

KENTUCKY GENERAL ASSEMBLY BUDGET AMENDMENT FORM
2016 REGULAR SESSION
Unofficial Document

Amend printed copy of HB 303/HCS 1

Part I

Beginning on page 93, line 5, through page 106, line 22, delete all language and insert the following in lieu thereof:

"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
TOTAL	103,363,600	104,762,100

(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

Amendment No. HFA 8

Sponsor: Rep. Jeff Hoover

Committee Amendment: _____

Signed: _____

Floor Amendment: _____

LRC Drafter: Settle, Leah

Adopted: _____

Date: _____

Rejected: _____

Doc. ID: XXXXXX

Not for Filing

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

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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

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

(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

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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

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

(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

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

7. NORTHERN KENTUCKY UNIVERSITY

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

(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
TOTAL	2,000,000	3,628,506,400	3,948,018,100

(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
Federal Funds	38,811,000	38,811,000
TOTAL	398,734,000	407,178,000

(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

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

(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;

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- (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
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
TOTAL	6,764,500	7,642,126,900	8,060,505,000";

and adjust subsequent subtotals and totals accordingly.

SUMMARY: Adjust appropriations for the Council on Postsecondary Education, Kentucky Higher Education Assistance Authority, Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, University of Kentucky, University of Louisville, Western Kentucky University, and Kentucky Community and Technical College System; insert and amend language provisions; and insert language providing for a Postsecondary Education Performance Task Force.