentucky Center for Education and Workforce Statistics, and public libraries facilities construction; increase General Fund appropriation in each fiscal year for the Office for the Blind; provide funding for the Accessible Electronic Information Service Program and

interpreter services; increase Restricted Funds appropriation in each fiscal year for Environmental Protection; remove language regarding the Waste Tire Trust Fund; require the number of mine safety inspections to be equal to the number required annually by the Mine Safety and Health Administration, one of which shall be a full electrical inspection; provide funding for conservation districts; insert language regarding the state motor vehicle fleet and computer services fund receipts; remove language regarding the insurance surcharge rate; increase the General Fund appropriation in each fiscal year for General Administration and Program Support within the Cabinet for Health and Family Services; insert language regarding human services transportation delivery, reallocation of appropriations among budget units, expenditure of waste, fraud, and abuse savings, ensuring safe standards for surgical procedure facilities, and Medicaid service category expenditure information; reduce General Fund appropriation and increase Restricted Funds appropriation in each fiscal year for Medicaid Benefits; insert language regarding the Disproportionate Share Hospital Program, hospital indigent patient billing, Medicaid budget analysis reports, critical access hospitals, waiver slots, waste, fraud, and abuse, Medicaid Managed Care reporting, appeals, and health facility licensing; reduce General Fund appropriation in each fiscal year for Community Based Services; insert language regarding the SNAP program; increase the Federal Funds appropriation in each fiscal year for Justice Administration; provide funding for the Madisonville Medical Examiner's Office; include School Resource officers in the training incentive stipend expansion; increase the General Fund appropriation in each fiscal year for State Police; include CVE Captain, CVE Lieutenant, CVE Sergeant, and CVE Officer I and II positions in the salary increase provision for State Police; provide funding for Trooper R Class Officers; insert language regarding local correctional facilities design fees; reduce the Restricted Funds appropriation in each fiscal year for General Operations within the Personnel Cabinet; provide a General Fund appropriation in each fiscal year for the State Salary and Compensation Fund; increase the General Fund appropriation in each fiscal year for the Council on Postsecondary Education; provide funding for adult education and contract spaces; insert language regarding veterinary medicine and optometry slots; stipulate that there be no salary increase for the President of the Council on Postsecondary Education; insert language regarding increased Teachers' Retirement System employer match; provide General Fund (Tobacco) appropriation in fiscal year 2015-2016 and decrease General Fund appropriation in each fiscal year for the Kentucky Higher Education Assistance Authority; provide General Fund (Tobacco) funding for the Pharmacy Scholarship Program and Osteopathic Medicine Scholarship Program; provide funding for the Work Study Program; insert language regarding retirement system options, fire and tornado insurance, and employee tuition waivers under comprehensive universities and KCTCS; increase General Fund appropriation in fiscal year 2017-2018 for Eastern Kentucky University; increase General Fund appropriation in each fiscal year for Kentucky State University; provide funding for special initiative funding, and land-grant match at Kentucky State University; increase General Fund appropriation in each fiscal year for Morehead State University; provide funding for the Craft Academy at Morehead State University; increase General Fund appropriation in fiscal year 2017-2018 for Murray State University; increase General Fund appropriation in fiscal year 2017-2018 for Northern Kentucky University; provide General Fund (Tobacco) appropriation in fiscal year 2015-2016, reduce General Fund appropriation in fiscal year 2016-2017, and increase General Fund appropriation in

fiscal year 2017-2018 for the University of Kentucky; provide funding for the Robinson Scholars Program at the University of Kentucky; reduce General Fund appropriation in fiscal year 2016-2017 and increase General Fund appropriation in fiscal year 2017-2018 for the University of Louisville; increase General Fund appropriation in each fiscal year for Western Kentucky University; provide funding for the Gatton Academy at Western Kentucky University; increase General Fund appropriation in fiscal year 2017-2018 and increase Restricted Funds appropriation in each fiscal year for KCTCS; increase funding for the Firefighters Foundation Program Fund; stipulate that no housing allowance be provided for the President of KCTCS; remove language regarding the Postsecondary Education Performance Fund; direct the establishment of the Postsecondary Education Performance Task Force; provide funding for the Bluegrass State Games; remove the Workforce Development Pool; insert provisions regarding the expenditure of bond proceeds, lease-purchase agreements for public postsecondary institutions, operations and maintenance funding, and capital projects for public postsecondary institutions; amend provision relating to expenditure of excess Restricted Funds or Federal Funds and interim appropriation increases; delete provisions relating to reallocation of appropriations among budget units; the Kentucky Permanent Fund, and prevailing wage; insert provisions relating to budget implementation, civil war reenactors, language provisions, unexpended debt service, effects of subsequent legislation, permitted use of water and sewer bond funds, settlement funds received by constitutional officers, the Kentucky Public Employee Benefit Reserve Trust Fund, and line of duty death benefits; amend the state salary/compensation, benefit, and employment policy; amend language relating to the General Fund Budget Reduction Plan, General Fund Surplus Expenditure Plan, and Phase I Tobacco Settlement; and make technical corrections.